

Entered July 20, 1970
A.S.P.

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. 4376
Order No. R-3997

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR AN EXCEPTION TO ORDER
NO. R-3221, AS AMENDED, CHAVES COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 1, 1970,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 20th day of July, 1970, 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, Pan American Petroleum Corporation,
is the owner and operator of the Lusk "A" Lease comprising the
NE/4 of Section 6, Township 15 South, Range 30 East, NMPM, Double
L-Queen Pool, Chaves 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

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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 applicant's wells located on its Lusk "A" Lease in the NE/4 of said Section 6 in an unlined surface pit located in Unit B of said Section 6.

(7) That it is anticipated that wells on the subject lease will produce approximately 20 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 applicant should be permitted to dispose of salt water produced by wells on its above-described Lusk "A" Lease in an unlined surface pit located in Unit B of Section 6, Township 15 South, Range 30 East, NMPM, Double L-Queen Pool, Chaves County, New Mexico.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, 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 wells located

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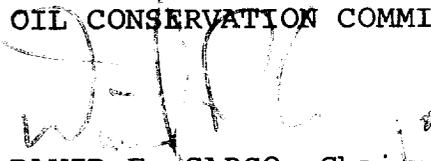
on its Lusk "A" Lease comprising the NE/4 of Section 6, Township 15 South, Range 30 East, NMPM, Double L-Queen Pool, Chaves County, New Mexico, in an unlined surface pit located in Unit B of said Section 6.

(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.

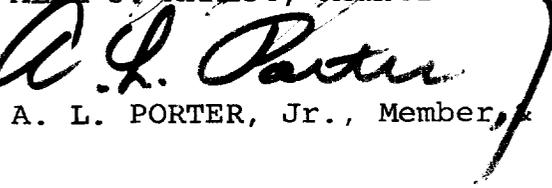
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


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

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