

CASE 4490: Application of TEXAS
PACIFIC FOR AN EXCEPTION TO
ORDER NO. R-3221, AS AMENDED.

CASE
RECORD
FILE

#4490

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 17, 1971

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Pacific
Oil Company for an exception
to Order No. R-3221, as amended,
Eddy County, New Mexico.

Case No. 4490

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

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 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 MR. NUTTER: Call next Case No. 4490.

2 MR. HATCH: Case 4490. Application of Texas Pacific
 3 Oil Company for an exception to Order No. R-3221, as amended,
 4 Eddy County, New Mexico.

5 MR. RUSSELL: John F. Russell, from Roswell, appearing
 6 on behalf of the Applicant. I have one witness.

7 (Witness sworn.)

8 (Whereupon, Applicant's Exhibits 1 and 2 were marked
 9 for identification.)

10 OMER ROBERTS,

11 having been first duly sworn, testified as follows:

12 DIRECT EXAMINATION

13 BY MR. RUSSELL:

14 Q Will you please state your name, address, the name of
 15 your employer and the capacity in which you are employed?

16 A Omer Roberts, O-m-e-r, Midland, Texas, Texas Pacific Oil
 17 Company, petroleum engineer.

18 Q And you have previously qualified to give testimony before
 19 this Commission, have you not?

20 A I have.

21 Q Are you familiar with the application in Case 4409?

22 A Yes, sir, I am.

23 Q What is it you seek by this application?

24 A We seek an exception to the no pit order whereby we may
 25 be allowed to dispose of produced water in a surface

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1 unlined pit for our Wooley Federal Number 3 in the Loco
 2 Hills-Abo Pool, Eddy County, New Mexico.

3 Q In connection with this application, have you prepared
 4 or have caused to be prepared some exhibits?

5 A Yes, sir, I have.

6 Q I will refer you to what has been marked as Applicant's
 7 Exhibit No. 1 and ask you to explain that exhibit.

8 A Exhibit No. 1 is an ownership map of the area surrounding
 9 our Wooley Lease. On this map are shown the locations of
 10 nearby windmills. Note that the nearest windmill on this
 11 plat is approximately five miles distant from the lease.

12 Our lease is outlined in yellow and I will explain
 13 the squares outlined in blue.

14 Q Go right ahead.

15 A I would like to read now from Commission Order No. R-3820
 16 whereby an exception to Order R-3221 was granted to Frank-
 17 lin, Aston and Fair. This order is dated 27th day of
 18 August, 1969.

19 Read from paragraph seven: "There appears to be
 20 no shallow fresh water in the vicinity of the subject
 21 pits for which a present or reasonably foreseeable
 22 beneficial use is or will be made that would be impaired
 23 by contamination from the subject pits."

24 The areas outlined in blue on this land plat are
 25 the leases covered by this Order No. R-3820 for Franklin

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- 1 Aston and Fair.
- 2 Q Where is your lease located; would you give the description
 3 of it?
- 4 A It's located in Section 21, Township 17 South, Range 30
 5 East, Eddy County.
- 6 Q And one of the wells for which the no pit exception has
 7 been previously granted is an offset to this lease, is it
 8 not?
- 9 A Yes, sir, it is.
- 10 Q And your examination of the area does not disclose any
 11 water wells other than the three windmill wells, is that
 12 correct?
- 13 A That is correct.
- 14 Q Are those windmill wells being operated at this time?
- 15 A To our knowledge, they are not.
- 16 Q Will you explain to us the method under which you are
 17 operating your well at this time and the reason why it
 18 is unsatisfactory?
- 19 A Presently, we are disposing of produced water into our
 20 Wooley Number 1, a previous producer in the Loco Hills
 21 Pool. The water is being disposed into this well on a
 22 vacuum and it is necessary in order to maintain the
 23 injectivity of this well to acidize it approximately once
 24 every three months.
- 25 The cost of these acid jobs is approximately \$700.00

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1 apiece. Our operating costs on this one well lease over
2 the last twelve months have averaged \$1,085.00 per month.
3 We feel that by eliminating the frequent acid jobs on
4 the disposal well that we could reduce our operating costs
5 for this lease by \$250.00 per month which would extend
6 the economic life of this producing well and result in
7 the recovery of an additional 4,000 barrels of oil.

8 Q How much oil is this well producing at this time?

9 A Presently, it produces twenty-two barrels of oil per day
10 and ninety-one barrels of water.

11 Q And you are asking exception to the order to allow you to
12 dispose of this produced water in an open pit, are you
13 not?

14 A Yes, sir.

15 Q I refer you to Exhibit No. 2 and ask you what that
16 reflects.

17 A Exhibit No. 2 is the log of an oil or gas well form for
18 the United States Geological Survey which is submitted
19 on every well drilled on a federal lease. On this form
20 are shown a record of important water sands encountered
21 in each well drilled on federal leases and referring to
22 the important water sands section of this form for our
23 Wooley No. 3 Well, you will notice that there are no
24 important water sands shown on this record.

25 Q To the best of your knowledge, there are no fresh water

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1 areas or wells in this area at all, is that correct?

2 A Yes, sir, that's correct.

3 Q How long ago was this well drilled?

4 A It was completed in December, 1961.

5 Q And had been producing into open pit your salt water?

6 A Yes, up until the institution of the no pit order.

7 Q Have you checked into the possibility of hauling this
 8 water?

9 A We have, but the cost of hauling the water would be even
 10 more prohibitive at twenty-five cents per barrel than the
 11 present cost of maintaining the disposal well.

12 Q Then, in your opinion, the granting of this exception
 13 would not contaminate any waters in this area?

14 A That is our opinion, yes, sir.

15 Q And, also, the granting of the exception would protect
 16 correlative rights and prevent economic waste by premature
 17 abandonment of the well, is that correct?

18 A Yes, sir.

19 MR. RUSSELL: At this time, I would like to
 20 introduce Applicant's Exhibits 1 and 2.

21 MR. NUTTER: Applicant's Exhibits 1 and 2 will be
 22 admitted in evidence.

23 MR. RUSSELL: I have no further questions of this
 24 witness.
 25

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CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Roberts, is this the lease immediately west of your lease here that Franklin, Aston and Fair has discontinued using the pits and is now putting the water into a disposal well?

A I am not aware of that, sir.

Q I believe that one of the instances in the immediate vicinity which was accepted at one time by the Commission, they have discontinued using the pits and are now using water disposal wells?

A I am not aware of that. I have not visited the lease in the last two months and I do not know.

Q Now, what is the problem here with your well that requires this treatment every three months with acid?

A We are apparently getting some form of down-hole deposition whereby the well will just quit taking water on a vacuum.

Q Are you treating the water prior to disposing of it?

A We have not treated it previously to this. We have investigated a scale treatment, but we do not know whether or not this will prevent the deposition of scale.

It works on laboratory scale, but we have not tried it yet so we don't know how it is going to work.

Q Are you using an open or closed system there?

A It is open.

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1 Q So, possibly treatment of the water and maybe keeping the
 2 oxygen off of it might result in less deposition of scale
 3 in the well?

4 A There is that possibility. We have investigated it, but
 5 we do not know how it is going to work.

6 Q Now, the fact that this form doesn't show any water
 7 sands could indicate that there were water sands that
 8 weren't reported and it might indicate there were no
 9 water sands which weren't reported, also?

10 A That is a possibility, but to my knowledge, there were no
 11 water sands reported.

12 Q As far as you know, these windmills are not being used,
 13 but have you tried to make a determination as to whether the
 14 windmills are being used or not?

15 A We have not tried to determine whether they are being
 16 used; just when we surveyed to find out where they were
 17 located, they were not in use.

18 Q They weren't turning at that time or what?

19 A No, they weren't turning.

20 Q Was there any wind that day?

21 A I do not know. This survey was made under my direction,
 22 but it was not made personally by me.

23 MR. NUTTER: Are there any other questions of Mr.
 24 Roberts? He may be excused.

25 (Witness excused.)

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1 MR. NUTTER: Do you have anything further, Mr.
2 Russell?
3 MR. RUSSELL: Nothing further, Mr. Examiner.
4 MR. NUTTER: Does anyone have anything they wish to
5 offer in Case 4409? Take the case under advisement.
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I N D E X

WITNESS

PAGE

OMER ROBERTS

Direct Examination by Mr. Russell

2

Cross Examination by Mr. Nutter

7

E X H I B I T S

Applicant's 1 and 2

2

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1 STATE OF NEW MEXICO)
) ss
 2 COUNTY OF BERNALILLO)

3 I, GLENDA BURKS, Court Reporter in and for the County
 4 of Bernalillo, State of New Mexico, do hereby certify that
 5 the foregoing and attached Transcript of Hearing before the
 6 New Mexico Oil Conservation Commission was reported by me;
 7 and that the same is a true and correct record of the said
 8 proceedings to the best of my knowledge, skill and ability.

9
 10 Glenda Burks
 11 Court Reporter

22 I do hereby certify that the foregoing is
 23 a complete and correct report of the proceedings in
 24 the hearing before the New Mexico Oil Conservation Commission
 25 dated at the city of _____ on the _____ day of _____ 19____.

22 3/17 1971
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209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-1491 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

February 3, 1971

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Pacific Oil
Company for an exception to
Order No. R-3221, as amended,
Eddy County, New Mexico

Case No. 4490

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF PROCEEDINGS

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1 MR. NUTTER: We'll call Case Number 4490.

2 MR. HATCH: Case 4490, Application of Texas Pacific
3 Oil Company for an exception to Order No. R-3221, as amended,
4 Eddy County, New Mexico. The Commission has received request
5 from the Applicant that this case be continued to the first
6 case in March.

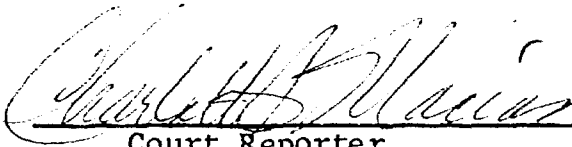
7 MR. NUTTER: Case 4490 to be held at this same
8 place on March 3rd, 1971.
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1 STATE OF NEW MEXICO)
) SS
 2 COUNTY OF BERNALILLO)

3 I, CHARLOTTE J. MACIAS, Court Reporter in and for the
 4 County of Bernalillo, State of New Mexico, do hereby certify
 5 that the foregoing and attached Transcript of Hearing before
 6 the New Mexico Oil Conservation Commission was reported by
 7 me and that the same is a true and correct record of the said
 8 proceedings, to the best of my knowledge, skill and ability.

9
 10 
 11 Court Reporter

22 I do hereby certify that the foregoing is
 23 a complete and correct record of the hearing held on
 24 the 21st day of February, 1971, at 4475
 25 at 2:30 p.m. at the New Mexico Oil Conservation Commission
 26

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 13, 1971

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Pacific Oil Company
for an exception to Order No. R-3221, as
amended, Eddy County, New Mexico.

Case No.
4490

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: The next case will be Case 4490.

MR. HATCH: Case 4490. Application of Texas Pacific Oil Company for an exception to Order No. R-3221, as amended, Eddy County, New Mexico.

The applicant in this case has requested that it be continued to the examiner hearing on February 3, 1971.

MR. NUTTER: Case 4490 will be continued to the examiner hearing to be held at 9 o'clock a.m., February 3, 1971, at this same place.

I, ETHEL S. ROMERO, Secretary, Oil Conservation Commission,
do hereby certify that the foregoing and attached Transcript of
Hearing before the New Mexico Oil Conservation Commission was
reported by me; and that the same is a true and correct record
of said proceedings to the best of my knowledge, skill and
ability.

Ethel S. Romero
Ethel S. Romero

I hereby certify that the foregoing is
a true record of the record of
the hearing of Case No. 4498.
made by me on June 13, 1971.
John J. [Signature], Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

March 23, 1971

Mr. John Russell
Attorney at Law
P. O. Drawer 640
Roswell, New Mexico 88201

Re: Case No. 4490
Order No. R-4120
Applicant:
Texas Pacific Oil Company

Dear Sir:

Enclosed herewith is a copy of the above-referenced Commission order recently entered in the subject case. Letter pertaining to conditions of approval and maximum allowable to follow.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC
State Engineer x

Other Bureau of Land Management, Santa Fe

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. 4490
Order No. R-4120

APPLICATION OF TEXAS PACIFIC OIL 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 March 17, 1971, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 23rd day of March, 1971, 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, Texas Pacific Oil Company, is the owner and operator of the Wooley Federal Well No. 3, located in Unit K of Section 21, Township 17 South, Range 30 East, NMPM, Loco Hills-Abo 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, stream-bed, 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

-2-

CASE No. 4490
Order No. R-4120

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 disposal of salt water produced by its aforesaid Wooley Federal Well No. 3 in an unlined surface pit located in the vicinity of the subject well.

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

(8) That the applicant should be permitted to dispose of water produced by the subject well in an unlined surface pit in the vicinity of the well.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texas Pacific Oil 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 its Wooley Federal Well No. 3, located in Unit K of Section 21, Township 17 South, Range 30 East, NMPM, Loco Hills-Abo Pool, Eddy County, New Mexico, in an unlined surface pit located in the vicinity of said well.

(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-
CASE NO. 4490
Order No. R-4120

(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

Bruce King

BRUCE KING, Chairman

Alex J. Armiijo
ALEX J. ARMIJO, Member

A. L. Porter Jr.

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

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 17, 19719 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or
Elvis A. Utz, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for
April, 1971, from fifteen prorated pools in Lea, Eddy,
Roosevelt and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas from
nine prorated pools in San Juan, Rio Arriba and Sandoval
Counties, New Mexico, for April, 1971.

CASE 4490: (Continued from the February 3, 1971 Examiner Hearing)
Application of Texas Pacific Oil Company for an exception to
Order No. R-3221, as amended, Eddy County, New Mexico. Appli-
cant, in the above-styled, seeks an exception to Order No.
R-3221, as amended, which order prohibits the disposal of water
produced in conjunction with the production of oil on the
surface of the ground in Lea, Eddy, Chaves, and Roosevelt
Counties, New Mexico. Said exception would be for the applicant's
Wooley Federal Well No. 3 located in Section 21, Township 17
South, Range 30 East, Loco Hills-Abo Pool, Eddy County, New
Mexico.

CASE 4514: Application of Continental Oil Company for salt water disposal,
Lea County, New Mexico. Applicant, in the above-styled cause,
seeks authority to dispose of produced salt water into the
Seven Rivers formation through perforations in its Farney A-5
Well No. 5 located in Unit G, Section 5, Township 23 South,
Range 36 East, Jalmat Field, Lea County, New Mexico.

CASE 4515: Application of Continental Oil Company for the reinstatement of
cancelled underproduction, Lea County, New Mexico. Applicant,
in the above-styled cause, seeks an exception to the general
rules and regulations for prorated gas pools of Southeastern
New Mexico promulgated by Order No. R-1670, as amended, to
permit the reinstatement of underproduction accumulated by four
of its proration units and cancelled January 1, 1971, the wells
for the proration units being located as follows:

<u>WELL NAME AND NUMBER</u>	<u>LOCATION</u>	<u>POOL</u>
State KN-12 No. 1	12-19S-36E	Eumont
State A-17 No. 5	17-19S-37E	Eumont
Meyer B-23 Nos. 1, 2, and 3	23-22S-36E	Jalmat
State A-32 No. 4	32-22S-36E	Jalmat

(Case 4489 continued)

TOWNSHIP 8 SOUTH, RANGE 35 EAST, NMPM
SECTION 32: SE/4

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
SECTION 22: SE/4

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM
SECTION 12: NW/4

(g) Extend the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
SECTION 6: W/2

(h) Extend the Double L-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM
SECTION 25: SW/4 SE/4

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
SECTION 7: SW/4

CASE 4490:

Application of Texas Pacific Oil Company for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for the applicant's Wooley Federal Well No. 3 located in Section 21, Township 17 South, Range 30 East, Loco Hills-Abo Pool, Eddy County, New Mexico.

CASE 4491:

(This Case will be continued to 9:00 o'clock a.m. February 3, 1971)
In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit W. C. Welch and all other interested persons to appear and show cause why his State Well No. 1 located 660 feet from the South and West lines of Section 28, Township 2 South, Range 26 East, De Baca County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 4492:

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Norman R. Jones and all other interested persons to appear and show cause why his State A Well No. 1 located in the NE/4 SE/4 of Section 16, Township 30 South, Range 14 West, Hidalgo County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 3, 1971

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, Alternate Examiner:

CASE 4494: Application of Southern Union Gas Company and Southern Union Gathering Company for the suspension of certain provisions of Rules 14(A), 15(A), and 15 (B) of the General Rules and Regulations for the prorated gas pools in Northwestern New Mexico in San Juan, Rio Arriba, and Sandoval Counties, New Mexico. Applicants, in the above-styled cause, seek suspension for a period of one year from February 1, 1971, of those provisions of Rules 14 (A), 15 (A), and 15 (B) of the General Rules and Regulations for the prorated gas pools of Northwestern New Mexico promulgated by Order No. R-1670, as amended, that provide for the cancellation of unproduced allowable and the shutting-in of over-produced wells.

CASE 4495: Application of Southern Union Production Company for a triple completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (conventional) of its Jicarilla "K" Well No. 13 located in Unit E of Section 11, Township 25 North, Range 5 West, Rio Arriba County, New Mexico, to produce gas from the South Blanco-Pictured Cliffs, Otero Chacra, and Basin-Dakota Pools through a combination of tubing strings and the casing-tubing annulus.

CASE 4490: (Continued from the January 13, 1971 Examiner Hearing)
Application of Texas Pacific Oil Company for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for the applicant's Wooley Federal Well No. 3 located in Section 21, Township 17 South, Range 30 East, Loco Hills-Abo Pool, Eddy County, New Mexico.

CASE 4475: (Continued from the December 16, 1970, Examiner Hearing)
Application of Texas American Oil Corporation for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico. Applicant seeks an exception to the provisions of said order for wells completed in the Sand Dunes-Atoka Gas Pool and the Sand Dunes-Cherry Canyon Pool, Eddy County, New Mexico, to permit the disposal of water produced by said wells in unlined surface pits.

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December 18, 1970

Mr. A. L. Porter
Secretary Director
NEW MEXICO OIL
CONSERVATION COMMISSION
Santa Fe, New Mexico
87501

MB

Case 4490

Dear Mr. Porter:

I transmit herewith in triplicate, an Application of Texas Pacific Oil Company and request that it be set for hearing before an examiner.

Very truly yours,

John F. Russell
John F. Russell

JFR:eb
encl.
cc: Mr. Omer Roberts
w/ encl.

Mr. R. J. Womack
w/ encl.

Date *3/3/71*

DOCKET MAILED

Date *1-22-71*

DOCKET MAILED

Date *12-30-70*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
TEXAS PACIFIC OIL COMPANY FOR AN)
EXCEPTION TO ORDER R-3221 TO PERMIT)
DISPOSAL OF WATER IN AN UNLINED PIT)
FROM ITS WOOLEY FEDERAL NO. 3 WELL)
LOCATED IN SECTION 21, TOWNSHIP 17)
SOUTH, RANGE 30 EAST, LOCO HILLS)
ABO POOL, EDDY COUNTY, NEW MEXICO)

NO. 4490

APPLICATION

COMES NOW Texas Pacific Oil Company and makes application for an Order granting an exception to Order R-3221 to permit the disposal of water from its Wooley Federal No. 3 Well located in Section 21, Township 17 South, Range 30 East, Loco Hills Abo Pool, Eddy County, New Mexico, in an unlined pit, and in support thereof states:

1. Applicant is the owner and operator of its Wooley Federal No. 3 Well located in Section 21, Township 17 South, Range 30 East, Loco Hills Abo Pool, Eddy County, New Mexico.
2. Said well is presently producing 20 barrels of oil plus 70 barrels of water per day.
3. It is not economically feasible to dispose of the produced water other than into an unlined pit.
4. The granting of this application will not impair any fresh water, and will prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that this matter be set down for hearing before an examiner for the purpose of authorizing the disposal of produced water into an unlined pit as herein requested; that the notice of the hearing be published

as required by law and that, after said hearing the Commission
issue an order as prayed for herein.

Respectfully submitted,

TEXAS PACIFIC OIL COMPANY

By John F. Russell
Attorney for Applicant
P.O. Box 640
Roswell, New Mexico

DRAFT

GMH/esr
GMH

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 4490

Order No. R- 4120
3-11-71

AKP *JSM*
APPLICATION OF TEXAS PACIFIC OIL 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 March 17, 1971,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of March, 1971, 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, Texas Pacific Oil Company, is the
owner and operator of the Wooley Federal Well No. 3, located in
Unit K of Section 21, Township 17 South, Range 30 East, NMPM,
Loco Hills-Abo 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.

(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 disposal of salt water produced by its aforesaid Wooley Federal Well No. 3 in an unlined surface pit located in the vicinity of the subject well.

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

(8) *That the applicant should be permitted to dispose of water produced by the subject applicant's wells located in an unlined surface pit in the vicinity of the well.*

IT IS THEREFORE ORDERED:

(1) That the applicant, Texas Pacific Oil 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 its Wooley Federal Well No. 3, located in Unit K of Section 21, Township 17 South, Range 30 East, NMPM, Loco Hills-Abo Pool, Eddy County, New Mexico, in an unlined surface pit located in the vicinity of said well.

(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.