

CASE 6762: JOE DON COOK FOR AN EXCEPTION  
TO ORDER NO. R-3221, EDDY COUNTY, NEW  
MEXICO

CASE NO.

6762

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO  
 ENERGY AND MINERALS DEPARTMENT  
 OIL CONSERVATION DIVISION  
 STATE LAND OFFICE BLDG.  
 SANTA FE, NEW MEXICO  
 12 December 1979

EXAMINER HEARING

-----  
 IN THE MATTER OF: )

Application of Joe Don Cook for an )  
 exception to Order No. R-3221, )  
 Eddy County, New Mexico. )

CASE  
 6762  
 -----

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
 Division:

Ernest L. Padilla, Esq.  
 Legal Counsel for the Division  
 State Land Office Bldg.  
 Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.  
 KELLAHIN & KELLAHIN  
 500 Don Gaspar  
 Santa Fe, New Mexico 87501

I N D E X

JOE DON COOK

Direct Examination by Mr. Kellahin

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Cross Examination by Mr. Hutter

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E X H I B I T S

Applicant Exhibit One, Plat

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Applicant Exhibit Two, Plat  
Two-A, Data

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Applicant Exhibit Three, Plat

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Applicant Exhibit Four, Report

9

Applicant Exhibit Five,

10

Applicant Exhibit Six, Report

MR. NUTTER Call next Case Number 6762.

MR. PADILLA: Application of Joe Don Cook  
for an exception to Order No. R-3221, Eddy County, New  
Mexico.

MR. KELLAHIN: Tom Kellahin of Santa Fe,  
New Mexico, appearing on behalf of the applicant and I have  
one witness.

(Witness sworn.)

JOE DON COOK

being called as a witness and having been duly sworn upon  
his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Cook, would you please state your name  
and occupation?

A Joe Don Cook. Oil business, oil and gas  
producer.

Q Mr. Cook, you've previously testified  
before the Oil Conservation Division as an independent oil  
and gas operator, have you not?

A Yes.

Q And you testified with regards, previously, to a similar request for an exception to Commission Order R-3221, is that not so?

A Yes.

Q Mr. Cook, with regards to this application, have you made a study of the facts surrounding your request here?

A I have.

Q And in doing so have you prepared certain exhibits?

A Yes.

MR. KELLAMIN: We tender Mr. Cook as an expert witness.

MR. NUTTER: Mr. Cook is qualified.

Q Mr. Cook, would you refer to what we've marked as Exhibit Number One and identify that for us?

A Exhibit Number One is a plat, ownership plat, showing the subject well and the surrounding exceptions to the -- what is that rule?

Q It's Commission Order R 3221.

A Okay.

Q Tell me what the well name is.

A The No. 1 Hannifin.

Q And where is that well located?

A. It's in Section 1 of 19 South, 21 East.

Q. What is the footage location of the well?

A. Okay, it's -- okay, it's 2110 from the south line and 330 from the west line of Section 1, 19, 31.

Q. When was that well originally drilled and completed? Do you have an approximate date?

A. May of 1978, 1978.

Q. And what was the approximate cost of the well?

A. \$195,815.85.

Q. It produces from what formation, Mr. Cook?

A. Now, at present, the Queen formation.

Q. And it produces oil?

A. Yes.

Q. And what is the current daily production on the well?

A. Approximately 3 barrels per day.

Q. Does that well also produce water?

A. Yes.

Q. And what kind of water volumes are you producing from that well?

A. Well, it's erratic. At one -- one particular -- the last reading that we had, we had 120 barrels of water.

Q What are you currently doing with that water production?

A Hauling it off. Sometimes we can give it away to -- now the custom is to treat other wells in the formation with that water.

Q How far do you have to truck it away to the nearest disposal facility?

A 20 miles to the Laguna Disposal.

Q What's the approximate cost of trucking that water out of the area?

A Well, it ranges from -- all the way from \$800 to \$1500 per month.

Q Is this well ever going to pay out?

A No, I don't think so.

Q What's going to happen if you don't obtain an exception to the R-3221 order?

A I would suppose, unless oil keeps going up, we'd finally have to plug it. It's not economical with the other expenses.

Q Are there other exceptions to the Commission Order R-3221 in the area?

A Yes. Right.

Q Would you look at Exhibit Number One and identify those for us, please?



A This exemption Order R-4015 in the --

Q The one outlined in red?

A In red.

Q Who's the operator of that, do you know?

A I think, let's see, didn't I say it's

Keohane and Westall, I believe.

Q All right, and how about the operator for the green acreage?

A Mask-Westall.

Q And then the yellow acreage is the exception that you've already obtained.

A Yes. Right.

Q Okay.

MR. NUTTER: The yellow is an exception for Mr. Cook?

MR. KELLAHIN: Yes, he obtained that last year, Mr. Examiner.

A Two years ago.

MR. KELLAHIN: Two years ago.

Q Would you identify Exhibit Number Two for us, Mr. Cook?

A This is an outline from the subject well. It's color coded into the producing and abandoned water wells in one to, oh, it looks like 7 to 10 mile radius, and

the color code will give you abandoned, domestic stock, and injection well, which virtually shows that we have no fresh water in the area, immediate area of the subject well.

Q In addition to the exceptions you've indicated on Exhibit Number One, are you aware of any other operators in the immediate area that dispose of produced water in unlined surface pits?

A Yes. I understand Amoco Production is pitting water from the Morrow formation up in 18, 31, and I believe that is in Section 35 -- no, 26 and 25, and I'm not real familiar with what their exception is or what.

Q But to your knowledge, Mr. Cook, it is an accepted practice within the industry and one approved by the Commission to dispose of produced salt water on the surface in this particular area?

A Yes.

Q And to the best of your knowledge there is no fresh water source in the area.

A No.

Q Would you refer to Exhibit Number 2-A and identify that?

A Okay. Exhibit Two-A is a water well data taken from the State Engineer's Office in Roswell, New Mexico, and it gives the status of any and all water wells

in the immediate vicinity of the subject well.

Q Would you refer to Exhibit Number Three and identify that?

A This exhibit shows the subject well and a line to the nearest water disposal.

Q In terms of road miles, how far is that again, Mr. Cook?

A I think 20 miles; approximately 20 miles.

Q I show you what I've marked as Applicant's Exhibits Four and Five and ask you to identify those.

A This is a topographic map showing the area from the --- from the well and accompanying this exhibit is a geologist, Dolph Kinchloe's letter, pointing out what he believes will happen to the salt water.

Q You employed Mr. Kinchloe to make this study of what will happen to salt water disposed upon the ground?

A Yes. Right.

Q And what were his conclusions, Mr. Cook?

A I believe he said it wouldn't -- I believe he said it wouldn't travel over a quarter of a mile down toward -- it would be south, I believe.

Q Those conclusions --

A Southwest.

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well known

volume  
there

1

the surface

you of course

COPIES - 6

Q Those conclusions are on page two of his report, are they not?

A Right.

Q All right, sir, would you refer to Exhibit Number Six and identify that for us?

A This is a water analysis log of the subject well water performed by Halliburton Laboratory.

Q I believe you've indicated to us that the volumes of water produced are variable and they vary anywhere from 80 to 120 barrels a day?

A Right.

Q And you would seek permission from the Commission to dispose of produced salt water in an unlined surface pit up to a maximum of 200 -- of 120 barrels a day on the surface.

A That is right.

Q Were Exhibits One through Six prepared by you or compiled under your supervision and direction?

A Yes.

Q And in your opinion, Mr Cook, will approval of the application be in the best interests of conservation, the prevention of waste, and the protection of correlative rights?

A Yes.

MR. KELLAMIN: We move the introduction of Exhibits One through Six.

MR. NUTTER: Applicant's Exhibits One through Six will be admitted in evidence.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Cook, do you have any present plans for additional drilling on this lease?

A Yes, sir.

Q So the 120 barrels we're talking about today may not be the ultimate amount of water that you'd be putting in the pit here.

A Well, that -- that country is unreal. You never know what you're coming out with when -- if we offset it. If we can get this, we would feel safer about drilling an offset to it, and be more hopeful; feel more secure doing it. And you might get, a direct offset, you might get 60 barrels of oil and very little water. You never know.

Q Well, now, on Exhibit Number Three, I see a cross hatched area there in Section 1 that covers all but 120 acres in that section. Is that the acreage that you and Mr. Hannifin, I presume, have under lease here?

A No, I'm the owner of half of the Federal lease and Mr. Maxwell owns the other half, and I have a farmout from Mr. Maxwell's half on that Federal lease.

Q So either by farmout or by direct lease you control all of the lands that are cross hatched in blue on Exhibit Number Three?

A Yes, sir.

Q So you would have room for a number of additional wells.

A Thirteen additional wells.

Q And where is your tank battery at the present time, Mr. Cook, and where would this pit be located?

A It is at the well location.

Q And the pit would be there also?

A Yes, sir.

Q So the pit would be in the northwest quarter of the southwest quarter of Section 1.

A Yes, sir.

MR. NUTTER: Are there any further questions of Mr. Cook? He may be excused.

Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in case Number 6762?

We'll take the case under advisement.

## REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand Reporter,  
DO HEREBY CERTIFY that the foregoing and attached Transcript  
of Hearing before the Oil Conservation Division was reported  
by me; that the said transcript is a full, true, and correct  
record of the hearing, prepared by me to the best of my  
ability.

\_\_\_\_\_  
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is  
a correct and true transcript of the proceedings in  
the case of Case No. 6762  
heard by me on 12/12 1979.

Atkinson Examiner  
Oil Conservation Division



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6762  
Order No. R-6224

APPLICATION OF JOE DON COOK FOR  
AN EXCEPTION TO ORDER NO. R-3221,  
AS AMENDED, EDDY COUNTY, NEW  
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 12, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of January, 1980, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Joe Don Cook, is the owner and operator of the Hannifin Well No. 1, located in Unit L of Section 1, Township 19 South, Range 31 East, NMPM, Shugart Pool, Eddy County, New Mexico.

(3) That Order (3) of Division 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, stream-bed, 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.

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Case No. 6762  
Order No. R-6224

(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 as an exception to the provisions of the aforesaid Order (3) to permit the disposal of salt water produced by applicant's above-described well into an unlined surface pit located in Unit L of said Section 1.

(7) That applicant's Hannifin Lease produces approximately 120 barrels of water per day.

(8) 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.

(9) That to prevent the waste of oil and gas in said Shugart Pool, authority to dispose of produced water from applicant's Hannifin Lease in an unlined surface pit on said lease should be granted.

(10) That the applicant should be permitted to dispose of water produced from said lease in an unlined surface pit on said lease until further order of the Division.

IT IS THEREFORE ORDERED:

(1) That the applicant, Joe Don Cook, is hereby granted an exception to Order (3) of Division Order No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil or gas, or both, from his Hannifin Lease, located in Section 1, Township 19 South, Range 31 East, NMDM, Shugart Pool, Eddy County, New Mexico, in an unlined surface pit located in Unit L of said Section 1, until further order of the Division.

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Case No. 6762  
Order No. R-6224

(2) That the Director of the Division may by administrative order rescind such authority whenever it reasonably appears to the 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 Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



*Joe D. Ramey*  
JOE D. RAMEY  
Director

S E A L

fd/



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
12 December 1979

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For the Applicant:

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500 Don Gaspar  
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## I N D E X

## JOE DON COOK

Direct Examination by Mr. Kellahin	3
Cross Examination by Mr. Nutter	11

## E X H I B I T S

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Two-A, Data	8
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A The No. 1 Hannifin.

Q And where is that well located?



A. It's in Section 1 of 19 South, 31 East.

Q. What is the footage location of the well?

A. Okay, it's -- okay, it's 2110 from the south line and 330 from the west line of Section 1, 19, 31.

Q. When was that well originally drilled and completed? Do you have an approximate date?

A. May of 1978, 1978.

Q. And what was the approximate cost of the well?

A. \$195,815.85.

Q. It produces from what formation, Mr. Cook?

A. Now, at present, the Queen formation.

Q. And it produces oil?

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Keohane and Westall, I believe.

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the green acreage?

A. Mask-Westall.

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tion that you've already obtained.

A. Yes. Right.

Q. Okay.

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Q And to the best of your knowledge there is no fresh water source in the area.

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Q And what were his conclusions, Mr. Cook?

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Q Those conclusions --

A Southwest.

Q Those conclusions are on page two of his report, are they not?

A Right.

Q All right, sir, would you refer to Exhibit Number Six and identify that for us?

A This is a water analysis log of the subject well water performed by Halliburton Laboratory.

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CROSS EXAMINATION

BY MR. NUTTER:

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Q So you would have room for a number of additional wells.

A Thirteen additional wells.

Q And where is your tank battery at the present time, Mr. Cook, and where would this pit be located?

A It is at the well location.

Q And the pit would be there also?

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Q So the pit would be in the northwest quarter of the southwest quarter of Section 1.

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MR. NUTTER: Are there any further questions of Mr. Cook? He may be excused.

Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in case Number 6762?

We'll take the case under advisement.



## REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand Reporter,  
DO HEREBY CERTIFY that the foregoing and attached Transcript  
of Hearing before the Oil Conservation Division was reported  
by me; that the said transcript is a full, true, and correct  
record of the hearing, prepared by me to the best of my  
ability.

Sally W. Boyd C.S.R.  
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is  
a complete and correct transcript of the proceedings in  
the hearing of Case No. 6762  
heard on 12/12/77.  
[Signature] Examiner  
Oil Conservation Division

EXHIBIT 2-A

The following water well data was taken from State records at the office of the State Engineer in Roswell, New Mexico. They have been verified by State Engineer Sherman E. Galloway of #9 East Cedar in Roswell as being the only existing or abandoned water wells in the Townships of 18 and 19 South, Ranges 31 and 32 East, as shown on plat (Exhibit 2):

Township 18 South, Range 31 East

Section 1 - stock - 454.6' at last measurement  
(Approximately 6-7 miles from #1 State)

Section 12 - secondary recovery well  
434.5' at last measurement  
(Approximately 5-6 miles from #1 State)

Section 12 - abandoned domestic well

Section 12 - domestic - no measurement  
(Approximately 5-6 miles from #1 State)

Section 14 - abandoned  
376.9' as measured in 1971

Section 35 - domestic - abandoned 1971

Township 18 South, Range 32 East

Section 20 - domestic (Newmont Oil Co.)  
Last measurement - 173.5'

Section 22 - oil well drilling well - unused  
Last measurement - 427.9'

Section 34 - abandoned stock well  
Last measurement - 117.4'

(Continued on Page 2)

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
Cook	EXHIBIT NO. 2-A
CASE NO.	6762

Exhibit 2-A  
Producing and/or Abandoned Water Wells  
T-(18,19)-S, R-(31,32)-E

Township 19 South, Range 31 East

Section 27 - 4 wells for drilling only  
2 pumping in 1976, 2 abandoned

Section 28 - domestic w/mill & tower  
Cannot be measured

Section 28 - commercial  
Cannot be measured

Section 28 - commercial and stock  
Cannot be measured

Section 28 - stock  
Measured last at 110.4'

Section 33 - stock and commercial  
Cannot be measured

Section 33 - stock and commercial  
No measurement since 1970

Section 33 - domestic  
No measurement since 1970

Township 19 South, Range 32 East

Section 1 - Abandoned stock well

Section 1 - Abandoned stock well

Section 1 - 3 abandoned wells

Section 8 - 2 stock wells  
365.8' at last measurement

Section 34 - Abandoned & lost commercial well

Section 34 - 5 commercial wells (tank battery)  
Last measured at 247.4' and 252.5'

EXHIBIT 2-A

The following water well data was taken from State records at the office of the State Engineer in Roswell, New Mexico. They have been verified by State Engineer Sherman E. Galloway of #9 East Cedar in Roswell as being the only existing or abandoned water wells in the Townships of 18 and 19 South, Ranges 31 and 32 East, as shown on plat (Exhibit 2):

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(Continued on Page 2)

DATE OF SURVEY	1971
BY	STATE ENGINEER
EXHIBIT NO.	2

Exhibit 2-A  
Producing and/or Abandoned Water Wells  
T-(18,19)-S, R-(31,32)-E

Page 2

Township 19 South, Range 31 East

Section 27 - 4 wells for drilling only  
2 pumping in 1976, 2 abandoned

Section 28 - domestic w/mill & tower  
Cannot be measured

Section 28 - commercial  
Cannot be measured

Section 28 - commercial and stock  
Cannot be measured

Section 28 - stock  
Measured last at 110.4'

Section 33 - stock and commercial  
Cannot be measured

Section 33 - stock and commercial  
No measurement since 1970

Section 33 - domestic  
No measurement since 1970

Township 19 South, Range 32 East

Section 1 - Abandoned stock well

Section 1 - Abandoned stock well

Section 1 - 5 abandoned wells

Section 8 - 2 stock wells  
285.2' at last measurement

Section 34 - Abandoned & lost commercial well

Section 34 - 3 commercial wells (tank battery)  
Last measured at 247.4' and 252.5'

Dalton Kincheloe  
GEOLOGIST

859 Petro Bldg.  
Roswell, New Mexico 88201  
Ph. 505 622-7240

OIL CONSERVATION DIVISION	
COOK	EXHIBIT NO. 5
CASE NO.	6762

Oil Conservation Commission  
State of New Mexico  
State Land Office  
Santa Fe, New Mexico 87501

Re: Case No. R-3221 - December 12, 1979  
Gentlemen:

I have checked the records available concerning potable water in the vicinity of the center of Section 1, T-19-S, R-31-E, Eddy County, New Mexico. I am submitting copies of three drillers' logs on wells drilled as oil and gas tests located in sections 2, 3 and 12 which show that no fresh water was encountered in any of the tests drilled. These wells were drilled with cable tool equipment and had water-bearing zones been encountered I am sure they would have been reported.

Carper #1 W.S. Day - NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$  Sec. 3, T-19-S, R-31-E  
Red Bed from 120-709' and anhydrite and salt from 709-2371'.  
The first fluid reported was an oil show from 2675-95'.  
This well was completed 7 December 1938.

Carper Drilling Co. #1 Quillen - c NW $\frac{1}{4}$ NE $\frac{1}{4}$  Sec. 12, T-19-S, R-31-E  
Abandoned 5 July 1939 at a total depth of 2835' as a dry hole with no fluid reported. This well had 70' of caliche, sand and red beds at the surface with red beds from 70-775'. the top of the anhydrite. The first salt was reported at 805'.

Me-Tex Supply Co. #1 State-2 - NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$  Section 2, T-19-S, R-31-E  
Completed as an oil well on 18 September 1939 with shows of oil at 2710-12', water at 2882', oil at 2980-3000', oil at 3196', wayer at 3210' and 3240-60'. Two other oil shows were encountered at 3330-32' and 3640-70'. The well was completed with tubing 5' off bottom at 3680'.

NM - OCC  
Land Commission

Page Two  
RE: No. R-3221

Joe Don Cook #1 Hannifin  
2310 FSL and 330' FW  
Section 1, T-19-S, R-31-E

Completed as an oil well from the Queen on 28 April 1978.  
The driller's log shows no fresh water above the top of the  
salt (863').

Due to the extreme sandy surface at the location of the Joe  
Don Cook #1 Hannifin well it is believed that any water  
put in a surface pit will remain near the site of dumping and would  
not travel over one-quarter ( $\frac{1}{4}$ ) mile down the surface dip to  
the southwest.

No damage to the environment would occur and in the interest  
of conservation oil will be recovered which would be lost  
should the well be plugged due to the economics of hauling  
produced water from the location.

Since other operators in the section are disposing of water  
in surface pits it would appear that it would be an undue  
hardship on this applicant to require him to dispose of water  
in any other manner.

Very truly yours,

*Dalton Kincheloe*

DALTON KINCHELOE  
Geologist

DK/mar

Enclosures: Drillers' Logs (3)

HALLIBURTON DIVISION LABORATORY  
HALLIBURTON SERVICES  
MIDLAND DIVISION  
HOBBS, NEW MEXICO 88240  
LABORATORY WATER ANALYSIS

No. W79-1060

To Joe Don Cook

Date 11-29-79

Box 159

Roswell, New Mexico

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by \_\_\_\_\_

Date Rec. 11-29-79

Well No. Hannifin #1

Depth \_\_\_\_\_

Formation \_\_\_\_\_

County Eddy

Field \_\_\_\_\_

Shugart

Source \_\_\_\_\_

Pump Tee

Resistivity 0.216 @ 70°F.

Specific Gravity 1.034

pH 7.1

Calcium (Ca) 2,750

\*MPL

Magnesium (Mg) 780

Chlorides (Cl) 24,500 ✓

Sulfates (SO<sub>4</sub>) 2,600

Bicarbonates (HCO<sub>3</sub>) 750

Soluble Iron (Fe) Nil

Sodium, Na (Cacl.) 12,790

Total Dissolved Solids 44,170 ✓

BEFORE EXAMINER NUTTER  
OIL CONSERVATION DIVISION

Cook EXHIBIT NO. 6  
CASE NO. 6762

Remarks:

\*Milligrams per liter

Respectfully submitted,

Analyst: Brewer

HALLIBURTON COMPANY

cc:

By

W. J. Brewer  
CHEMIST

NOTICE

THIS REPORT IS LIMITED TO THE DESCRIBED SAMPLE TESTED. ANY USER OF THIS REPORT AGREES THAT HALLIBURTON SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE, WHETHER IT BE TO ACT OR OMISSION, RESULTING FROM SUCH REPORT OR ITS USE.



Dockets Nos. 1-80 and 2-80 are tentatively set for January 3 and 16, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 12, 1979

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for January, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for January, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 6752: Application of Bill Stapler for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Quark Unit Area, comprising 11,200 acres, more or less, of State and Federal lands in Township 22 South, Range 34 East.
- CASE 6753: Application of Amax Chemical Corporation for the amendment of Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-111-A to extend the boundaries of the Potash-Oil Area by the inclusion of certain lands in Sections 26 and 27, Township 19 South, Range 29 East.
- CASE 6754: Application of Petroleum Development Corporation for a non-standard gas proration unit and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location for a well to be drilled 660 feet from the North and West lines of Section 15, Township 19 South, Range 32 East, Lusk-Morrow Gas Pool, the W/2 of said Section 15 to be dedicated to the well as a non-standard 320-acre proration unit.
- CASE 6755: Application of Dome Petroleum Corporation for water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to extend the previously authorized water disposal interval in its Santa Fe 20 Well No. 2 located in Unit F of Section 20, Township 21 North, Range 8 West, Snake Eyes-Entrada Oil Pool, to include the perforated interval from 5756 feet to 5790 feet in the Entrada formation.
- CASE 6756: Application of Amoco Production Company for pool contraction and creation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Air Strip-Bone Spring Pool to comprise the Middle Bone Spring formation only, from 9300 feet to 9460 feet, and the creation of the Air Strip-Upper Bone Spring Pool to comprise said formation from 9180 feet to 9260 feet and the Air Strip-Lower Bone Spring Pool to comprise said formation from 10,100 feet to 10,400 feet. All depths are from the log of the Amoco State FU Well No. 2 in Unit N of Section 25, Township 18 South, Range 34 East, for which well applicant also seeks 51,310 barrels of discovery allowable.
- CASE 6757: Application of Amoco Production Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its State FU Well No. 1 located in Unit K of Section 25, Township 18 South, Range 34 East, to produce oil from the Air Strip Upper and Middle Bone Spring Pools thru parallel strings of tubing.
- CASE 6758: Application of Amoco Production Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its State "C" Tract 11 Well No. 11 located in Unit X of Section 2, Township 21 South, Range 36 East, to produce oil from the Hardy-Ritchey Pool and an undesignated Drinkard pool through parallel strings of tubing.
- CASE 6719: (Continued and Readvertised)
- Application of Sam H. Snoddy for an amendment to Order No. R-5521, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5521, which authorizes the directional drilling of the Federal Well No. 2 in Section 25, Township 20 South, Range 32 East, to permit the well to be bottomed within 400 feet of a point 1320 feet from the South and West lines of Section 25.
- CASE 6759: Application of Sun Oil Company for an unorthodox location, non-standard gas proration unit, infill findings, simultaneous dedication, and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Reeves Well No. 6, 660 feet from the North line and 610 feet from the East line of Section 29, Township 20 South, Range 37 East, Eumont Gas Pool, to be simultaneously dedicated with its Reeves Well No. 2 in Unit D of Section 29 to a 160-acre non-standard gas proration unit comprising the N/2 N/2 of Section 29. Also sought are findings that the proposed well is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing unit well, and authority to commingle Eumont and Monument production in the wellbore of the proposed well.

- CASE 6760:** Application of Sun Oil Company for an unorthodox location, non-standard gas proration unit, infill findings, and simultaneous dedication, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State "AY" Well No. 5, located in Unit E of Section 36, Township 7 South, Range 35 East, Todd-Upper San Andres Gas Pool, to be simultaneously dedicated with its State "AY" Well No. 3 in Unit F of Section 36 to a 160-acre non-standard gas proration unit comprising the NW/4 of Section 36. Also sought are findings that the proposed well is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing unit well.
- CASE 6761:** Application of Phillips Petroleum Company for an unorthodox gas well location and approval of infill drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Atoka-Morrow test well to be drilled 660 feet from the North and West lines of Section 2, Township 24 South, Range 28 East; applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the proration unit, being the W/2 of said Section 2, which cannot be so drained by the existing well.
- CASE 6762:** Application of Joe Don Cook for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into an unlined surface pit located in Section 1, Township 19 South, Range 31 East, Shugart Pool.
- CASE 6763:** Application of Adams Exploration Company for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the North Osuda-Morrow Gas Pool underlying Section 16, Township 20 South, Range 36 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South and West lines of said Section 16. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6729:** (Continued from November 14, 1979, Examiner Hearing)  
Application of Adams Exploration Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying Section 16, Township 20 South, Range 36 East, North Osuda-Morrow Gas Pool, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6725:** (Continued from November 28, 1979, Examiner Hearing)  
Application of Tenneco Oil Company for three non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 291.23-acre non-standard gas proration unit comprising the W/2 of Section 6 and the NW/4 of Section 30, and a 347.58-acre unit comprising the W/2 of Section 19 and the NW/4 of Section 30, and a 375.17-acre unit comprising the SW/4 of Section 30 and the W/2 of Section 31, all in Township 29 North, Range 8 West, Basin-Dakota Pool, each unit to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6751:** (Continued from November 28, 1979, Examiner Hearing)  
Application of Tenneco Oil Company for the rescission of special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of the special pool rules for the Catclaw Draw-Morrow Gas Pool to provide for 320-acre spacing rather than 640-acre spacing. In the absence of objection, the pool rules will be rescinded and the pool placed on standard 320-acre spacing for Pennsylvanian gas pools rather than the present 640-acre spacing.
- CASE 6764:** Application of Lee Crane for surface commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the surface commingling of undesignated Ojo Alamo and Oswell-Farmington production from his Martin Wells Nos. 1 and 3 located in Section 34, Township 30 North, Range 11 West.
- CASE 6765:** Application of Mesa Petroleum Company for an exception to Order No. R-111-A and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing-cementing rules of Order No. R-111-A to complete its Bass Federal Well No. 2 to be drilled at an unorthodox location 1450 feet from the North line and 1850 feet from the West line and its Bass Federal Well No. 3 to be drilled in Unit D, both in Section 6, Township 20 South, Range 31 East, by setting surface casing in the "Red Bed" section of the basal Rustler formation and production casing at total depth. Both casing strings would have cement circulated to the surface.

**CASE 6766:** Application of Supron Energy Corporation for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of two non-standard gas proration units, the first being 192.97 acres comprising the W/2 of Section 7, Township 28 North, Range 10 West, and the E/2 E/2 of Section 12, Township 28 North, Range 11 West, for the Fruitland, Pictured Cliffs and Chacra formations, and the second being 190.89 acres comprising the W/2 and W/2 E/2 of said Section 12 for the Fruitland formation only, both units to be dedicated to wells to be drilled at standard locations thereon.

**CASE 6700:** (Reopened and Readvertised)

Application of Doyle Hartman to reopen Case No. 6700, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the reopening of Case No. 6700, heard October 17, 1979, to amend the original unorthodox well location 2310 feet from the North line and 330 feet from the West line of Section 29, Township 25 South, Range 37 East, to a new unorthodox location 1870 feet from the North line and 280 feet from the West line of said Section 29. All other aspects of Case No. 6700 would remain the same.

**CASE 6767:** Application of Alpha Twenty-One Production Company for two non-standard gas proration units, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 NW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 2, and also a 200-acre unit comprising the S/2 N/2 and NE/4 NW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 560 feet from the West line of Section 27. Applicant further seeks a finding that the drilling of the latter well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

**CASE 6768:** Application of Alpha Twenty-One Production Company for two non-standard gas proration units, compulsory pooling, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard gas proration unit comprising the SW/4 SW/4 of Section 21, Township 24 South, Range 37 East, Jalmat Gas Pool, to be dedicated to the El Paso Natural Gas Company Shell Black well No. 2. Applicant also seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the E/2 SW/4 and NW/4 SE/4 of said Section 21 to form a 120-acre non-standard gas proration unit to be dedicated to a well to be drilled at an unorthodox location 990 feet from the South line and 1650 feet from the West line of said Section 21. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well. Applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.

**CASE 6656:** (Continued from October 2, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Energy Oil & Gas Corp., The Travelers Indemnity Co., and all other interested parties to appear and show cause why the Sadler Well No. 1 located in Unit I of Section 3, Township 24 North, Range 29 East, Union County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

**CASE 6769:** In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, reclassifying, and extending certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the West Double X-Morrow Gas Pool. The discovery well is Union Oil Company of California Paduca Federal Well No. 1 located in Unit C of Section 30, Township 24 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM  
Section 30: E/2

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Dublin Ranch-Atoka Gas Pool. The discovery well is J. C. Barnes Little Squaw Com Well No. 2 located in Unit N of Section 27, Township 22 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM  
Section 27: S/2

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Com-Morrow Gas Pool. The discovery well is Union Oil Company of California Maduro Unit Federal Well No. 1 located in Unit J of Section 29, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 29: S/2

(d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the East Com-Morrow Gas Pool. The discovery well is Union Oil Company of California Laguna Deep Unit Federal Well No. 1 located in Unit G of Section 35, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 35: N/2

(e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Halfway-Atoka Gas Pool. The discovery well is Amoco Production Company Federal Y Com Well No. 1 located in Unit G of Section 27, Township 20 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM  
Section 27: E/2

(f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Midway-Devonian Pool. The discovery well is David Fasken Warren Well No. 1 located in Unit G of Section 8, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM  
Section 8: NE/4

(g) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the East Triste Draw-Atoka Gas Pool. The discovery well is Getty Oil Company State 29 J Well No. 1 located in Unit J of Section 29, Township 24 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM  
Section 29: E/2

(h) CREATE a new pool in Roosevelt County, New Mexico, classified as an oil pool for Bough C production and designated as the Tucker Ranch-Bough C Pool. The discovery well is Pauley Petroleum, Inc. Tucker Well No. 1 located in Unit J of Section 9, Township 7 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 33 EAST, NMPM  
Section 9: SE/4

(i) RECLASSIFY the Oil Center-Glorieta Pool in Lea County, New Mexico, as the Oil Center-Glorieta Gas Pool. The pool was created by Order R-5988 as an oil pool but was advertised as a gas pool.

(j) EXTEND the Angel Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM  
Section 1: W/2  
Section 2: N/2

(k) EXTEND the Atoka-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 28: S/2 SE/4

(l) EXTEND the Atoka-Yaso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 34: E/2 NW/4

(m) EXTEND the Austin-Mississippian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM  
Section 16: N/2

- (n) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 20: SE/4

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 18: SW/4

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM  
Section 1: NW/4

- (o) EXTEND the Bluitt-Wolfcamp Gas Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM  
Section 3: NE/4

- (p) EXTEND the South Brunson-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM  
Section 31: NE/4

- (q) EXTEND the Cass Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM  
Section 11: S/2

- (r) EXTEND the Chaveroo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM  
Section 3: SE/4

- (s) EXTEND the Cinta Roja-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 35 EAST, NMPM  
Section 10: All

- (t) EXTEND the Comanche-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 26 EAST, NMPM  
Section 14: NW/4 NW/4

- (u) EXTEND the Corbin-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
Section 34: NE/4

- (v) EXTEND the South Culebra Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 35: S/2

- (w) EXTEND the Diablo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM  
Section 15: SW/4 SW/4

- (x) EXTEND the Golden Lane-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM  
Section 36: E/2

- (y) EXTEND the East Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM  
Section 34: E/2

- (z) EXTEND the Langley-Devonian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM  
Section 20: E/2

- (aa) EXTEND the Lovington-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM  
Section 28: S/2  
Section 29: S/2

- (bb) EXTEND the North Lusk-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 33: E/2

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 4: E/2

- (cc) EXTEND the East McMillan Seven Rivers-Queen Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM  
Section 3: S/2 NE/4 and SE/4 NW/4

- (dd) EXTEND the Mescalero Permo-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM  
Section 34: W/2

- (ee) EXTEND the Monument-Tubb Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM  
Section 12: NW/4

- (ff) EXTEND the Penasco Draw San Andres-Yeso Associated Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 1: E/2 E/2, NW/4 NE/4, E/2 NW/4 and NE/4 SW/4  
Section 12: NE/4

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 6: N/2

- (gg) EXTEND the South Peterson-Fusselman Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM  
Section 30: SW/4

- (hh) EXTEND the East Red Lake Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM  
Section 36: NE/4

- (ii) EXTEND the Runyan Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM  
Section 18: E/2

- (jj) EXTEND the Salt Lake-Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM  
Section 14: SE/4  
Section 23: S/2 and NE/4

- (kk) EXTEND the North Shugart-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
Section 20: W/2

- (ll) EXTEND the Sioux-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM  
Section 8: SE/4

(mm) EXTEND the Tomahawk-San Andres Pool in Chaves and Roosevelt Counties, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM  
Section 29: NW/4  
Section 32: S/2

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM  
Section 5: NE/4

(nn) EXTEND the Tubb Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
Section 36: N/2

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 31: NW/4

(oo) EXTEND the North Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM  
Section 26: E/2

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 1: N/2

(pp) EXTEND the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM  
Section 25: SE/4

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM  
Section 19: S/2 SW/4 and SW/4 SE/4  
Section 30: W/2  
Section 31: NW/4

(qq) EXTEND the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM  
Section 12: All

EXHIBIT 2-A

The following water well data was taken from State records at the office of the State Engineer in Roswell, New Mexico. They have been verified by State Engineer Sherman E. Galloway of #9 East Cedar in Roswell as being the only existing or abandoned water wells in the Townships of 18 and 19 South, Ranges 31 and 32 East, as shown on plat (Exhibit 2):

Township 18 South, Range 31 East

Section 1 - stock - 454.6' at last measurement  
(Approximately 6-7 miles from #1 State)

Section 12 - secondary recovery well  
434.5' at last measurement  
(Approximately 5-6 miles from #1 State)

Section 12 - abandoned domestic well

Section 12 - domestic - no measurement  
(Approximately 5-6 miles from #1 State)

Section 14 - abandoned  
375.9' as measured in 1971

Section 35 - domestic - abandoned 1971

Township 18 South, Range 32 East

Section 20 - domestic (Newmont Oil Co.)  
Last measurement - 173.5'

Section 22 - oil well drilling well - unused  
Last measurement - 427.9'

Section 34 - abandoned stock well  
Last measurement - 117.4'

(Continued on Page 2)

SEARCHED	INDEXED
SERIALIZED	FILED
COOK	
6762	



Exhibit 2-A  
Producing and/or Abandoned Water Wells  
T-(18,19)-S, R-(31,32)-E

Page 2

Township 19 South, Range 31 East

Section 27 - 4 wells for drilling only  
2 pumping in 1976, 2 abandoned

Section 28 - domestic w/mill & tower  
Cannot be measured

Section 28 - commercial  
Cannot be measured

Section 28 - commercial and stock  
Cannot be measured

Section 28 - stock  
Measured last at 110.4'

Section 33 - stock and commercial  
Cannot be measured

Section 33 - stock and commercial  
No measurement since 1970

Section 33 - domestic  
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Township 19 South, Range 32 East

Section 1 - Abandoned stock well

Section 1 - Abandoned stock well

Section 1 - 3 abandoned wells

Section 8 - 2 stock wells  
365.8' at last measurement

Section 34 - Abandoned & lost commercial well

Section 34 - 3 commercial wells (tank battery)  
Last measured at 247.4' and 252.5'

- Dalton Kincheloe  
GEOLOGIST

859 Petro Bldg.  
Roswell, New Mexico 88201  
Ph. 505 622-7246

DEPOSE EXAMINER MUTTER	
OIL CONSERVATION DIVISION	
<u>Cook</u>	EXHIBIT NO. <u>5</u>
CASE NO.	<u>6762</u>

Oil Conservation Commission  
State of New Mexico  
State Land Office  
Santa Fe, New Mexico 87501

Re: Case No. R-3221 - December 12, 1979

Gentlemen:

I have checked the records available concerning potable water in the vicinity of the center of Section 1, T-19-S, R-31-E, Eddy County, New Mexico. I am submitting copies of three drillers' logs on wells drilled as oil and gas tests located in sections 2, 3 and 12 which show that no fresh water was encountered in any of the tests drilled. These wells were drilled with cable tool equipment and had water-bearing zones been encountered I am sure they would have been reported.

Carper #1 W.S. Day - NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$  Sec. 3, T-19-S, R-31-E

Red Bed from 120-709' and anhydrite and salt from 709-2371'.  
The first fluid reported was an oil show from 2675-95'.  
This well was completed 7 December 1938.

Carper Drilling Co. #1 Quillen - c NW $\frac{1}{4}$ NE $\frac{1}{4}$  Sec. 12, T-19-S, R-31-E

Abandoned 5 July 1939 at a total depth of 2835' as a dry hole with no fluid reported. This well had 70' of caliche, sand and red beds at the surface with red beds from 70-775', the top of the anhydrite. The first salt was reported at 805'.

Me-Tex Supply Co. #1 State-2 - NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$   
Section 2, T-19-S, R-31-E

Completed as an oil well on 18 September 1939 with shows of oil at 2710-12', water at 2882', oil at 2980-3000', oil at 3196', wayer at 3210' and 3240-60'. Two other oil shows were encountered at 3330-32' and 3640-70'. The well was completed with tubing 5' off bottom at 3680'.

MM - OCC  
Land Commission

Page Two  
RE: No. R-3221

Joe Don Cook #1 Hannifin  
2310 FSL and 330' FW  
Section 1, T-19-S, R-31-E

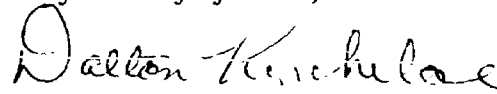
Completed as an oil well from the Queen on 28 April 1978.  
The driller's log shows no fresh water above the top of the  
salt (863').

Due to the extreme sandy surface at the location of the Joe  
Don Cook #1 Hannifin well it is believed that any water  
put in a surface pit will remain near the site of dumping and would  
not travel over one-quarter ( $\frac{1}{4}$ ) mile down the surface dip to  
the southwest.

No damage to the environment would occur and in the interest  
of conservation oil will be recovered which would be lost  
should the well be plugged due to the economics of hauling  
produced water from the location.

Since other operators in the section are disposing of water  
in surface pits it would appear that it would be an undue  
hardship on this applicant to require him to dispose of water  
in any other manner.

Very truly yours,



DALTON KINCHELOE  
Geologist

DK/mar

Enclosures: Drillers' Logs (3)

HALLIBURTON DIVISION LABORATORY  
HALLIBURTON SERVICES  
MIDLAND DIVISION  
HOBBS, NEW MEXICO 88240  
LABORATORY WATER ANALYSIS

No. W79-1060

To Joe Don Cook

Date 11-29-79

Box 159

Roswell, New Mexico

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by \_\_\_\_\_

Date Rec. 11-29-79

Well No. Hannifin #1

Depth \_\_\_\_\_

Formation \_\_\_\_\_

County Eddy

Field \_\_\_\_\_

Shugart

Source \_\_\_\_\_

Pump Tee

Resistivity \_\_\_\_\_ 0.216 @ 70°F.

Specific Gravity \_\_\_\_\_ 1.034

pH \_\_\_\_\_ 7.1

Calcium (Ca) \_\_\_\_\_ 2,750

\*MPL

Magnesium (Mg) \_\_\_\_\_ 780

Chlorides (Cl) \_\_\_\_\_ 21,500

Sulfates (SO<sub>4</sub>) \_\_\_\_\_ 2,600

Bicarbonates (HCO<sub>3</sub>) \_\_\_\_\_ 750

Soluble Iron (Fe) \_\_\_\_\_ Nil

Sodium, Na (Cacl.) \_\_\_\_\_ 12,790

Total Dissolved Solids \_\_\_\_\_ 44,170

BEFORE EXAMINER HUTTER  
OIL CONSERVATION DIVISION

Cook EXHIBIT NO. 6  
CASE NO. 6762

Remarks:

\*Milligrams per liter

Respectfully submitted,

Analyst: Brewer

cc:

HALLIBURTON COMPANY

By \_\_\_\_\_

CHEMIST

NOTICE

THIS REPORT IS LIMITED TO THE DESCRIBED SAMPLE TESTED. ANY USER OF THIS REPORT AGREES THAT HALLIBURTON SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE, WHETHER IT BE TO ACT OR OMISSION, RESULTING FROM SUCH REPORT OR ITS USE.

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The following water well data was taken from State records at the office of the State Engineer in Roswell, New Mexico. They have been verified by State Engineer Sherman E. Galloway of #9 East Cedar in Roswell as being the only existing or abandoned water wells in the Townships of 18 and 19 South, Ranges 31 and 32 East, as shown on plat (Exhibit 2):

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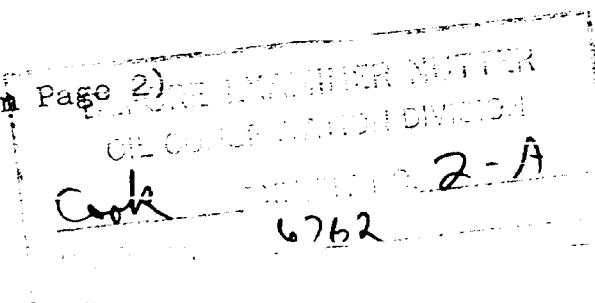


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365.8' at last measurement

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Dalton Kincheloe  
GEOLOGIST

859 Petro Bldg.  
Roswell, New Mexico 88201  
Ph. 505 622-7246

BEFORE EXAMINER NUTTER  
OIL CONSERVATION DIVISION

*Cook* EXHIBIT NO. *5*  
CASE NO. *6762*

Oil Conservation Commission  
State of New Mexico  
State Land Office  
Santa Fe, New Mexico 87501

Re: Case No. R-3221 - December 12, 1979

Gentlemen:

I have checked the records available concerning potable water in the vicinity of the center of Section 1, T-19-S, R-31-E, Eddy County, New Mexico. I am submitting copies of three drillers' logs on wells drilled as oil and gas tests located in sections 2, 3 and 12 which show that no fresh water was encountered in any of the tests drilled. These wells were drilled with cable tool equipment and had water-bearing zones been encountered I am sure they would have been reported.

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NM - OCC  
Land Commission

Page Two  
RE: No. R-3221

Joe Don Cook #1 Hannifin  
2310 FSL and 330' FW  
Section 1, T-19-S, R-31-E

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Since other operators in the section are disposing of water  
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Very truly yours,

*Dalton Kincheloe*  
DALTON KINCHELOE  
Geologist

DK/mar

Enclosures: Drillers' Logs (3)



## HALLIBURTON DIVISION LABORATORY

HALLIBURTON SERVICES  
MIDLAND DIVISION  
HOBBS, NEW MEXICO 88240

## LABORATORY WATER ANALYSIS

No. W79-1060To Joe Don CookDate 11-29-79Bcx 159Roswell, New Mexico

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Submitted by \_\_\_\_\_

Date Rec. 11-29-79Well No. Hannifin #1

Depth \_\_\_\_\_

Formation \_\_\_\_\_

County EddyField ShugartSource Pump TeeResistivity \_\_\_\_\_ 0.216 @ 70°F.Specific Gravity \_\_\_\_\_ 1.034pH \_\_\_\_\_ 7.1Calcium (Ca) \_\_\_\_\_ 2,750

\*MPL

Magnesium (Mg) \_\_\_\_\_ 780Chlorides (Cl) \_\_\_\_\_ 24,500Sulfates (SO<sub>4</sub>) \_\_\_\_\_ 2,600Bicarbonates (HCO<sub>3</sub>) \_\_\_\_\_ 750Soluble Iron (Fe) \_\_\_\_\_ NilSodium, Na (Cacl.) \_\_\_\_\_ 12,790Total Dissolved Solids 44,170

BEFORE EXAMINER MUTTER  
OIL CONSERVATION DIVISION

Cook EXHIBIT NO. 6  
CASE NO. 6762

Remarks:

\*Milligrams per liter

Respectfully submitted,

Analyst: Brewer

HALLIBURTON COMPANY

cc:

By W. L. Brewer

CHEMIST

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Jason Kellahin  
W. Thomas Kellahin  
Karen Aubrey

KELLAHIN and KELLAHIN  
Attorneys at Law  
500 Don Gaspar Avenue  
Post Office Box 1700  
Santa Fe, New Mexico 87501

Telephone 982-4285  
Area Code 505

November 19, 1979

Mr. Joe Ramey  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

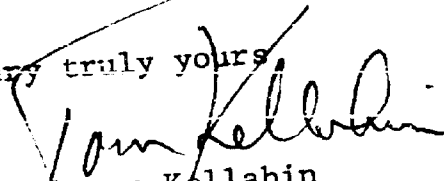
Case 6762

re: Joe Don Cook

Dear Joe:

Please set the enclosed application for hearing on  
December 12, 1979.

Very truly yours,

  
W. Thomas Kellahin

WTK:mm  
Encl.

JOE DON COOK

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF JOE DON COOK FOR AN EXCEPTION  
TO ORDER NO. R-3221 AS AMENDED,  
EDDY COUNTY, NEW MEXICO.

APPLICATION

Case 6762

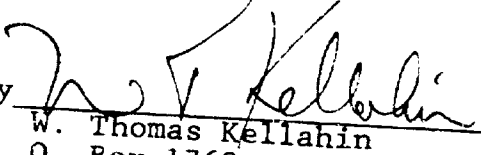
COMES NOW the Applicant, Joe Don Cook, by and through his attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division for approval to dispose in an unlined surface water pit produced in conjunction with the production from his #1 Hannifin Well located 330 feet from the West line and 2110 feet from the South line of Section 1, T19S, R31E, Shugart Pool, Eddy County, New Mexico and in support thereof would show:

- 1) Applicant is the operator of the Joe Don Cook #1 Hannifin Well located 330 feet from the West line and 2110 feet from the South line of Section 1, T19S, R31E, N.M.P.M., Shugart Pool, Eddy County, New Mexico.
- 2) Applicant proposes to dispose of up to 120 barrels per day of water produced from said well in an unline surface pit and requests an exception to Commission Order No. R-3221.
- 3) That numerous other exceptions have been granted for the disposal of salt water in unlined surface pits in the area.
- 4) That there is no fresh water in the area that could be contaminated by approval of this application.

WHEREFORE, application requests that the Division set this matter for hearing and that after notice and hearing that the application be granted as requested.

KELLAHIN & KELLAHIN

By

  
W. Thomas Kellahin  
P. O. Box 1769  
Santa Fe, New Mexico 87501  
ATTORNEY FOR APPLICANT

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF JOE DON COOK FOR AN EXCEPTION  
TO ORDER NO. R-3221 AS AMENDED,  
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APPLICATION

*Case 6762*

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KELLAHIN & KELLAHIN

By 

W. Thomas Kellahin  
P. O. Box 1769  
Santa Fe, New Mexico 87501  
ATTORNEY FOR APPLICANT

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF JOE DON COOK FOR AN EXCEPTION  
TO ORDER NO. R-3221 AS AMENDED,  
EDDY COUNTY, NEW MEXICO.

APPLICATION

Case 6762

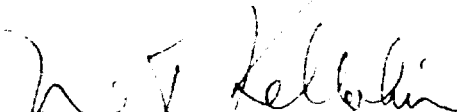
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KELLAHIN & KELLAHIN

By



W. Thomas Kellahin  
P. O. Box 1769  
Santa Fe, New Mexico 87501  
ATTORNEY FOR APPLICANT



ROUGH

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

dr/

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6762

ORDER NO. R- 6224

APPLICATION OF JOE DON COOK

FOR AN EXCEPTION TO ORDER NO. R-3221,  
AS AMENDED, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 12,  
19 79, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter

NOW, on this        day of December, 19 80, the Division  
Director, 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 Division has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Joe Don Cook, is  
the owner and operator of the Hammill Well No. 1,  
located in Unit 4 of Section 1, Township 19 South,  
Range 31 East, NMPM, Shugart Pool,  
Eddy County, New Mexico.

(3) That Order (3) of Division 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 as an exception to the provisions of the aforesaid Order (3) to permit the disposal of salt water produced by applicant's above-described well into an unlined surface pit located in Unit L of said Section 1.

(7) That applicant's Hannifin Lease produces approximately 120 barrels of water per day.

(8) 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.

~~(9) That the nature of the reservoir of said Shugart Pool is such that reinjection of produced water into said reservoir would result in greater ultimate recovery of oil and gas therefrom thereby preventing waste.~~

~~(9)~~ <sup>10</sup> That to prevent the waste of oil and gas in said Shugart Pool, ~~permanent~~ authority to dispose of produced water from applicant's Hannifin Lease in an unlined surface pit on said lease should be granted.

(10) That the applicant should be permitted to dispose of water produced from said lease in an unlined surface pit on said lease until further order of the Division.  
IT IS THEREFORE ORDERED:

(1) That the applicant, Joe Don Cook, is hereby granted an exception to Order (3) of Division Order No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil or gas, or both, from his Hannifin Lease, located <sup>in</sup> ~~in~~ Unit        of Section 1, Township 19 South, Range 31 East, NMPM, Shugart Pool, Eddy County, New Mexico, in an unlined surface pit located in Unit L of said Section 1, until further order of the Division.

(2) That the Director of the Division may by administrative order rescind such authority whenever it reasonably appears to the 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 Division may deem necessary.

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