Entered October 31, 196 / A. J.M.

## 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. 3665 Order No. R-3333

APPLICATION OF WILLIAM A. AND EDWARD R. HUDSON FOR AN EXCEPTION TO ORDER NO. R-3221, EDDY COUNTY, NEW MEXICO.

## ORDER OF THE COMMISSION

## BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 18, 1967, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this <u>31st</u> day of October, 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 the applicants, William A. and Edward R. Hudson, operate a waterflood project on their Puckett "A" and Puckett "B" Leases in Sections 13, 24, and 25, Township 17 South, Range 31 East, NMPM, Maljamar Pool, Eddy County, New Mexico.

(3) That large amounts of water are produced in conjunction with the production of oil from the aforementioned waterflood project.

(4) That effective January 1, 1968, Order (2) of Commission Order No. R-3221, dated May 1, 1967, prohibits in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, 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 -2-CASE No. 3665 Order No. R-3333

watercourse, or in any other place or in any manner which will constitute a hazard to any fresh water supplies.

(5) That the applicants seek an exception to the provisions of the aforesaid Order (2) to permit the continued surface disposal of water produced in conjunction with the production of oil from the aforesaid waterflood project for a period of one year beginning January 1, 1968.

(6) That the applicants have not established that fresh water supplies as designated by the state engineer do not exist in the area immediately surrounding the aforementioned waterflood project or that if such fresh water supplies do exist the surface disposal of produced water does not constitute a hazard to said fresh water supplies.

(7) That it is in the interest of good conservation practices, including the conservation of fresh water, to recycle water produced or used in connection with the producing of oil or gas, or both, in water injection projects, whenever recycling is feasible and performed in a manner that will afford reasonable protection against contamination of fresh water supplies designated by the state engineer.

(8) That the subject application 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.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

andy DAVID F. CARGO, Chairman

R. Na HAYS, Member alil

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

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