Entered August 17, 1967 AAP.

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. 3636 Order No. R-3300

APPLICATION OF NEW MEXICO SALT WATER DISPOSAL COMPANY, INC., FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 16, 1967, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this <u>17th</u> day of August, 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 Order No. R-2526, dated July 18, 1963, prohibited the surface disposal in unlined pits of salt water produced from the South Lane-Pennsylvanian, Middle Lane-Pennsylvanian, Inbe-Pennsylvanian, and Inbe-Wolfcamp Pools, Lea County, New Mexico, and within one mile thereof, effective September 19, 1963.

(3) That the applicant, New Mexico Salt Water Disposal Company, Inc., seeks authority to dispose of a maximum of 12,500 barrels per day of salt water produced from the abovementioned pools, and other pools in the area, in a playa lake located in Section 32, Township 10 South, Range 34 East and in Sections 2 and 3, Township 11 South, Range 34 East, NMPM, Lea County, New Mexico, said lake being known as North Lake of the Four Lakes. -2-CASE No. 3636 Order No. R-3300

(4) That the evidence establishes that fresh water as designated by the State Engineer exists in the Ogallala formation in the vicinity of North Lake.

(5) That the water in the lake is not fresh water.

(6) That there is natural seepage of salt water from the lake into the Ogallala formation to the south of the lake.

(7) That the extent of the seepage from the subject lake into the Ogallala formation varies as the level of the water in the lake fluctuates.

(8) That the aforesaid natural seepage from the subject lake has heretofore contaminated a portion of the Ogallala formation south of the lake to an unknown extent.

(9) That the addition of salt water to the lake through utilization for disposal purposes will raise the water level of the lake above its natural water level, thereby increasing the amount of seepage of salt water from the lake into the Ogallala formation.

(10) That the aforesaid increased seepage of salt water from the subject lake into the Ogallala formation that would be caused through utilization of the subject lake for salt water disposal would constitute a hazard to the fresh water supplies existing in the Ogallala formation to the south of the subject lake.

(11) That the application of New Mexico Salt Water Disposal Company, Inc., to utilize North Lake of the Four Lakes for salt water disposal should be <u>denied</u>.

IT IS THEREFORE ORDERED:

(1) That the subject application is hereby <u>denied</u>.

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

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member Joster, h.

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

SEAL

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