Case No.

7/68

Application

Transcripts

Small Exhibits

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Page 1	-
AND MINERALS DEPARTMENT CONSERVATION DIVISION ATE LAND OFFICE BLDG. ANTA FE, NEW MEXICO	
EXAMINER HEARING	
exception to Order No.) CASE County, New Mexico.) 7168	÷
PEARANCES	
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	STATE OF NEW MEXICO (AND MINERALS DEPARTMENT CONSERVATION DIVISION ATE LAND OFFICE BLDG. ANTA FE, NEW MEXICO 25 February 1981 EXAMINER HEARING () () () () () () () () () () () () ()

2 MR. NUTTER: The hearing will come to 3 order, please. We'll call next Case Number 7168. MR. PADILLA: Application of Cavalcade Oil Corporation for an exception to Order Number R-3221, Eddy County, New Mexico. MR. CARR: May it please the Examiner, my name is William F. Carr, with the law firm Campbell, Byrd, 10 and Black, P. A., Santa Fe, New Mexico, appearing on behalf 11 of Cavalcade Oil Corporation. 12 I have one witness who needs to be 13 sworn. 14 15 (Witness sworn.) 16 17 MICHAEL LEVENSON 18 being called as a witness and being duly sworn upon his oath, 19 testified as follows, to-wit: 20 21 DIRECT EXAMINATION 22 BY MR. CARR: 23 Will you state your name and place of 24 residence? 25 Michael Levenson, Carlsbad, New Mexico.

1		4
2	Q.	Mr. Levenson, by whom are you employed
3	and in what capacit	y?
4	A.	President, Cavalcade Oil Corporation.
5	Q.	Have you previously testified before this
6	Commission and had	your credentials as a practical oil man
7	accepted and made a	matter of record?
8	A.	Yes, I have.
9	Q.	Are you familiar with the application of
10	Cavalcade Oil Corpo	oration in this case?
11	А.	Yes.
12	Q.	Are you familiar with the wells which
13	are involved in thi	s application?
14	А.	Yes.
15		MR. CARR: Are the witness' qualifications
16	acceptable?	
17		MR. NUTTER: Yes, they are.
18	Q.	Will you briefly state what Cavalcade
19	seeks with this application?	
20	Ä.	Yes, we seek exception to Order No.
21	R-3221, Eddy County, New Mexico.	
22	Q.	Mr. Levenson, will you refer to what
23	has been marked for	r identification as Applicant's Exhibit
24	Number One and exp	lain to Mr. Nutter what it is and what it
25	shows?	

A. Yes, sir, I will. This is a plat showing the subject two wells, the McClay 11 and the McClay 12, marked in blue on spacing units K and L, each 40 acres, in Section 33.

It shows marked in red to the south below the red lines the potash disposal area that was granted an exception to R-3221-B in July, 1968, and approximately three miles to the -- I think it's three as the crow flies, between two and three miles to the northeast in Section 22, that would be the northeast quarter, as signified by a blue dot, is the location of the nearest water well in the area known as the Williams -- I believe Williams Ranch. Walters Ranch area.

Mr. Levenson, will you now refer to what has been marked for identification as your Exhibit Number Two and explain to Mr. Nutter what this is and what it shows?

A. Yes. Exhibit Number Two is an economic analysis simply stating history for the last six months of the two wells individually and added together, of oil and water production in terms of barrels, showing steady water production, declining oil, and the actual cost of hauling the water for those months.

Q. How many barrels of water a day are being produced on the McClay lease?

1	6
2	A. Approximately 60 barrels.
3	Q. And does the McClay lease include just
4	the north half of the southwest quarter of Section 33 in 18
5 .	South, 30 East?
6	A. Yes, that's correct, 80 acres.
7	Q. Are these wells also producing natural
8	gas?
9	A. There's a small amount of natural gas
10	being produced, approximately 15,000 cubic feet per day.
11	Now we are talking about one lease.
12	Will the working interests and the royalty interests be the
13	same throughout?
14	A. Yes, they are the same.
15	O. Now, Mr. Levenson, we have you have -
16	your Exhibit Number Three consists of a number of pictures
17	taken from a location of the proposed pit, is that correct?
18	A. Yes, that's correct. Exhibit Three is
19	a series of ten photographs taken from the location in a pan-
20	oramic view, which would rotate counterclockwise, at least
21	that's the order in which we placed them there.
22	n And these pictures start with a photo-
23	graph looking directly west, is that it?
24	A. That's right.
25	Q. Have you been on this location a number

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. 1	8
2	through this draw towards the potash area onto the south. It
3	slopes away from the water wells towards the disposal area.
4	Q So is it your testimony that the water
5	well is uphill from the lease and the potash lake is downhill
6	from the lease?
7	A. That is correct.
8	Ω. And they are in the same draw?
9	A That's correct.
10	Q. Whereabouts is this potash disposal
11	pond?
12	A. Approximately Sections 9 and 10 of Town-
13	ship 19 South, Range 30 East.
14	Q. Are there a number of disposal lakes in
15	the area?
16	A. Yes, there are.
17	0. Now, would you please describe briefly
18	the search that's been made to locate any fresh water wells
19	in the area?
20	A. Yes, sir, I will. Our office looked for
21	water wells within a two-mile radius of our proposed disposal
22	pit and we did find the one in the Walters Ranch slightly
23	more than two miles away.
24	With the assistance of Mr. Bob Barton
25	at the State Engineer's Office, Cavalcade Oil checked the

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Lea County report and found nothing. We checked the Eddy
County report and found nothing. We checked the files of
the State Engineer's Office and we found nothing filed. Two
topographical maps at the State Engineer's Office showed no
wells and we especially focused our search on these sections
that are located in between the McClay lease and the area to
the south that was already granted an exception by Order
R-322-B back in '68. I'm specifically talking about Sections
2, 3, 4, 5, and 6 of Township 19 South, Range 30 East.

As you can see, these sections are the sections that lie directly between the McClay lease and the area that has already been granted the exception.

There was nothing in any of these sections.

Q. In addition to the general search that you made of the area did you also particularly check those sections that lie between the McClay lease and the existing water well?

A. Yes, we did. And the same information was -- was obtained, that there is nothing.

Q. Okay.

A. From our extensive search.

Q. In your opinion would disposal into an unlined pit at the proposed location result in the contamination of fresh water?

vention of waste, and the protection of correlative rights?

Yes, that's -- that's right.

24

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A.

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2	None Publishes One thousand mbure
3	Q. Were Exhibits One through Three prepared
4	by you or under your direction and supervision?
	A. Yes, they were.
5	MR. CARR: At this time, Mr. Nutter, we
6	would offer Applicant's Exhibits One through Three.
7	MR. NUTTER: Exhibits One through Three
8	will be admitted in evidence.
9	MR. CARR: I have nothing further of
10	this witness on direct.
11	
12	CROSS EXAMINATION
13	BY MR. NUTTER:
14	A Mr. Levenson, the ground water report
15	on Eddy County, now you mentioned that you'd gone through
16	some ground water reports in this area, with the State En-
17	gineer, or with someone, now, you're talking about Section
18	33 of Township 18 South, Range 30 East.
19	A. That's right.
20	Q This would be Section 33.
21	A. Right there.
22	Q. Right where Loco Hills is shown to
23	A. Uh-huh.
24	Q. Through the area.
25	A. Uh-huh.

1	12
2	Now there appears to be a water well
3	approximately three or four miles to the southwest. Do you
4	know whether that well is still in existence or not?
5	A. I don't know. We where are you
6	looking, right here?
7	Q. Right here.
8	A. We failed if it is in existence we
9	don't know, because we found no record of it.
10	Q Well, according to
11	A. Everywhere we looked we didn't find it.
12	Q. According to Plate 3 of Ground Water
13	Report No. 3 on the ground water resources of Eddy County,
14	the movements of ground water in the area would be to the
15	south and southwest.
16	A. Uh-huh.
17	Q Which would be directly from your pro-
18	posed pit towards this water well, which appears at one time,
19	at least, to have been located in Section 13 of Township 19
20	South, Range 29 East.
21	A. This was this is almost thirty years
22	old,
23	Q. It's an old report.
24	A. Yeah.
25	Q. We had at least at one time there was a

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	_	
2	A.	I believe it's 9 and 10. Immediately
3	to the south. Actua	ally, more so in 10.
4	0.	And whose lake is that?
5	A.	That's Amax'.
6	Q	Amax' lake.
7	A.	There's a picture that very first
8	picture shows that 1	Amax mine from the
9	Q.	And the lake is right near the
10	A.	Yeah, you can see
11	Q	mine?
12	A.	it on the horizon. It was the one on
13	top.	
14	Q.	Uh-huh.
15	A.	It's right there. It, you know, covers
16	a lot of area. But	on to the south of there another four or
17	five miles is PCA, a	and it's the same situation.
18	Q.	But you are within 1-1/2 miles of the
19	area that was exemp	t from R-3221-A
20	А.	That's right.
21	Q.	As the so-called Nash Draw exemption.
22	Ä.	Right, 1968.
23	Ο.	Okay. Well, if you can find out about
24	that one well I had	a question on, I'll appreciate it.
25	А.	Okay.

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1	coult have ground
2	MR. NUTTER: Are there any further ques-
3, ,,	tions of Mr. Levenson? He may be excused.
4	Do you have anything further, Mr. Carr?
5	MR. CARR: Nothing further, Mr. Nutter.
6	MR. NUTTER: Does anyone have anything
7	they wish to offer in Case Number 7168?
8	We'll take the case under advisement.
9	
10	(Hearing concluded.)
11	
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CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Soly W. Boyd C.S.R.

Oil Conservation Division

SALLY W. BOYD, C.S.

Rt. 1 Box 193-11

Sunta Fe, New Mexico 87201

Phone (505) 455-7409

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 25 February 1981 EXAMINER HEARING

IN THE MATTER OF:

Application of Cavalcade Oil Corpor-) ation for an exception to Order No.) R-3221, Eddy County, New Mexico.

CASE 7168

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Ernest L. Padilla, Esq. Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501

For the Applicant:

William F. Carr, Esq. CAMPBELL, BYRD, & BLACK Jefferson Place Santa Fe, New Mexico 87501

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5	MICHAEL LEVENSON	
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22		
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25		

Michael Levenson, Carlsbad New Mexico.

24

25

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1		4
2	0	Mr. Levenson, by whom are you employed
3	and in what capacity	ÀS :
4	A.	President, Cavalcade Oil Corporation.
5	Q.	Have you previously testified before this
6	Commission and had	your credentials as a practical oil man
7	accepted and made a	matter of record?
8	A.	Yes, I have.
9	Q.	Are you familiar with the application of
10	Cavalcade Oil Corpo	ration in this case?
11	Α.	Yes.
12	Q.	Are you familiar with the wells which
13	are involved in thi	s application?
14	A.	Yes.
15		MR. CARR: Are the witness' qualifications
16	acceptable?	
17		MR. NUTTER: Yes, they are.
18	Q.	Will you briefly state what Cavalcade
19	seeks with this app	lication?
20	A.	Yes, we seek exception to Order No.
21	R 3221, Eddy County	, New Mexico.
22	0.	Mr. Levenson, will you refer to what
23	has been marked for	identification as Applicant's Exhibit
24		ain to Mr. Nutter what it is and what it
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-

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A. Yes, sir, I will. This is a plat showing the subject two wells, the McClay 11 and the McClay 12, marked in blue on spacing units K and L, each 40 acres, in Section 33.

It shows marked in red to the south below the red lines the potash disposal area that was granted
an exception to R-3221-B in July, 1968, and approximately
three miles to the -- I think it's three as the crow flies,
between two and three miles to the northeast in Section 22,
that would be the northeast quarter, as signified by a blue
dot, is the location of the nearest water well in the area
known as the Williams -- I believe Williams Ranch. Walters
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Mr. Levenson, will you now refer to what has been marked for identification as your Exhibit Number Two and explain to Mr. Nutter what this is and what it shows?

A. Yes. Exhibit Number Two is an economic analysis simply stating history for the last six months of the two wells individually and added together, of oil and water production in terms of barrels, showing steady water production, declining oil, and the actual cost of hauling the water for those months.

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4	the north half of the southwest quarter of Section 33 in 18				
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8	gas?				
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17	taken from a location of the proposed pit, is that correct?				
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19	a series of ten photographs taken from the location in a pan-				
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22	And these pictures start with a photo-				
23	graph 10 ling directly west, is that it?				
24	A. That's right.				
25	O. Have you been on this location a number				

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5	well is uphill from the lease and the potash lake is downhill				
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9	A. That's correct.				
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13	ship 19 South, Range 30 East.				
14	O. Are there a number of disposal lakes in				
15	the area?				
16	A Yes, there are.				
17	0. Now, would you please describe briefly				
18	the search that's been made to locate any fresh water wells				
19	in the area?				
20	A. Yes, sir, I will. Our office looked for				
21	water wells within a two-mile radius of our proposed disposal				
22	pit and we did find the one in the Walters Ranch slightly				
23	more than two miles away.				
24	With the assistance of Mr. Bob Barton				
25	at the State Engineer's Office, Cavalcade Oil checked the				

Lea County report and found nothing. We checked the Eddy
County report and found nothing. We checked the files of
the State Engineer's Office and we found nothing filed. Two
topographical maps at the State Engineer's Office showed no
wells and we especially focused our search on these sections
that are located in between the McClay lease and the area to
the south that was already granted an exception by Order
R-322-B back in '68. I'm specifically talking about Sections
2, 3, 4, 5, and 6 of Township 19 South, Range 30 East.

As you can see, these sections are the sections that lie directly between the McClay lease and the area that has already been granted the exception.

There was nothing in any of these sections.

- In addition to the general search that you made of the area did you also particularly check those sections that lie between the McClay lease and the existing water well?
- A. Yes, we did. And the same information was -- was obtained, that there is nothing.
 - Q Okay.
 - A From our extensive search.
- Q In your opinion would disposal into an unlined pit at the proposed location result in the contamination of fresh water?

1	
2	Ne don't we don't really see how this
3	is possible because the only well, frosh water well, is the
4	one that lies uphill to the north with the area draining to
5	the south, and no fresh water well being located between the
6	McClay lease and the area to the south, would virtually make
7	it impossible to contaminate fresh water supply.
8	On Exhibit Number Two you indicate that
9	there are certain costs involved in disposing of the water
10	at present. How are you disposing of the water?
11	A. We are trucking the water.
12	ρ And what is your cost?
13	A. And the cost is ranging between \$1500
14	and \$2000 per month.
15	Q. In your opinion would granting this
16	application extend the economic life of the McClay 11 and
17	McClay 12 Wells?
18	A. Yes, sir, it would, because it will
19	I UTTOM AT
20	a managing operation of the
2	1 ICUIO
2	
2	plication be in the best interest of conservation, the pre-
2	vention of waste, and the protection of correlative rights?
1	Yes, that's that's right.

uh-huh.

1		12	
2	Ũ	Now there appears to be a water well	
3	approximately thre	e or four miles to the southwest. Do you	
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5	λ.	I don't know. We where are you	
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13	Report No. 3 on th	e ground water resources of Eddy County,	
14	the movements of g	round water in the area would be to the	
15	south and southwes	t.	
16	۸.	Uh-huh.	
17	<u></u>	Which would be directly from your pro-	
18	posed pit towards	this water well, which appears at one time	ì,
19	at least, to have	been located in Section 13 of Township 19	
20	South, Range 29 Ea	st.	
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2	λ.	I believe it's 9 and 10. Immediately		
3	to the south. Actua	11y, move so in 10.		
4	U	And whose lake is that?		
5	A.	That's Amax'.		
6	Q.	Amax' lake.		
7	A.	There's a picture that very first		
8	picture shows that Amax mine from the			
9	Q	And the lake is right near the		
10	A.	Yeah, you can see		
11	Q	mine?		
12	Α.	it on the horizon. It was the one on		
13	top.			
14	G	Uh-huh.		
15	A,	It's right there. It, you know, covers		
16	a lot of area. But	on to the south of there another four or		
17	five miles is PCA, a	nd it's the same situation.		
18	Ç.	But you are within 1-1/2 miles of the		
19	area that was exempt	from R-3221-A		
20	А.	That's right.		
21	Q.	As the so-called Nash Draw exemption.		
22	A.	Right. 1968.		
23	Q.	Okay. Well, if you can find out about		
24	that one well I had	a question on, I'll appreciate it.		
25	А.	Okay.		

MR. NUTTER: Are there any further ques-tions of Mr. Levenson? He may be excused. Do you have anything further, Mr. Carr? MR: CARR: Nothing further Mr. Nutter. MR. NUTTER: Does anyone have anything they wish to offer in Case Number 7168? We'll take the case under advisement. (Hearing concluded.)

_

CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Oll Conservation Division

LARRY KEHOE SECRETARY

STATE OF NEW MEXICO **ENERGY AND MINERALS DEPARTMENT** OIL CONSERVATION DIVISION

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO B7501 (505) 827-2434

May 1, 1981

Mr. William F. Carr Campbell, Byrd & Black	Re:	CASE NO. 7168 ORDER NO. R-6661
Attorneys at Law Post Office Box 2208 Santa Fe, New Mexico		Applicant:
		Cavalcade Nil Corporation
Dear Sir:		
Enclosed herewith are two of Division order recently en		
Yours very truly, JOE D. RAMEY Director	·	
JDR/fd		•
Copy of order also sent to	:	•
Hobbs OCD x Artesia OCD x Aztec OCD		
Other		

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. 7168 Order No. R-6661

APPLICATION OF CAVALCADE OIL CORPORATION 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 9 a.m. on February 25, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of April, 1981, 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 the applicant, Cavalcade Oil Corporation, is the owner and operator of the McClay Lease, in Section 33, Township 18 South, Range 30 East, NMPM, Benson Queen-Grayburg Pool, Eddy County, New Mexico.
- (3) 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.

-2-Case No. 7168 Order No. R-6661

- (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 ressonable 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 well into an unlined surface pit located in the SW/4 of said Section 33.
- (7) That applicant's McClay Lease produces approximately 60 barrels of water per day.
- (8) That there appears to be no shallow fresh water in the vicinity of the subject pit for which a present or reasonably foreseable beneficial use is or will be made that would be impaired by contamination from the subject pit.
- (9) That to prevent the waste of oil and gas in said Benson Queen-Grayburg Pool, authority to dispose of produced water from applicant's McClay Léase in an unlined surface pit on said lease should be granted.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Cavalcade Oil Corporation, is hereby granted an exception to Order (3) of Division Order No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil or gas, or both, from its McClay Lease, located in Section 33, Township 18 South, Range 30 East, NMPM, Benson Queen-Grayburg Pool, Eddy County, New Mexico, in an unlined surface pit located in the SW/4 of said Section 33.
- (2) That the Director of the Division may by administrative order rescind such authority whenever it reasonably appears to the Director that such rescission would serve to protect fresh water supplies from contamination.

Case No. 7168 Order No. R-6661

(3) 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 hereinboyn designated.

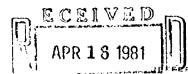
EAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY/ Director

CAMPBELL, BYRD & BLACK, P.A.

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
WILLIAM G. WARDLE



OIL CONSTRUCTION DIVISION ORTH GUADALUPE SANTA FE POST OFFICE BOX 2208

SANTA FE. NEW MEXICO 87501

TELEPHONE: (505) 988-4421 TELECOPIER: (505) 983-6043

April 14, 1981

Mr. Daniel S. Nutter Chief Engineer Oil Conservation Division New Mexico Department of Energy and Minerals Post Office Box 2088 Santa Fe, New Mexico 87501

Re: Case 7168: Application of Cavalcade Oil Corporation for an Exception to Order No. R-3221, Eddy County, New Mexico

Dear Mr. Nutter:

As you will recall, at the hearing in the above-referenced case, you raised certain questions concerning how the proposed exception to Order No. R-3221 might affect a water well which is located in Section 13 of Township 19 South, Range 29 East, Eddy County, New Mexico. This well appeared on the 1952 copy of the Eddy County report.

Following the hearing, we employed Jack Ahlen, Consulting Geologist from Roswell, New Mexico, to make an inspection of the site and to provide us with the data you requested at the time of the hearing. His report is enclosed for your consideration.

If you need any additional information from Cavalcade Oil Corporation to enable you to reach your decision in the above-referenced case, please advise.

Best personal regards.

Very truly yours,

William F. Carr

WFC:1r Enclosures

cc: Mr. Michael Levenson

Jack Ahlen

CONSULTING GEOLOGIST

TOWER SUITE CONSULT NO DIVISION
ROSWELL PETROLEUM BUILDING ANTA FE Campbell, B

DIVISION

Campbell, Byrd and Black, P.A.

April 13, 1981

Mr. William G. Wardle Campbell, Byrd, and Black P.A. P.O. Box 2208 Santa Fe, NM 87501

> RE: Drainage analysis for Cavalcade Oil Corp. Water disposal in Section 33, T18S, R3OE, Eddy Co., NM

Dear Mr. Wardle,

As you requested, I have investigated the geological circumstances in the vicinity of the Cavalcade Oil Corp. #11 and #12 McClay wells in the SW/4 of Section 33, T18S, R30E, Eddy County, N.M.

The wells are located on a topographic ridge called Loco Hills. Well #11 is at an elevation of 3471' and well # 12 at 3423'. The surface at well #12 is underlain by a red, coarse to fine grained, unsorted, angular to subround, friable sandstone. Porosity is evident between the grains. Vertical permeability appears to be moderate to fair. The surface at well #11 is underlain by a red coarse to fine grained, shaley, unsorted, angular to subround friable sandstone with eratic interbeds and irregular masses of caliche. The caliche is white, soft to hard and brittle. The mud pit walls exhibit interbedded caliche and red shaley sand. Vertical permeability appears to be low.

Surface drainage for both locations is to the west into a local undrained depression in the south half of Section 32, T18S, R3OE, as indicated on the Clayton Basin 15 minute Quadrangle Topographic Map, (copy attached). The distance is 3/4 of a mile.

Subsurface drainage is to the southeast, down structural dip as indicated on the Geomap shallow subsurface horizon dated Jan. 1, 1981, (copy attached).

If the disposal pit is built to OCD specifications there is no reason to expect surface drainage contamination by overflow or by breaking of the pit by catastrophic events such as flash floods.

The North Lake well in Section 13, T19S, R29E is protected against direct surface drainage from the proposed disposal system by four successive naturally occurring topographic barriers.

Page 2

Mr. William G. Wardle

Brines which soak into the surface beds will not contaminate the North Lake well since migration will be in a southeast direction, down structural dip, away from the North Lake well.

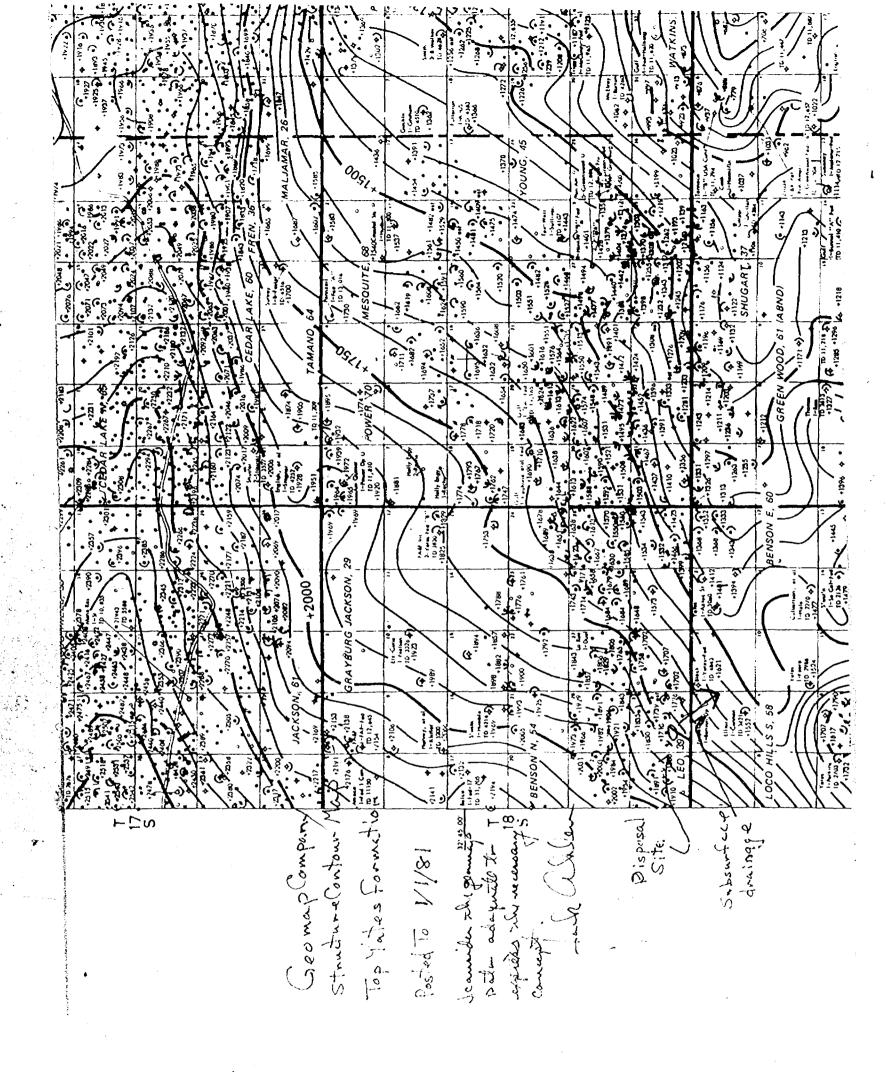
It is therefore concluded that the proposed disposal project at this location will not adversly effect the quality of water in the North Lake well.

If you have any further questions, please advise.

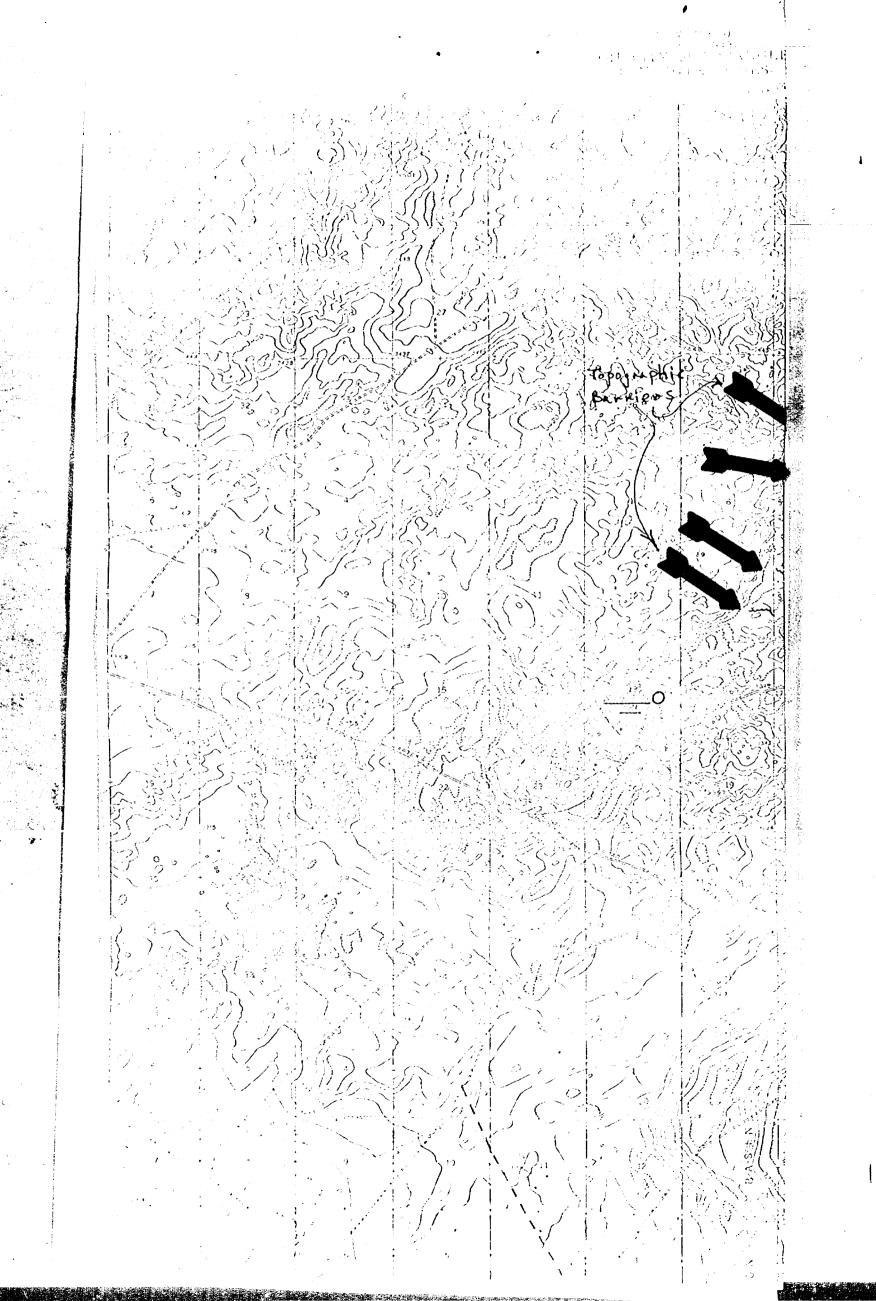
Very Truly Yours,

Jack Ahlen

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BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
CASE NO. 7168



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BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

CASE NO. 1168



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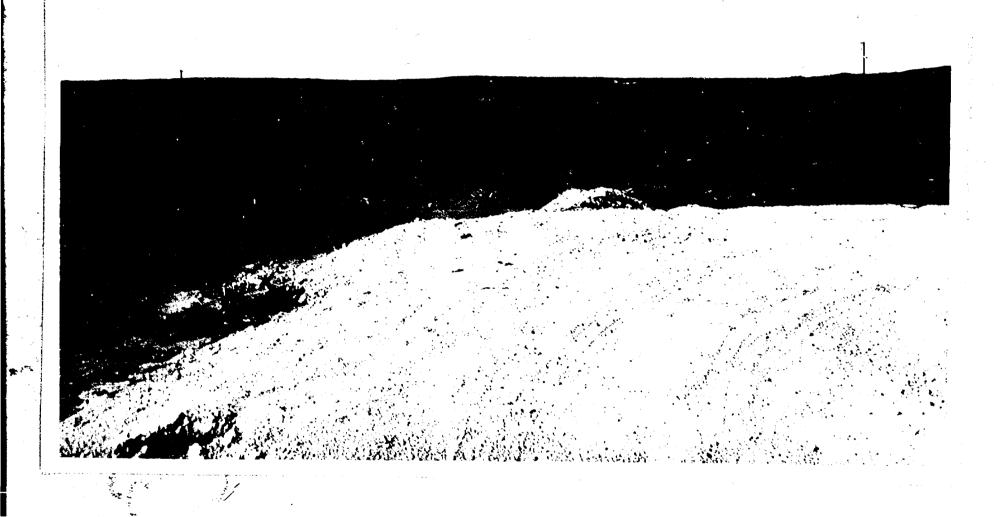


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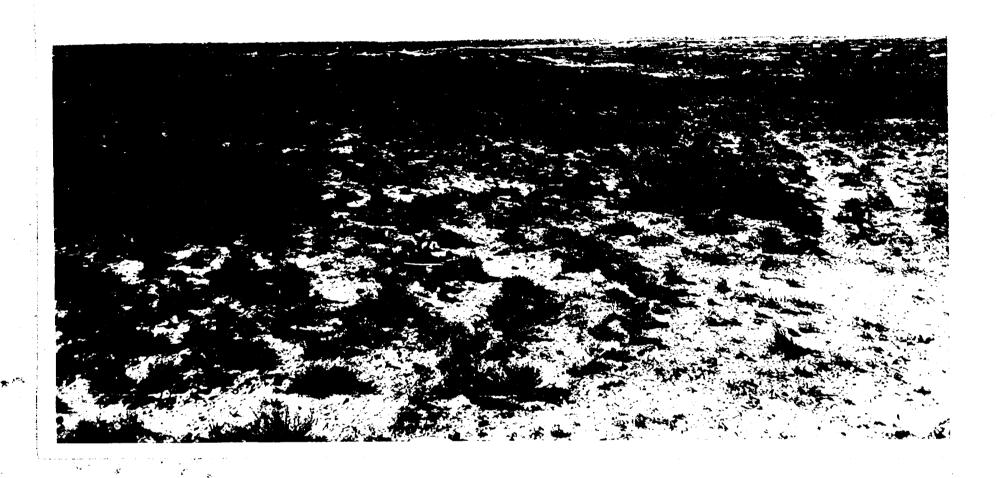


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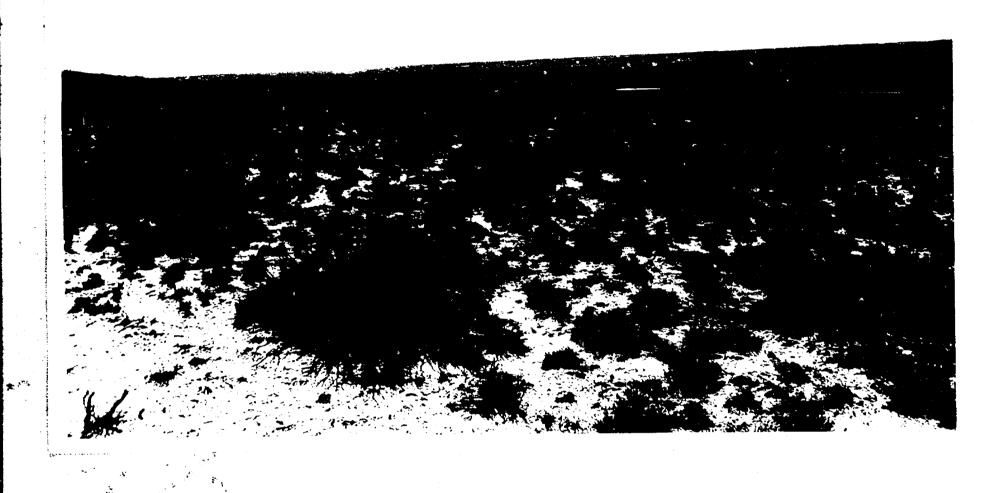
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OIL AND WATER PRODUCTION (IN BARRELS)

	AUGUST, 1980		1980 SETPEMBER, 1980		OCTOBER, 1980		NOVEMBER, 1980		DECEMBER, 1980		JANUARY, 1981	
	Oil	Water	Oil	Water	Oil	Water	Oil	Water	Oil	Water	Oil	Water
McCLAY #11	297	465	230	483	228	519	199	544	185	560	174	495
McCLAY #12	643	902	496	968	505	1,006	440	1,056	437	1,090	407	1,005
TOTAL	940	1,367	726	1,451	733	1,525	639	1,600	622	1,650	581	1,500
Cost to haul water	\$3,145.15		\$1,576.5	9	\$2,034	.66	\$1,876	.67	\$1,352	2.02	\$1,446	5.97

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Cambrage EXHIBIT NO. 2

CASE NO. 1168

CAMPBELL BYRD & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
WILLIAM G. WARDLE

JEFFERSON PLACE
SUITE I - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
- SANTA FE. NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

February 16, 1981

Mr. Joe D. Ramey Director Oil Conservation Division New Mexico Department of Energy and Minerals Post Office Box 2088 Santa Fe, New Mexico 87501 FEB 16 1981

OIL CONS SATION DIVISION
SANTA FE

Re: Application of Cavalcade Oil Corporation for an Exception to Order No. R-3221,

Eddy County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Cavalcade Oil Corporation in the above-referenced matter.

The applicant requests that this matter be included on the docket for the examiner hearing scheduled to be held on February 25, 1981.

Very truly yours

William F. Carr

WFC:1r

Enclosures

cc: Mr. Michael Levenson

BEFORE THE

FER 1 6 1981

OIL CONSERVATION DIVISION

OR CORE THE DIVISION NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF CAVALCADE OIL CORPORATION FOR AN EXCEPTION TO ORDER NO. R-3221, EDDY COUNTY, NEW MEXICO.

Case <u>)/68</u>

APPLICATION

Comes now CAVALCADE OIL CORPORATION, by and through its undersigned attorneys, and applies to the Oil Conservation Division for an exception to the provisions of Commission Order No. R-3221, as amended, to permit the surface disposal of produced water in an unlined surface pit in the Benson Queen-Grayburg Pool, and in support thereof would show the Commission:

- 1. Applicant proposes to dispose of water produced from its McClay No. 11 and McClay No. 12 Wells, located in Units K and L, Section 33, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, in a surface pit.
- 2. The McClay No. 11 and 12 Wells are producing approximately 60 barrels of water per day, together with approximately 15 mcf of gas, and 20 barrels of oil.
- 3. There is no supply of fresh water in the vicinity of the subject wells, and proposed pit location.
- 4. Applicant has made a survey, and finds no fresh water would be affected by the proposed surface disposal.
- 5. Surface drainage pattern is such that produced water cannot migrate to contaminate any supply of fresh water

whether surface water or underground water, and no stock tanks or other temporary or permanent water facilities exist in the area or would be affected by the surface disposal.

- 6. Water from the well is presently being trucked to a disposal site at considerable expense to applicant.
- 7. Approval of this application will prolong the economic life of the well, permit the recovery of hydrocarbons over a longer period of time, and will prevent waste. No damage will occur to the surface or underground, and the correlative rights of no owner will be affected.

WHEREFORE, Applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order approving the surface disposal as applied for.

Respectfully submitted,

CAMPBELL, BYRD AND BLACK, P.A.

William E Carr

Post Office Box 2208

Santa Fe, New Mexico 87501

Attorneys for Applicant

Dockets Nos. 8-81 and 9-81 are tentatively set for March 11 and 25, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 25, 1981

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 7157: Application of Carl A. Schellinger for a unit agreement, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the Campbell Station Unit Area, comprising 3,841 acres, more or less, of State lands in Townships 8 and 9 South, Range 27 East.
- CASE 7158: Application of Grynberg & Associates for a unit agreement, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the Silman Lake Unit Area, comprising 13,743 acres, more or less, of State and fee lands in Townships 9 and 10 South, Ranges 26 and 27 East.
- CASE 7159: Application of Consolidated Oil & Gas, Inc. for dewnhole commingling, San Juan County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the downhole commingling of Greenhorn and Dakota production in the wellbore of its Navajo Well No. 2-E located in Unit C of Section 11, Township 25 North, Range 10 West.
- CASE 7160: Application of Marlan Drilling Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2370 feet from the North line and 1528 feet from the West line of Section 31, Township 29 North, Range 11 West, Fulcher Kutz-Pictured Cliffs Pool, the NW/4 of said Section 31 to be dedicated to the well.
- CASE 7148: (Continued from February 11, 1981, Examiner Hearing)

Application of Twin Montana Oil Company for a non-standard oil proration unit, Lea County, New Nexico. Applicant, in the above-styled cause, seeks approval of an 80-acre Vada-Pennsylvanian oil proration unit comprising the S/2 NE/4 of Section 3, Township 9 South, Range 35 East, to be dedicated to its Webb Federal Well No. 1 located in Unit G of said Section 3.

CASE 7051 (Continued from January 28, 1981, Examiner Hearing)

Application of Petro Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry and Drinkard production in the wellbore of its L. G. Warlick "B" Well No. 2 located in Unit G of Section 19, Township 21 South, Range 37 East.

CASE 7140: (Continued from February 11, 1981, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 26, Township 21 South, Range 26 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1650 feet from the East line of said Section 26. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7149: (Continued from February 11, 1981, Examiner Hearing)

Application of John H. Hendrix Corporation for the extension of the vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3362 feet, subsurface, underlying Unit O of Section 19, Township 23 South, Range 37 East.

CASE 7161: Application of John Yuronka for four compulsory poolings, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langlie Mattix Pool underlying the four 40-acre proration units comprising the SW/4 of Section 31, Township 22 South, Range 37 East, to be dedicated to wells to be drilled at standard locations thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

- CASE 7162: Application of McCulloch Oil & Gas Company for compulsory pooling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the McKee formation underlying the E/2 of Section 25, Township 20 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7163: Application of ARCO Oil and Gas Company for the extension of the vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool by 165 feet underlying the NE/4 SE/4 of Section 35, Township 23 South, Range 36 East.
- Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian and Ellenburger formations, Custer Field, underlying the N/2 of Section 6, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7165: Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langley-Ellenburger Pool underlying the N/2 of Section 33, Township 22 South, Range 36 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7166: Application of Inexco Oil Company for a unit agreement, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the Chosa Draw Unit Area, comprising 2,560 acres, more or less, of Federal and State lands in Townships 25 and 26 South, Range 25 East.
- CASE 7167: Application of Inexco Oil Company for a unit agreement, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the Made Well Anticline Unit Area, comprising 39,238 acres, more or less, of State, Federal, and fee lands in Townships 12, 13, and 14 South, Ranges 21 and 22 East.
- CASE 7168: Application of Cavalcade Oil Corporation for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into an unlined surface pit located in Unit K or L of Section 33, Township 18 South, Range 30 East.
- CASE 7129: (Continued from February 11, 1981, Examiner Hearing)

Application of Koch Exploration Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the N/2 of Section 28, Township 28 North, Range 8 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

- CASE 7169: Application of Koch Exploration Company for compulsory pooling, San Juan County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 22, Township 28 North, Range 8 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7170: Application of Threshold Development Company for an NGPA determination, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its Conoco 10A State Well No. 1Y in Unit F of Section 10, Township 19 South, Range 29 East.

- CASE 7171: Application of Zia Energy Inc. for a non-standard gas proration unit, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit in the Eumont Gas Pool comprising the SM/4 SE/4 of Section 27, and the N/2 NE/4 of Section 34, Town-ship 20 South, Range 36 East, to be dedicated to its Elliott "A" State Well No. 1 located 660 feet from the South line and 1980 feet from the East line of said Section 27.
- CASE 7172: Application of Caulkins Oil Company for two unorthodox gas well locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of the following two wells on its Breech A Lease to be recompleted in the Chacra, Mesaverde, and Dakota formations: No. 157 located 1980 feet from the North line and 660 feet from the West line of Section 10 and No. 629 located 660 feet from the North line and 760 feet from the West line of Section 9, both in Township 26 North, Range 6 West.
- CASE 7173: Application of V-F Petroleum Inc. for an unorthodox well location, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 330 feet from the North line and 1150 feet from the East line of Section 5, Township 16

 South, Range 38 East, South Denton-Devonian Pool, the NE/4 NE/4 of said Section 5 to be dedicated to the well.
- CASE 7174: Application of Jake L. Hamon for an unorthodox gas well location, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the South and West lines of Section 36, Township 23 South, Range 26 East, South Carlsbad-Morrow Gas Pool, the S/2 of said Section 36 to be decicated to the well.
- CASE 7175: Application of Conoco Inc. for compulsory pooling and a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Ellenburger formations underlying the S/2 of Section 19, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a standard location and dually completed in the Devonian and Ellenburger formations. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

BEFORE THE

FEB 1 6 198

OIL CONSERVATION DIVISION

OIL CORE 11 STICT DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MENERALS

IN THE MATTER OF THE APPLICATION OF CAVALCADE OIL CORPORATION FOR AN EXCEPTION TO ORDER NO. R-3221, EDDY COUNTY, NEW MEXICO.

Case >/68

APPLICATION

Comes now CAVALCADE OIL CORPORATION, by and through its undersigned attorneys, and applies to the Oil Conservation Division for an exception to the provisions of Commission Order No. R-3221, as amended, to permit the surface disposal of produced water in an unlined surface pit in the Benson Queen-Grayburg Pool, and in support thereof would show the Commission:

- 1. Applicant proposes to dispose of water produced from its McClay No. 11 and McClay No. 12 Wells, located in Units K and L, Section 33, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, in a surface pit.
- 2. The McClay No. 11 and 12 Wells are producing approximately 60 barrels of water per day, together with approximately 15 mcf of gas, and 20 barrels of oil.
- 3. There is no supply of fresh water in the vicinity of the subject wells, and proposed pit location.
- 4. Applicant has made a survey, and finds no fresh water would be affected by the proposed surface disposal.
- 5. Surface drainage pattern is such that produced water cannot migrate to contaminate any supply of fresh water

whether surface water or underground water, and no stock tanks or other temporary or permanent water facilities exist in the area or would be affected by the surface disposal.

- 6. Water from the well is presently being trucked to a disposal site at considerable expense to applicant.
- 7. Approval of this application will prolong the economic life of the well, permit the recovery of hydrocarbons over a longer period of time, and will prevent waste. No damage will occur to the surface or underground, and the correlative rights of no owner will be affected.

WHEREFORE, Applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order approving the surface disposal as applied for.

> Respectfully submitted, CAMPBELL, BYRD AND BLACK, P.A.

Post Office Box 2208

Santa Fe, New Mexico

Attorneys for Applicant

BEFORE THE

OIL CONSERVATION DIVISION

FEB 1.6 1981

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS TAKE

IN THE MATTER OF THE APPLICATION OF CAVALCADE OIL CORPORATION FOR AN EXCEPTION TO ORDER NO. R-3221, EDDY COUNTY, NEW MEXICO.

Case 7/68

APPLICATION

Comes now CAVALCADE OIL CORPORATION, by and through its undersigned attorneys, and applies to the Oil Conservation Division for an exception to the provisions of Commission Order No. R-3221, as amended, to permit the surface disposal of produced water in an unlined surface pit in the Benson Queen-Grayburg Pool, and in support thereof would show the Commission:

- 1. Applicant proposes to dispose of water produced from its McClay No. 11 and McClay No. 12 Wells, located in Units K and L, Section 33, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, in a surface pit.
- 2. The McClay No. 11 and 12 Wells are producing approximately 60 barrels of water per day, together with approximately 15 mcf of gas, and 20 barrels of oil.
- 3. There is no supply of fresh water in the vicinity of the subject wells, and proposed pit location.
- 4. Applicant has made a survey, and finds no fresh water would be affected by the proposed surface disposal.
- 5. Surface drainage pattern is such that produced water cannot migrate to contaminate any supply of fresh water

whether surface water or underground water, and no stock tanks or other temporary or permanent water facilities exist in the area or would be affected by the surface disposal.

- 6. Water from the well is presently being trucked to a disposal site at considerable expense to applicant.
- 7. Approval of this application will prolong the economic life of the well, permit the recovery of hydrocarbons over a longer period of time, and will prevent waste. No damage will occur to the surface or underground, and the correlative rights of no owner will be affected.

WHEREFORE, Applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order approving the surface disposal as applied for.

Respectfully submitted,

CAMPBELL, BYRD AND BLACK, P.A.

Post Office Box 2208

Santa Fe, New Mexico 87501

Attorneys for Applicant

ROUGH dr/

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:

OV.10_DD1/121/O1
CASE NO. 7168
ORDER NO. R- 6661
APPLICATION OF CAVALCADE OIL CORPORATION
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 9 a.m. on February 25
19 81 , at Santa Fe, New Mexico, before Examiner Daniel S. Nutt
NOW, on this day of , 1981, 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 the applicant, Cavalcade Oil Corporation, is
the owner and operator of the McClay Leave,
lesated in Unit of Section 33 , Township 18 South
Range 30 East, NMPM, Benson Queen-Grayburg Pool,
Eddy County, New Mexico.
(3) 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 hagard to any fresh water complied and said

disposal has not previously been prohibited.

BY

- (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 as an exception to the provisions of the aforesaid Order (3) to permit the disposal of salt water produced by applicant's above-described well into an unlined surface pit located in Unit or of said Section 33.
- (7) That applicant's McClay React produces approximately 60 barrels of water per day.
- (8) 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.

(9) That the nature of the reservoir of said
Pool is such that reinjection of produced
vater into said reservoir would result in greater ultimate recovery
of oil and gas therefrom thereby preventing waste.
$(oldsymbol{\mathcal{G}})$ That to prevent the waste of oil and gas in said
bruson Queen Graybert 9 Pool, parmament authority to
dispose of produced water from applicant's McClay
leave in an unlined surface pit on said lease should
pe granted.

(11) That the applicant should be permitted to dispose of
water produced from said in an
unlined surface pit on said lease until
IT IS THEREFORE ORDERED:
(1) That the applicant, Cavalcade Oil Corporation , is
hereby granted an exception to Order (3) of Division Order No.
R-3221, as amended, to dispose of water produced in conjunction
with the production of oil or gas, or both, from its McClay
Leave, located in Wait f Section 33
Township 18 South , Range 30 East , NMPM,
Bruson Queen broghory Pool, Eddy County, New the Suff
Mexico, in an unlined surface pit located in White of said
Section 33 until 10
(2) That the Director of the Division may by administra-
tive order rescind such authority whenever it reasonably appears
to the 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 Division may deem necessary.
DONE at Santa Fe, New Mexico, on the day and year hereinabove
designated.