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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
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8198
Order No. R-7557

APPLICATION OF EDDY COUNTY BOARD
OF COMMISSIONERS 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 8 a.m. on June 6, 1984,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of June, 1984, 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 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,
steambed, 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.

(3) 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.

(4) That the State Engineer has designated, pursuant to Section 70-2-12 (15), N.M.S.A., 1978 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.

(5) That the applicant seeks an exception to the provisions of the aforesaid Order (3) to permit the use of produced salt water in the construction and maintenance of Eddy County roads under the supervision of Eddy County employees.

(6) That the proposed use of salt water would result in better construction and maintenance of said roads at a considerable cost savings to the citizens of the county.

(7) That the proposed volumes of salt water to be used should be absorbed by the road materials and not percolate to any fresh water supplies.

(8) That the proposed method of application should not result in a constant head of salt water at any point such as to cause percolation to any designated fresh water supplies.

(9) That the Eddy County Board of Commissioners has adopted Resolution No. R-84-17 which provides in part that:

- "1. Produced water shall be used for the construction of new roads and repair of existing roads whenever practical and only subject to the prior approval of the District Office of the Oil Conservation Division; and
2. Prior to the use of produced water by the Road Department, the Oil Conservation Division shall be informed of each project by location, number of loads, and name of proposed hauler, and any other information it may require, in each instance where the use of produced water is proposed; and
3. A system of documentary records shall be kept which enable each hauler, the County, and the Oil Conservation Division to have a permanent written record of the use of produced water; and

4. Eddy County shall only utilize water haulers licensed, approved, and in good standing with the Corporation Commission and Oil Conservation Division; and
5. All departments of Eddy County government shall cooperate fully with the Oil Conservation Division in the reporting, investigating and prosecution of unauthorized disposal of produced water; and
6. Any Road Department employee violating the above procedures shall be subject to disciplinary action."

(10) That this resolution provides a proper framework for the proposed use of salt water.

(11) That the supervisor of the Division's district office at Artesia should be authorized to approve or disapprove of the request for use of produced salt water on any Eddy County road upon a proper request by a representative of the Eddy County government.

(12) That the Director of the Division should be authorized to rescind or suspend the authority granted by this order upon a proper showing that the terms and conditions thereof have been violated or to protect fresh water supplies.

(13) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Eddy County Board of Commissioners, is hereby granted an exception to Order (3) of Division Order No. R-3221, as amended, to use produced salt water for construction and maintenance of county roads

(2) That this exception is subject to the following terms and conditions:

- (a) Produced water shall be used for the construction of new roads and repair of existing roads subject to the prior approval of the supervisor of the Division's district office at Artesia.
- (b) Prior to the use of produced water, the Division shall be informed of each project

by location, number of loads, and name of proposed hauler, and any other information it may require.

- (c) A system of documentary records shall be kept which enables each hauler, the County, and the Division to have a permanent written record of the use of produced water.
- (d) An employee of the County shall be present at the time each load of water is placed on any road.
- (e) The County shall only utilize water haulers licensed, approved and in good standing with the Corporation Commission and Oil Conservation Division.
- (f) All departments of Eddy County government shall cooperate fully with the Oil Conservation Division in the reporting, investigating and prosecution of unauthorized disposal of produced water.

(3) The supervisor of the Division's district office at Artesia is hereby authorized to approve or disapprove of any request by Eddy County to utilize produced water for road construction or maintenance.

(4) That the Director of the Division is hereby authorized to administratively rescind or suspend the authority granted by this order upon a proper showing that the terms and conditions thereof have been violated or whenever it reasonably appears to the Director that such rescission or suspension would serve to protect fresh water supplies from contamination.

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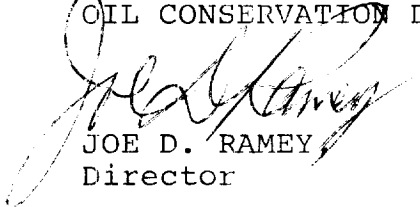
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(5) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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