

Case Number

4736

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
June 7, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Dalport Oil
Corporation for an exception
to Order Number R-3221, as
amended, Chaves County, New
Mexico.

CASE NO. 4736

BEFORE: Daniel Nutter
Examiner

TRANSCRIPT OF HEARING

1 MR. NUTTER: Call Case Number 4736.

2 MR. HATCH: Application of Dalport Oil Corporation
3 for an exception to Order Number R-3221, as amended, Chaves
4 County, New Mexico.

5 MR. CHRISTY: S.B. Christy appearing on behalf of
6 the Applicant, Dalport Oil Corporation. We have one witness,
7 Mr. Examiner. Would you please stand and be sworn?

8 LEON M. LAMPUT,
9 appeared as a witness and, after having been duly sworn,
10 testified as follows:

11 * * * * *

12 DIRECT EXAMINATION

13 BY MR. CHRISTY:

14 Q Would you please state your name and address and by
15 whom you are employed and in what capacity?

16 A Leon Lamput, Corpus Christi, Dalport Oil Corporation,
17 Dallas, Texas.

18 Q Have you previously testified before this Regulatory
19 Board?

20 A Yes.

21 Q And you are a petroleum engineer?

22 A Geologist.

23 Q And you have had your qualifications accepted?

24 A Yes, sir.

25 Q Are you familiar with Case 4736, before this Regulatory

1 Board and what it seeks?

2 A Yes.

3 Q Are you also familiar with 4320, Order R-3865, which
4 was a Dalport Appliation which you testified in?

5 A Yes, sir.

6 Q And is this case similar to that?

7 A Yes, sir.

8 Q And it is also similar to Case Number 4156, is it not?

9 A Yes, sir.

10 Q And what is it, briefly, that you seek in this
11 Application?

12 A We have a well in Section 22, 15 South, Range 29 East,
13 in the SE/4 of the NW/4 that we have just completed, and
14 it's pumping 25 barrels of oil and 52 barrels of water.
15 We have put a disposal pit next to our battery, due west
16 of our well, and we wish to expose the well. Briefly;
17 the well was potentialed on May 22, 1972, and we contacted
18 Mr. Grayset and obtained temporary permission to produce
19 water into an open pit. I think he gave us thirty days
20 in which we could hold this hearing. Prior to drilling
21 this well by cable tools, there was no water at all in
22 the hole. It was dry. There was no water in the upper
23 bed prior to drilling this well. We drilled another
24 well in April of this year, just to the southwest of
25 what you see there on Exhibit A, in yellow.

1 Q The subject well, what are the active quantities of
2 oil, gas and water?

3 A The well is pumping 25 barrels of oil and 52 barrels of
4 salt water per day.

5 Q No gas?

6 A Slight amount of gas.

7 Q Now, you mentioned, just a second ago, Exhibit A. Would
8 you refer to that, now, what has been marked as Exhibit
9 1 in this case, and would you please identify what it
10 depicts with reference to this Application?

11 A In Section 22, the yellow is the most recent well we
12 drilled, making oil and water, and the pit is located
13 just west of this location. The well to the north,
14 Section 315, South 29, is Little Lucky Water Well at
15 a depth of 120.

16 Q Is that the same well testified to in Case Number 4320?

17 A Yes, sir.

18 Q Have you changed your mind or testimony with respect to
19 that well?

20 A No, sir.

21 Q Would you now refer to Exhibit B, or Exhibit 2, whichever?
22 Briefly identify that test and what its purpose is with
23 respect to this Application?

24 A This shows the different water wells producing in the
25 whole area and also shows the windmills and tanks.

- 1 Q Are these the same windmills and tanks that you
2 testified to in Case Number 4320?
- 3 A Yes, sir.
- 4 Q Have you changed any of your testimony since then?
- 5 A No, sir.
- 6 Q You have indicated it with the same symbol as is on
7 Exhibit 1?
- 8 A Yes, sir.
- 9 Q I notice on Exhibit 2 you have the direction of the
10 water flow in a line going south, southwest. What is
11 that?
- 12 A This came from the Bureau of Mine publication. It's
13 just a general direction of sub-surface water flow.
- 14 Q Now, with respect to that, you have identified where it
15 would be appropriate to put this pit if the water should
16 permeate out of the pit. Where would the water flow to?
- 17 A Chances are, to the south.
- 18 Q In the direction of the water flow which you show?
- 19 A Yes.
- 20 Q No other water wells in the immediate area; mile or
21 two miles?
- 22 A Correct, no other wells.
- 23 Q And you found no fresh water in the well?
- 24 A Just south of the yellow, the well in Section 27, that
25 Number 2 well, there was no water in it.

1 Q Tell the Commission, briefly, of the Application with
2 respect to the disposal of the water.

3 A Well, I would imagine we would have to shut -- lose
4 25 or so barrels a day.

5 Q Is it economically feasible to transport that to a
6 water disposal area?

7 A No, it surely wouldn't be.

8 Q Mr. Lampit, in your opinion, would the granting of this
9 Application prevent waste of the water, and at the same
10 time, protect the correlative rights of the parties?

11 A Yes, sir.

12 Q Can you think of anything further that might be of
13 interest to this Commission?

14 A No, sir, I can't.

15 Q Were Exhibits 1 and 2 prepared under your direction and
16 supervision?

17 A Yes, sir.

18 MR. CHRISTY: I would like to move for admission
19 of Applicant's Exhibits 1 and 2.

20 MR. NUTTER: Without objection, Exhibits 1 and 2
21 will be admitted into evidence.

22 MR. CHRISTY: That's all for the Applicant.

23 MR. NUTTER: McLean is operating a waterflood in
24 the east, the Sillmar, at the present time?

25 MR. LAMPIT: That's correct.

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6891, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

1 MR. NUTTER: What is the source of water that he
2 is using, do you know?

3 MR. LAMPUT: It is brought in by pipeline, by
4 Eagle Pipeline, and is fresh water from down south, somewhere
5 I guess it's from the Grayburg-Jackson Company. I don't know
6 if it is being recycled back into the ground or not. I don't
7 know what his situation is, but assuming that this well turned
8 out to be economical, we would drill more wells. We are
9 waiting to see, really.

10 MR. NUTTER: Are there any other further questions
11 of this witness?

12 (No response.)

13 MR. NUTTER: You may be excused.

14 (Witness excused.)

15 MR. NUTTER: Does anyone have anything else to
16 offer in Case Number 4736?

17 (No response.)

18 MR. NUTTER: We'll take the case under advisement
19 and we'll reopen Case Number 4732.
20
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25

1 STATE OF NEW MEXICO)
2) ss
3 COUNTY OF BERNALILLO)

4 I, ROSALIE E. CLAUSSEN, a Shorthand Reporter, in and for
5 the County of Bernalillo, State of New Mexico, do hereby
6 certify:


7 That the foregoing and attached Transcript of Hearing
8 before the New Mexico Oil Conservation Commission was reported
9 by me;

10 That the same is a true and correct record of the said
11 proceedings to the best of my knowledge, skill and ability.

12 
13 ROSALIE E. CLAUSSEN

14 Dated at Albuquerque, New Mexico,
15 this 31st day of July, 1972.

16
17
18
19
20
21
22 I do hereby certify that the foregoing is
23 a true and correct record of the proceedings
24 of the hearing of Case No. 4736
25 held by me on 6/7 1972

 , President
New Mexico Oil Conservation Commission

dearnley, meier & mc cormick

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1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

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I N D E X

WITNESS:

PAGE

LEON M. LAMPUT

Direct Examination by Mr. Christy

3

E X H I B I T S

APPLICANT'S

OFFERED

ADMITTED

Exhibit Number 1

5

7

Exhibit Number 2

5

7



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2085 - SANTA FE
87501

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

June 14, 1972

Mr. Sim B. Christy
Jennings, Christy & Copple
Attorneys at Law
Post Office Box 1180
Roswell, New Mexico 88201

Re: Case No. 4736

Order No. R-4327

Applicant:

DALPORT OIL CORPORATION

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Aztec OCC

Other State Engineer Office

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4736
Order No. R-4327

APPLICATION OF DALPORT OIL
CORPORATION FOR AN EXCEPTION
TO ORDER NO. R-3221, AS AMENDED,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 7, 1972,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of June, 1972, the Commission, a
quorum being present, having considered the testimony, the
record, and the recommendations of the Examiner, and being
fully advised in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Commission has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Dalport Oil Corporation, is the
owner and operator of the Todhunter-Federal Well No. 1, located
in the SE/4 NW/4 of Section 22, Township 15 South, Range 29
East, NMPM, Double L Field, Chaves County, New Mexico.

(3) That Order (3) of Commission Order No. R-3221, as
amended, prohibits in that area encompassed by Lea, Eddy, Chaves,
and Roosevelt Counties, New Mexico, the disposal, subject to
minor exceptions of water produced in conjunction with the pro-
duction of oil or gas, or both, on the surface of the ground, or
in any pit, pond, lake, depression, draw, streambed, or arroyo,
or in any watercourse, or in any other place or in any manner
which would constitute a hazard to any fresh water supplies and
said disposal has not previously been prohibited.

(4) That the aforesaid Order No. R-3221 was issued in order
to afford reasonable protection against contamination of fresh
water supplies designated by the State Engineer through disposal
of water produced in conjunction with the production of oil or
gas, or both, in unlined surface pits.

-2-

CASE NO. 4736
Order No. R-4327

(5) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.

(6) That the applicant seeks an exception to the provisions of the aforesaid Order (3) to permit the disposal of salt water produced by applicant's Todhunter-Federal Well No. 1, located in the SE/4 NW/4 of said Section 22 in an unlined surface pit located in the vicinity of said well.

(7) That there appears to be no shallow fresh water in the vicinity of the subject pit for which a present or reasonably foreseeable beneficial use is or will be made that would be impaired by contamination from the subject pit.

(8) That the applicant should be permitted to dispose of water produced by the above-described well in an unlined surface pit located in the vicinity of the subject well.

IT IS THEREFORE ORDERED:

(1) That the applicant, Dalport Oil Corporation, is hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil or gas, or both, by its Todhunter-Federal Well No. 1, located in the SE/4 NW/4 of Section 22, Township 15 South, Range 29 East, NMPM, Double L Field, Chaves County, New Mexico, in an unlined surface pit located in the vicinity of said well.

(2) That the Secretary-Director of the Commission may by administrative order rescind such authority whenever it reasonably appears to the Secretary-Director that such rescission would serve to protect fresh water supplies from contamination.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

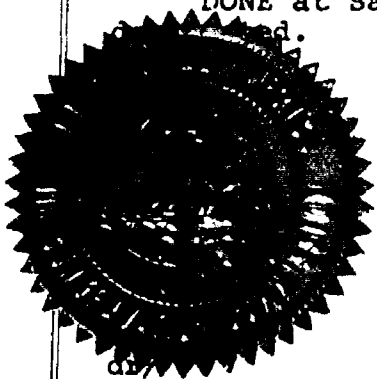
DONE at Santa Fe, New Mexico, on the day and year hereinabove stated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Bruce King
BRUCE KING, Chairman

Alex J. Armiijo
ALEX J. ARMIJO, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary



OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

May 30, 1972

Mr. S. B. Christy
Jennings, Christy & Copple
Attorneys at Law
Post Office Box 1180
Roswell, New Mexico 88201

Dear Sir:

I have checked with the examiner in regard to your request and it will be satisfactory for your client to come in about 1 p.m. on June 7th.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

C
O
P
Y

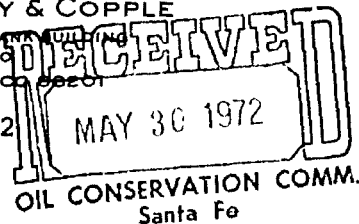
JAMES T. JENNINGS
SIM B. CHRISTY IV
ROGER L. COPPLE
BRIAN W. COPPLE

LAW OFFICES OF
JENNINGS, CHRISTY & COPPLE

1012 SECURITY NATIONAL BANK BUILDING
P. O. BOX 180
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-8432
AREA CODE 505

May 26, 1972



New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

Re: Docket No. 12-72

Dear Pete:

We represent Dalport Oil Corporation who has Case 4736 on your docket call of June 7, and this is the 13th and last case on the docket.

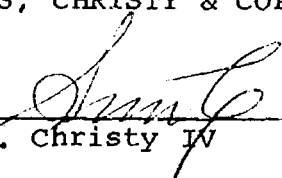
I wondered if it would be acceptable to you if I tell my client that he does not need to be in Santa Fe before 1:00 P.M. on June 7; this would help him on a transportation problem and avoid sitting around all morning.

Appreciating your advice.

Best personal regards,

JENNINGS, CHRISTY & COPPLE

By


S. B. Christy IV

SBC:pv

cc: Dalport Oil Corporation
(Corpus Christi, Texas)
cc: Dalport Oil Corporation
(Dallas, Texas)

(Case 4729 continued)

of Federal, State and Fee lands in Sections 19, 20, 21, 28, 29, 30, 31, 32, and 33, Township 21 South, Range 25 East, Eddy County, New Mexico.

CASE 4730: Application of Stoltz, Wagner & Brown for salt water disposal, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to dispose of produced salt water into the Devonian formation in the interval from 11224 to 11234 feet in their Soldier Hill State AE Well No. 1 located 800 feet from the North line and 1800 feet from the West line of Section 23, Township 12 South, Range 32 East, East Caprock Devonian Pool, Lea County, New Mexico.

CASE 4731: Application of Continental Oil Company for rededication of acreage and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dedicate a standard 640-acre gas proration unit comprising all of Section 14, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to its Sanderson "A" Wells Nos. 12 and 13 located, respectively, in Units P and G of said Section 14. Applicant further seeks authority to produce the allowable for the unit from either well in any proportion. Applicant further seeks the establishment of a procedure whereby the allowable for the above-described proration unit may be produced by any or all Eumont gas wells located within said unit without the necessity of notice and hearing.

CASE 4732: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Skaggs-Glorieta, East Weir-Blinbry, and Skaggs-Drinkard Pools in the wellbore of its Skaggs "B" Well No. 5 located 990 feet from the North line and 1700 feet from the West line of Section 12, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 4709: (Continued from the May 5, 1972, Examiner Hearing)

Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Eumont Gas Pool and the Penrose Skelly Oil Pool in the wellbore of its Lockhart A-17 Well No. 1 located in Unit L of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 7, 1972

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before DANIEL S. NUTTER, Examiner,
or ELVIS A. UTZ, Alternate Examiner:

CASE 4716 (Readvertised):

Application of Union Oil Company of California for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Owens Well No. 2, having a surface location in Unit I of Section 34, Township 14 South, Range 35 East, East Morton-Wolfcamp Pool, Lea County, New Mexico. Applicant proposes to set a whipstock at approximately 7200 feet and to directionally drill to bottom the well in the Wolfcamp formation within 100 feet of a point in Unit H 1730 feet from the North line and 560 feet from the East line of said Section 34. Applicant proposes to dedicate the E/2 NE/4 of Section 34 to the well. In the absence of objection an order will issue based upon testimony received in this case on May 17, 1972.

CASE 4726: Application of Shenandoah Oil Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formations through one well located in the SE/4 NW/4 of Section 27, Township 18 South, Range 31 East, Shugart Pool, Eddy County, New Mexico.

CASE 4727: Application of Harper Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle oil production from the Blinbry, Drinkard, and Wantz-Abo Pools in the wellbore of its S. J. Sarkey Well No. 2 located in Unit H of Section 26, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 4728: Application of Texaco Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the East Weir-Tubb Pool, Lea County, New Mexico, including provisions for 80-acre proration units and a limiting gas-oil ratio limitation of 4000 cubic feet of gas per barrel of oil.

CASE 4729: Application of American Trading and Production Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Round Mountain Unit Agreement comprising 5,757 acres, more or less,

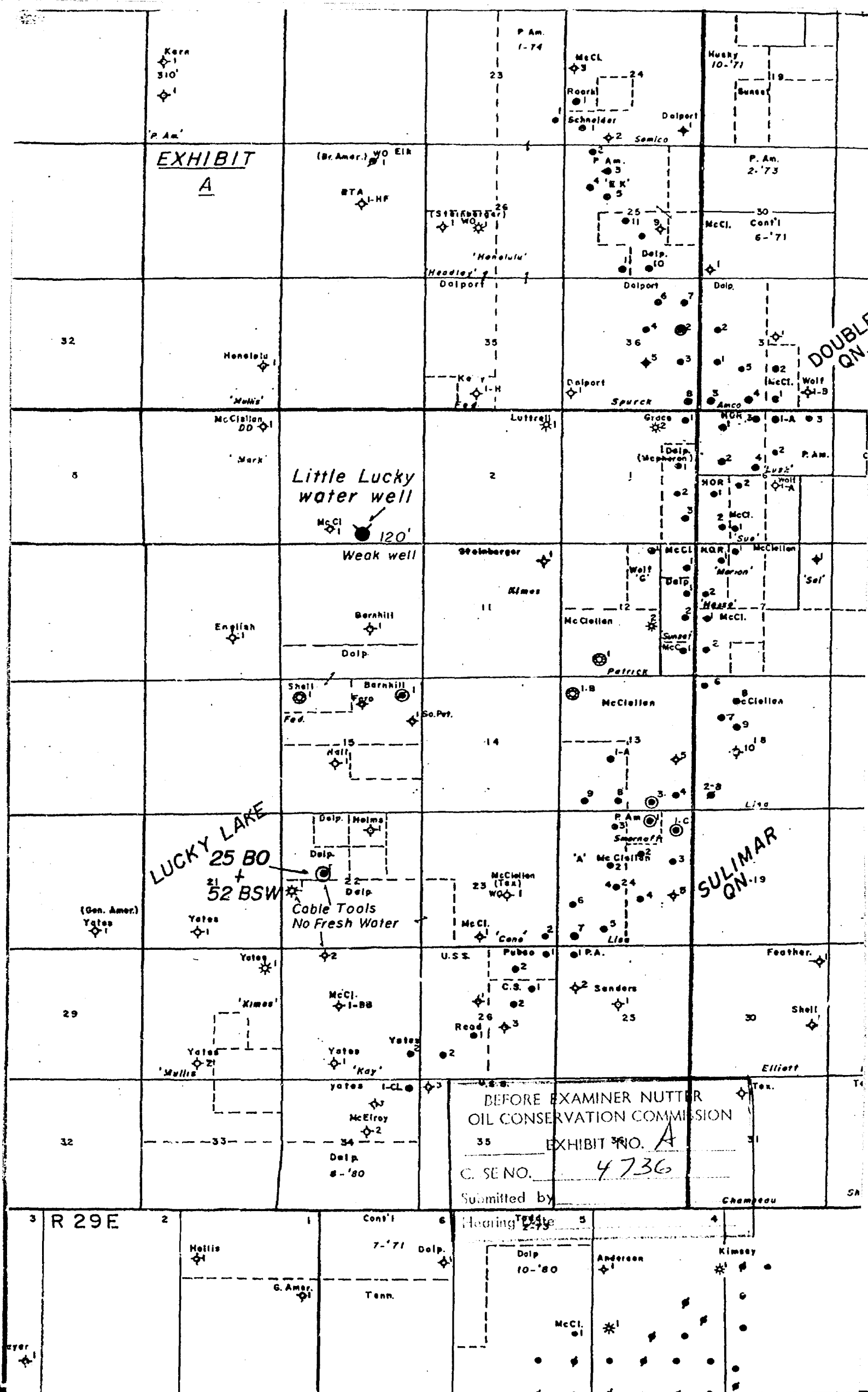
CASE 4733: Application of David Fasken for pool contraction and creation of a new gas pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the horizontal limits of the Indian Basin-Morrow Gas Pool, Eddy County, New Mexico, by the deletion therefrom of all of Sections 4 and 5, Township 21 South, Range 24 East. Applicant further seeks the creation of a new gas pool with horizontal limits comprising all of said Section 4 and 5 for the production of gas from the Morrow formation.

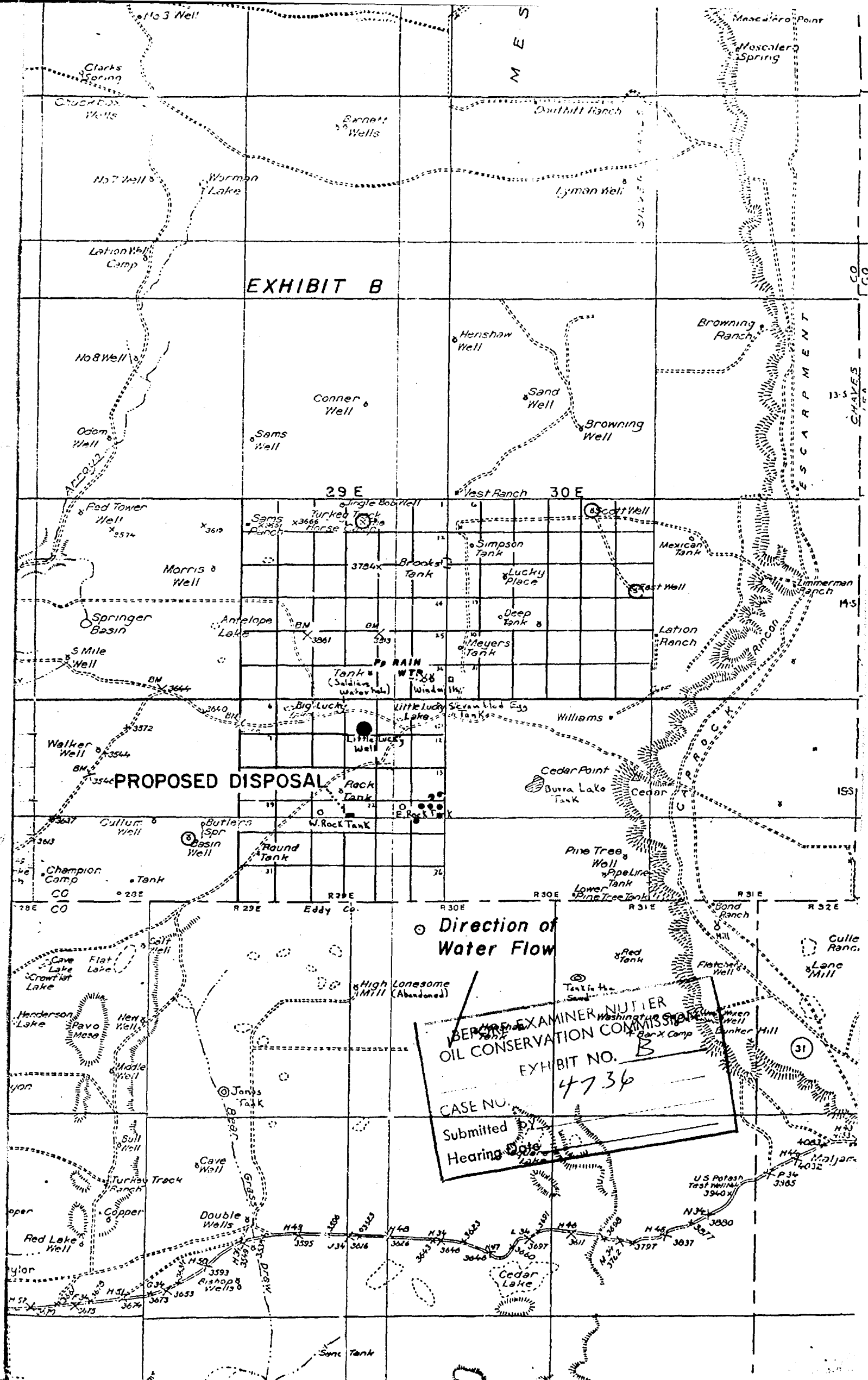
CASE 4734: Application of Hanagan Petroleum Corporation for pool extension, non-standard spacing unit, and unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order extending the horizontal limits of the Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, to include all of Section 24, Township 21 South, Range 25 East and all of Section 19, Township 21 South, Range 26 East. Applicant further seeks approval of a 636.38-acre non-standard gas spacing unit comprising all of said Section 19 to be dedicated to its Nan-Bet Well No. 1 located at an unorthodox location for said pool 1980 feet from the North line and 660 feet from the West line of said Section 19.

CASE 4735: Application of El Paso Natural Gas Company for capacity production, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rules 14 (A) 15 (A), and 15 (B) of the General Rules and Regulations for the prorated gas pools of Northwest New Mexico, to produce six wells located in Sections 29, 30, 31, and 32 of Township 32 North, Range 8 West and Section 36, Township 32 North, Range 9 West, Blanco-Mesaverde Pool, San Juan County, New Mexico, at full capacity for approximately one year from February 1, 1972.

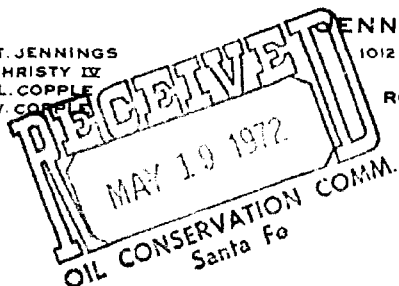
Applicant further seeks authority to offset any overproduction accrued to the above-described six wells during the one-year period by underproduction attributable to any underproduced wells or marginal wells located within the participating area of the San Juan 32-9 Unit.

CASE 4736: Application of Dalport Oil Corporation for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, to dispose into an unlined surface pit water produced from its Todhunter-Federal Well No. 1 located in the SE/4 NW/4 of Section 22, Township 15 South, Range 29 East, Double L Field, Chaves County, New Mexico.





JAMES T. JENNINGS
SIM B. CHRISTY IV
ROGER L. COPPLE
BRIAN W. COPPLE



LAW OFFICES OF

JENNINGS, CHRISTY & COPPLE

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ROSWELL, NEW MEXICO 88201

TELEPHONE 622-8432
AREA CODE 505

May 18, 1972

Case 4726

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: A. L. Porter, Jr., Executive Secretary

Re: Dalport Oil Corporation Application For
Exception to Order R-3221-C

Gentlemen:

We enclose herewith in triplicate Application by our
client Dalport Oil Corporation for an exception to the
Commission's Order R-3221-C, Case 3807, entered September 10,
1968.

We would appreciate it if the case might be set for
an examiner hearing in mid-June 1972. If anything further is
required kindly advise.

Respectfully,

JENNINGS, CHRISTY & COPPLE

By

S. B. Christy IV
S. B. Christy IV

SBC:jy

Encl.

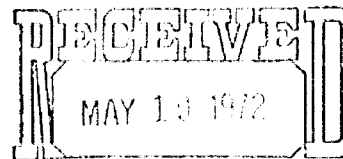
cc tog w/cc of Application:

Dalport Oil Corporation (Dallas)

Dalport Oil Corporation (Corpus Christi)

DOCKET MARKED

524-72
Date



OIL CONSERVATION COMM.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF DALPORT OIL CORPORATION FOR
AN EXCEPTION TO ORDER R-3221-C,
CASE 3807, ENTERED SEPTEMBER 10,
1968, TO PERMIT THE DISPOSAL OF
SALT WATER PRODUCED FROM DALPORT
#1 TODHUNTER-FEDERAL WELL IN THE
SE $\frac{1}{4}$ NW $\frac{1}{4}$ SECTION 22, TOWNSHIP 15
SOUTH, RANGE 29 EAST, N.M.P.M.,
CHAVES COUNTY, NEW MEXICO, INTO
A PIT LOCATED IN THE SW $\frac{1}{4}$ NW $\frac{1}{4}$ OF
SAID SECTION 22.

CASE NO. 4736

APPLICATION

COMES NOW Dalport Oil Corporation, a Texas corporation
(Dalport), authorized to transact business in the State of New
Mexico, and states:

1. Dalport is the operator of a producing oil well
in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 22, Township 15 South, Range 29 East,
N.M.P.M., Chaves County, New Mexico, which produces oil and
associated hydrocarbons from the Queen formation in the Double L
Field in Chaves County, New Mexico; in addition to oil, said
well produces approximately 50 barrels of salt water per day.
Dalport is also the operator of five or more additional producing
wells in the Double L Field. The well in question is known as
the Dalport #1 Todhunter-Federal Well.


2. By this application Dalport seeks to dispose or
produce salt water from said well into a pit located in the
SW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 22. It is the information and belief of
Dalport that there are no fresh water bearing formations in the

area of said well and pit which might be contaminated by the continued disposal of salt water from said well into said pit, and that no correlative rights would be violated as a result of such authority. That in order to prevent waste without the violation of correlative rights of any interested party, Dalport should be granted authority to dispose of salt water produced from said well into said pit as an exception to Order R-3221-C, Case 3807, entered by the Commission September 10, 1968.

WHEREFORE, Dalport Oil Corporation respectfully requests the Commission to set the above matter down for hearing, and after notice and hearing, to enter an Order permitting the disposition of salt water produced from the Dalport #1 Todhunter-Federal Well into a pit, or any supplemental, amended or substituted pits, located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 22; and for all proper relief.

DALPORT OIL CORPORATION

By


S. B. Christy IV
As a Member of the Firm of
Jennings, Christy & Copple,
P. O. Box 1180,
Roswell, New Mexico 88201

Attorneys for the Applicant

DRAFT

GMH/dr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4736

Order No. R- 4327

APPLICATION OF DALPORT OIL
CORPORATION FOR AN EXCEPTION
TO ORDER NO. R-3221, AS AMENDED,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 7, 1972,
at Santa Fe, New Mexico, before Examiner DANIEL S. NUTTER.

NOW, on this _____ day of June, 1972, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Dalport Oil Corporation, is the
owner and operator of ~~a lease comprising the~~ *the Toddhunter - Federal well No. 1 located in the* SE/4 NW/4 of Sec-
tion 22, Township 15 South, Range 29 East, Double L Field,
Chaves County, New Mexico.

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(3) That Order (3) of Commission Order No. R-3221, as amended, prohibits in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, the disposal, subject to minor exceptions of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any other place or in any manner which would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

(4) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.

(5) That the State Engineer has designated, pursuant to Section 65-3-11 (15). N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.

(6) That the applicant seeks an exception to the provisions of the aforesaid Order (3) to permit the disposal of salt water produced by applicant's Todhunter-Federal Well No. 1 located in the SE/4 NW/4 of said Section 22 in an unlined surface pit located in ~~said Section 22~~ *the vicinity of said well.*

(7) That there appears to be no shallow fresh water in the vicinity of the subject pit for which a present or reasonably foreseeable beneficial use is or will be made that would be impaired by contamination from the subject pit.

(8) That the applicant should be permitted to dispose of water produced by the above-described well in an unlined surface pit located in the ~~above-described Section 22~~ *vicinity of the subject well.*

IT IS THEREFORE ORDERED:

(1) That the applicant, Dalport Oil Corporation, is hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil or gas, or both, by its Todhunter-Federal Well No. 1 located in the SE/4 NW/4 of Section 22, Township 15 South, Range 29 East, NMPM, Double L Field, Chaves County, New Mexico, in an unlined surface pit located in ~~said Section 22~~ *the vicinity of said well.*

(2) That the Secretary-Director of the Commission may by administrative order rescind such authority whenever it reasonably appears to the Secretary-Director that such rescission would serve to protect fresh water supplies from contamination.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.