

Entered July 14, 1976
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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. 5699
Order No. R-5236

APPLICATION OF DALPORT OIL 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 June 23, 1976,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th day of July, 1976, 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, Dalport Oil Corporation, is the
owner and operator of the Jones Federal Well No. 3, located in
Unit K of Section 22, Township 15 South, Range 29 East, NMPM,
South Lucky Lake-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
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 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 L of said Section 22.

(7) That applicant's Jones Federal Well No. 3 produces approximately 17 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 South Lucky Lake-Queen Pool is such that reinjection of produced water into said reservoir would result in greater ultimate recovery of oil and gas therefrom thereby preventing waste.

(10) That to prevent the waste of oil and gas in said South Lucky Lake-Queen Pool, permanent authority to dispose of produced water from applicant's Jones Federal Well No. 3 in an unlined surface pit on said lease should not be granted.

(11) That the applicant should be permitted to dispose of water produced from said Jones Federal Well No. 3 in an unlined surface pit on said lease until August 1, 1977.

IT IS THEREFORE ORDERED:

(1) That the applicant, Dalport Oil 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, from its Jones Federal Well No. 3, located in Unit K of Section 22, Township 15 South, Range 29 East, South Lucky Lake-Queen Pool, Chaves County, New Mexico, in an unlined surface pit located in Unit L of said Section 22, until August 1, 1977.

(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.

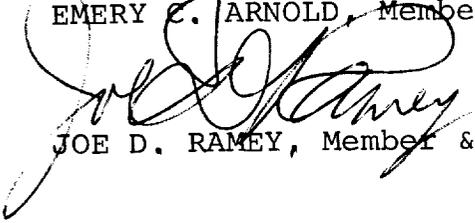
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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