

Entered July 29, 1982  
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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 7329 DE NOVO  
Order No. R-6811-A

APPLICATION OF LOCO HILLS WATER  
DISPOSAL COMPANY 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 14, 1982, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 29th day of July, 1982, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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, Loco Hills Water Disposal Company, seeks an order permitting the installation of a commercial salt water disposal facility whereby salt water would be disposed of into 15 acres of unlined surface pits to be located in the SW/4 of Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(3) That the matter came on for hearing at 9 a.m. on September 23, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets and, pursuant to this hearing, Order No. R-6811 was issued on October 30, 1981, which denied Loco Hills Water Disposal Company's application.

(4) That on November 25, 1981, application for Hearing De Novo was made by Loco Hills Water Disposal Company and the matter was set for hearing before the Commission.



(5) That the matter came on for hearing de novo on July 14, 1982.

(6) 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.

(7) 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.

(8) 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.

(9) That the applicant seeks an exception to the provisions of the aforesaid Order (3) of Division Order No. R-3221, as amended, to permit the commercial disposal of produced salt water into the aforesaid pits at the site described above.

(10) That the applicant proposes to install and operate an effective system, composed of holding and separating tanks, and a skimming pit, for the removal of oily and solid wastes from the waters to be disposed of into said system.

(11) That there is no fresh water in the immediate vicinity of said disposal system, but there are wells producing fresh water some nine miles south of the proposed disposal pits.

(12) That the native soils underlying said pits will permit the vertical percolation of some of the waters disposed of in said system.



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(13) That the vertical percolation of waters from said system should not endanger any fresh waters.

(14) That to ensure that waters percolating from said pits move only vertically, monitor wells should be drilled in a pattern as shown on Exhibit "A" designed to detect horizontal movement of water from said disposal area.

(15) That in the event salt water is detected in any monitor well, Case No. 7329 should be reopened within 90 days to permit applicant to appear and show cause why the authority to use said pits for water disposal should not be rescinded.

(16) That the maximum volume of produced water to be disposed of through said system should not exceed 2500 barrels per acre per month.

(17) That a freeboard of a minimum of three feet should be maintained at all times.

(18) That the granting of the application will not cause waste or impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Loco Hills Water Disposal Company, is hereby authorized to install and operate a 15-acre commercial salt water disposal facility to be located in the SW/4 of Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, said system to be limited to the maximum disposal of 2500 barrels per acre per month.

(2) That the operator shall install tanks and a skimming pit, sufficient to ensure that oil or other deleterious substances will not enter the disposal pits in harmful quantities.

(3) That a freeboard of a minimum of three feet will be maintained on all pits at all times.

(4) That monitor wells, as shown on Exhibit "A" attached to and made a part of this order, shall be drilled and equipped with perforated or slotted tubing/casing from a depth of four feet to total depth.

(5) That said monitor wells will be tested monthly to check for migration of the disposed salt water thereto and the results of these tests will be promptly delivered to the Artesia District Office of the Oil Conservation Division.



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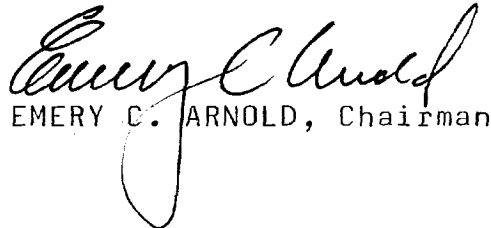
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(6) That if disposed salt water is detected in any monitor well, Case 7329 will be reopened, within 90 days, to permit the applicant to appear and show cause why the disposal authority granted by this order should not be rescinded.

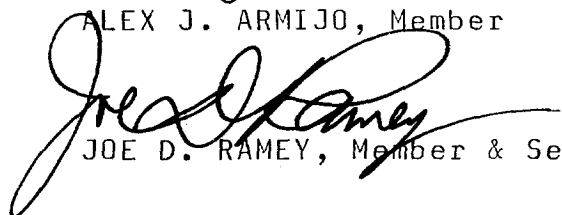
(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
EMERY C. ARNOLD, Chairman

ALEX J. ARMIJO, Member

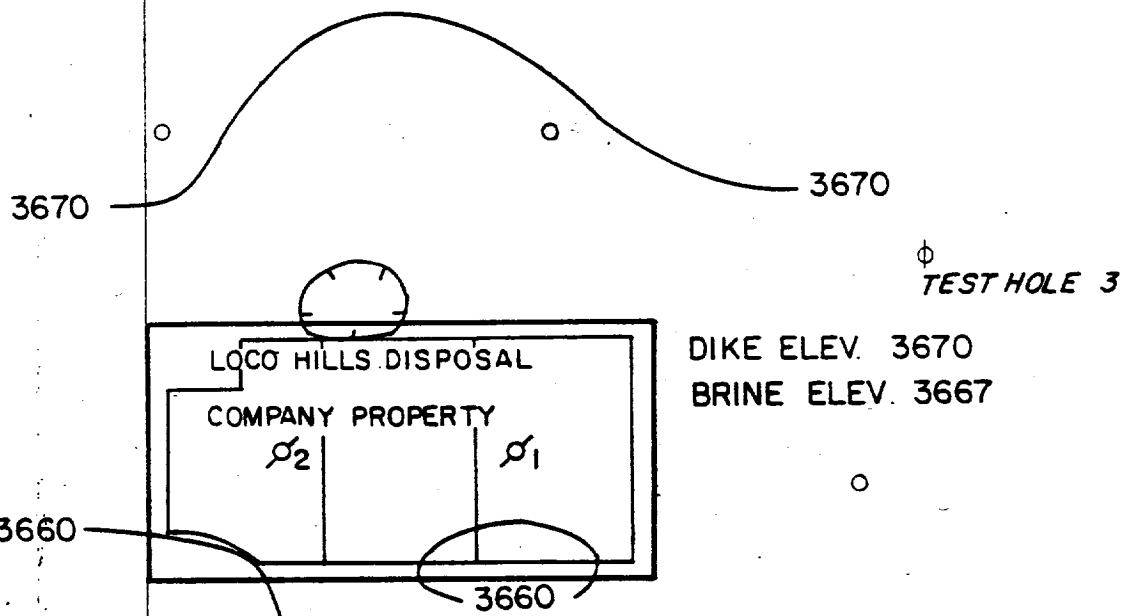
  
JOE D. RAMEY, Member & Secretary

S E A L

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### LEGEND

- 60' MONITOR HOLES
- RUSTLER DEPTH MONITOR HOLES
- ⌀ CORE HOLE



SCALE IN FEET



Exhibit A, Order No. R-6811A