

Entered May 28, 1969
A.P.

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. 4132
Order No. R-3771

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR AN EXCEPTION TO ORDER
NO. R-3221, AS AMENDED, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 21, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 28th day of May, 1969, 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, Pan American Petroleum Corporation,
is the owner and operator of the Hinkle Federal Well No. 1, Green-
wood Unit Well No. 4, and the Greenwood Unit Well No. 1, located
in Units E, D, and P, respectively, of Section 27, Township 18
South, Range 31 East, NMPM, Shugart Field, Eddy County, New
Mexico.

(3) That effective January 1, 1969, 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

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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 continued disposal of salt water, produced by the aforesaid three wells, in two unlined surface pits located in Units H and P of said Section 27.

(7) That the subject wells produce approximately 207 barrels of water per day.

(8) That the nearest shallow water well is approximately 4 miles to the northeast of the pit located in Unit H.

(9) That the surface and subsurface drainage appears to be toward the southwest from the subject pits.

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

(11) That the applicant should be permitted to dispose of salt water produced by the aforesaid three wells in the subject unlined surface pits.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby granted an exception to Order (3) of Commission Order

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No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil or gas, or both, by its Hinkle Federal Well No. 1, Greenwood Unit Well No. 4, and Greenwood Unit Well No. 1, located in Units D, E, and P, respectively, of Section 27, Township 18 South, Range 31 East, NMPM, Shugart Field, Eddy County, New Mexico, in two unlined surface pits located in Units H and P of said Section 27 until further order of the Commission.

(2) That the Commission may by administrative order rescind such authority whenever it reasonably appears to the Commission 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.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

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

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