

*Entered July 13, 1970*  
*C. J. 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. 4379  
Order No. R-3996

APPLICATION OF HAL M. STIERWALT  
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 July 1, 1970,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 15th day of July, 1970, 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, Hal M. Stierwalt, is the owner and  
operator of eight wells, and he is the agent for Southern Union  
Production Company for the operation of four wells, all in Sec-  
tions 1 and 2 of Township 16 South, Range 30 East, NMPM, West  
Henshaw-Grayburg Pool, Eddy 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  
production of oil or gas, or both, on the surface of the ground,  
or in any watercourse, or in any other place or in any manner

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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, Hal M. Stierwalt, for himself and as agent for Southern Union Production Company, seeks an exception to the provisions of the aforesaid Order (3) to permit the disposal of salt water produced by wells located on the following four leases in Sections 1 and 2 of Township 16 South, Range 30 East, NMPM, West Henshaw-Grayburg Pool, Eddy County, New Mexico, in unlined surface pits located in the vicinity of said wells:

New Mexico "BC" Lease comprising Lots 9, 10, 15, and 16 of Section 2,

New Mexico "BN" Lease comprising the E/2 SW/4, SW/4 SE/4, and E/2 SE/4 of Section 2,

Southern Union Federal Lease comprising Lots 11, 12, 15, and 16, and N/2 SW/4 of Section 1,

Southern Union Taylor Federal Lease comprising Lots 6, 9, 10, 13, and 14 of Section 1.

(7) That there appears to be no water in the vicinity of the above-described leases for which a present or reasonably foreseeable beneficial use is or will be impaired by contamination from unlined surface pits located in the vicinity of the subject wells.

(8) That the applicant, Hal M. Stierwalt, for himself and as agent for Southern Union Production Company should be permitted

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to utilize unlined surface pits for the disposal of salt water produced by wells located on the above-described four leases.

IT IS THEREFORE ORDERED:

(1) That the applicant, Hal M. Stierwalt, for himself and as agent for Southern Union Production Company, 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 wells on the following four leases located in Sections 1 and 2 of Township 16 South, Range 30 East, NMPM, West Henshaw-Grayburg Pool, Eddy County, New Mexico, in unlined surface pits located in the vicinity of said wells:

New Mexico "BC" Lease comprising Lots 9, 10, 15, and 16 of Section 2,

New Mexico "BN" Lease comprising the E/2 SW/4, SW/4 SE/4, and E/2 SE/4 of Section 2,

Southern Union Federal Lease comprising Lots 11, 12, 15, 16, and N/2 SW/4 of Section 1,

Southern Union Taylor Federal Lease comprising Lots 6, 9, 10, 13, and 14 of Section 1.

(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.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

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

S E A L

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