Entered May 1, 1967

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION UPON ITS OWN MOTION TO CONSIDER AN ORDER PROHIBITING THE DISPOSAL OF OIL FIELD BRINES IN SURFACE PITS IN LEA, CHAVES, ROOSEVELT, AND EDDY COUNTIES, NEW MEXICO.

> CASE No. 3551 Order No. R-3221

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 19, 1967, at Hobbs, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this <u>lst</u> day of May, 1967, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That large amounts of water produced in conjunction with the production of oil or gas, or both, are being disposed of on the surface of the ground by means of unlined disposal pits located in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.

(3) That said produced water contains high concentrations of chlorides.

(4) That fresh water supplies as designated by the state engineer exist in substantially all areas where there is surface pit disposal and in substantially all the area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.

(5) That the disposal of water produced in conjunction with the production of oil or gas, or both, on the surface of

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the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, constitutes a hazard to existing fresh water supplies, as designated by the state engineer, in the vicinity of such disposal.

(6) That in order to afford reasonable protection against contamination of fresh water supplies as designated by the state engineer, the disposal 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 will constitute a hazard to any fresh water supplies existing in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, should be prohibited in said Counties.

(7) That the testimony indicates that the volume of water produced in conjunction with the production of oil or gas, or both, from the North Bagley-Upper Pennsylvanian, North Bagley-Middle Pennsylvanian, North Bagley-Lower Pennsylvanian, North Bagley-Wolfcamp, and Northeast Bagley-Wolfcamp Pools, Lea County, New Mexico, and being disposed of into unlined pits is so great as to constitute an imminent threat to fresh water supplies designated by the state engineer and the surface disposal of said water should, therefore, be prohibited after October 31, 1967, in the area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.

(8) That large amounts of water are produced in conjunction with the production of oil from active waterflood projects and active water pressure maintenance projects.

(9) That one or more injection wells are present in each waterflood project.

(10) That in order to afford reasonable protection against contamination of fresh water supplies designated by the state engineer, the surface disposal of water produced in conjunction with the production of oil from active waterflood projects and active water pressure maintenance projects should be prohibited after December 31, 1967, in the area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.

(11) That complete prohibition of surface disposal in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, of water produced in conjunction with the production of oil or gas, or both, should be accomplished by December 31, 1968, unless specifically exempted. -3-CASE No. 3551 Order No. R-3221

(12) That the surface disposal in pits of not more than one barrel per day for each developed 40-acre tract served by said pits, but limited to a maximum of 16 barrels per day, is so insignificant as to present little hazard to fresh water supplies and should be allowed in order to prevent waste caused by the premature abandonment of wells.

(13) That in order to prevent waste caused by the drowning out of oil or gas wells or burdensome delay or expenses, the District Supervisor of the appropriate District Office of the Commission should be empowered to authorize temporary disposal in surface pits for a period not to exceed 30 days for such contingencies as injection system failures and evaluation of wildcat wells.

IT IS THEREFORE ORDERED:

(1) That effective November 1, 1967, the disposal of water produced in conjunction with the production of oil or gas, or both, from the North Bagley-Upper Pennsylvanian, North Bagley-Middle Pennsylvanian, North Bagley-Lower Pennsylvanian, North Bagley-Wolfcamp, and Northeast Bagley-Wolfcamp Pools, Lea County, New Mexico, or within one mile thereof, 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 will constitute a hazard to any fresh water supplies, is hereby prohibited in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.

(2) That effective January 1, 1968, the disposal of water produced in conjunction with the production of oil from any waterflood project or water pressure maintenance project 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 will constitute a hazard to any fresh water supplies is hereby prohibited in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.

(3) That effective January 1, 1969, the disposal 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 will constitute a hazard to any fresh water supplies and said disposal has not -4-CASE No. 3551 Order No. R-3221

previously been prohibited by Orders Nos. (1) or (2) above, or by Order No. R-1224-A, or by Order No. R-2526, or by Order No. R-2788, or by Order No. R-3164, is hereby prohibited in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.

(4) That in those areas subject to the provisions of Orders Nos. (1) and (3) above, surface pits may be utilized for the disposal of a maximum of one barrel of produced water per day for each developed 40-acre tract served by said pits, provided however, that in no event shall said surface pit disposal exceed 16 barrels per day, and provided further, that this authorization shall not apply to those areas affected by Orders Nos. R-1224-A, R-2526, R-2788, or R-3164.

(5) That nothing contained in this order shall be construed as prohibiting the disposal of water produced in conjunction with the production of oil or gas, or both, in impervious lined pits presently in use, provided said pits were inspected and approved by a Commission representative prior to use, and for so long as said pits are properly maintained to ensure their continued imperviousness.

(6) That each unlined pit used for the disposal of water produced in conjunction with the production of oil or gas, or both, and not servicing a well exempt under the provisions of Order No. (4) above shall be filled, leveled, and compacted within six months after its use for the disposal of produced water is prohibited or by November 1, 1967, whichever date is later.

(7) That nothing contained in this order shall be construed as prohibiting the use and maintenance of mud pits or burn pits.

(8) That the District Supervisor of the approporate District Office of the Commission is hereby empowered to authorize temporary disposal in surface pits for a period not to exceed 30 days for such contingencies as injection system failures and evaluation of wildcat wells. Authority for said disposal shall only be granted on an individual case basis and only after the volume and quality of the water produced and the proximity of fresh water supplies have been taken into consideration.

(9) That the provisions of this order are in addition to the provisions of Order No. R-1224-A, Order No. R-2526, Order

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No. R-2788, and Order No. R-3164 of the Commission and nothing herein contained shall be construed as abridging or altering in any manner the provisions of said orders.

(10) 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 DAVID F. CARGO, Chain nan HAYS, Member ́В. Tutor, h. PORTER, Jr., Member & Secretary Α. L.

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