Entered august 24, 1976 Joch

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. 5720 Order No. R-5246

APPLICATION OF HARVEY E. YATES 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 21, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>24th</u> day of August, 1976, 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, Harvey E. Yates, is the owner and operator of the State Wells Nos. 1, 2, 3, 4, and 6, located in Units G, B, A, J, and H, respectively, of Section 32, Township 18 South, Range 30 East, NMPM, North Benson Queen-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 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. 5720 Order No. R-5246

(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 wells into an unlined surface pit located in Unit B of said Section 32.

(7) That said State Well Nos. 1, 2, 3, 4, and 6 produce approximately 18 barrels of water per day.

(8) That there is fresh water in the vicinity of the abovedescribed unlined pit for which a present or reasonably foreseeable beneficial use is or will be made.

(9) That the evidence presented at the hearing demonstrates that surface drainage from the area of the proposed pit is away from the area wherein said fresh water is located.

(10) That no evidence was presented to demonstrate that subsurface drainage or percolation of water from the proposed unlined pit would not be toward nor affect said fresh water.

(11) That to protect said fresh water from the potential harmful affects of the surface disposal of produced salt water in said pit the subject application should be denied.

## IT IS THEREFORE ORDERED:

(1) That the application of Harvey E. Yates for 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 his State Wells Nos. 1, 2, 3, 4, and 6 in Units G, B, A, J, and H, respectively, in Section 32, Township 18 South, Range 30 East, NMPM, North Benson Queen-Grayburg Pool, Eddy County, New Mexico, in an unlined surface pit located in the vicinity of said wells is hereby denied.

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

-3-Case No. 5720 Order No. R-5246

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

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chajeman Ulu ann EMERY C. ARNOLD, Member Member & Secretary opé d. RAMEY,

SEAL

