

Entered August 24, 1976  
JLR

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. 5719  
Order No. R-5245

APPLICATION OF LA RUE AND MUNCY FOR  
AN EXCEPTION TO ORDER NO. R-3221,  
AS AMENDED, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 21, 1976,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th day of August, 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,

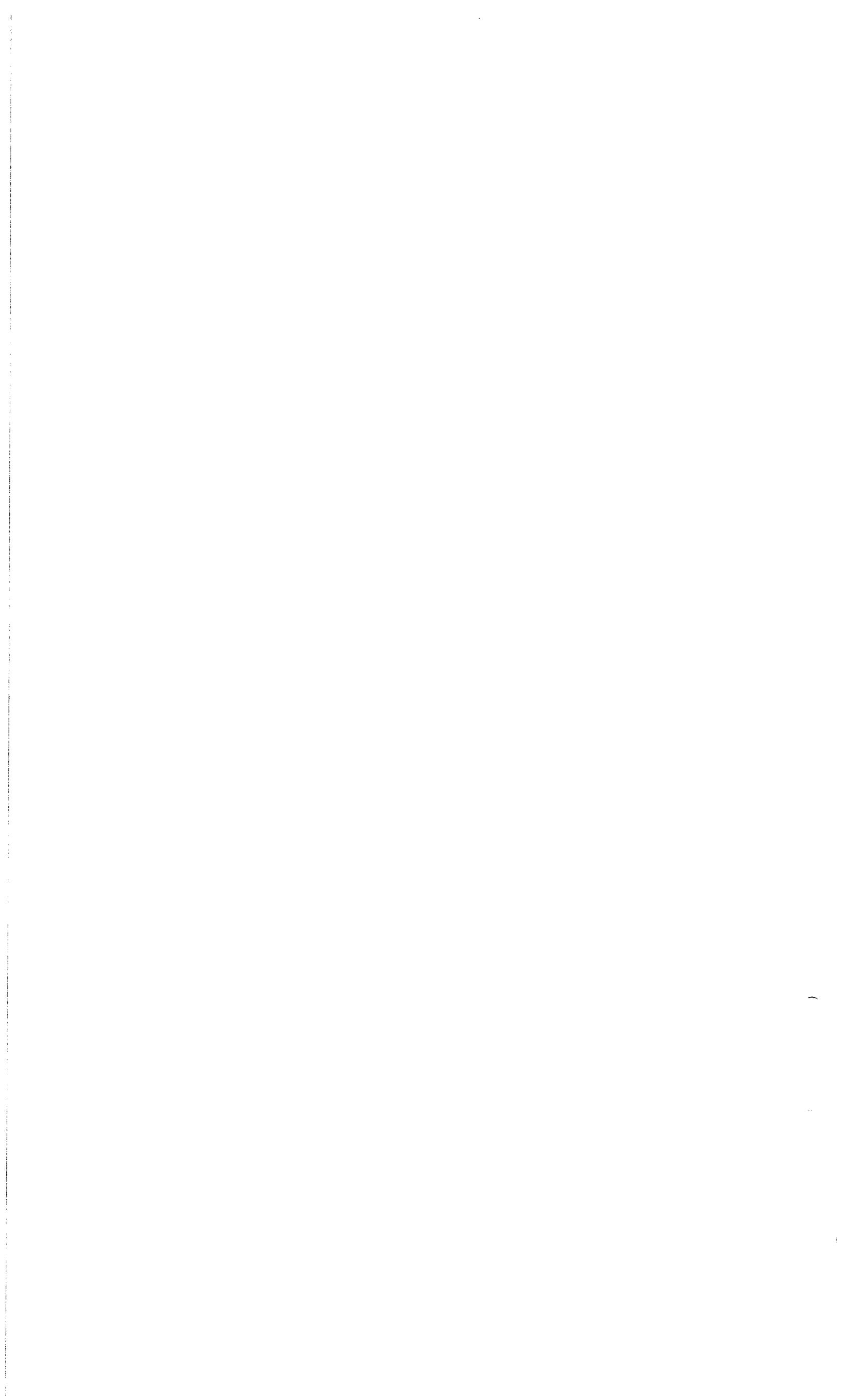
FINDS:

(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, La Rue and Muncy, is the owner and  
operator of the McClay Federal Wells Nos. 9 and 10, located in  
Units G and F, respectively, of Section 33, Township 18 South,  
Range 30 East, NMPM, North Benson Queen-Grayburg Pool, Eddy  
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 been previously 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 wells into unlined surface pits located in Units F and G of said Section 33.

(7) That said McClay Federal Wells Nos. 9 and 10 produce approximately 6 barrels of water per day.

(8) That there is fresh water in the vicinity of the above-described unlined pits for which a present or reasonably foreseeable beneficial use is or will be made.

(9) That the evidence presented at the hearing demonstrates that surface drainage from the area of the proposed pits is away from the area wherein said fresh water is located.

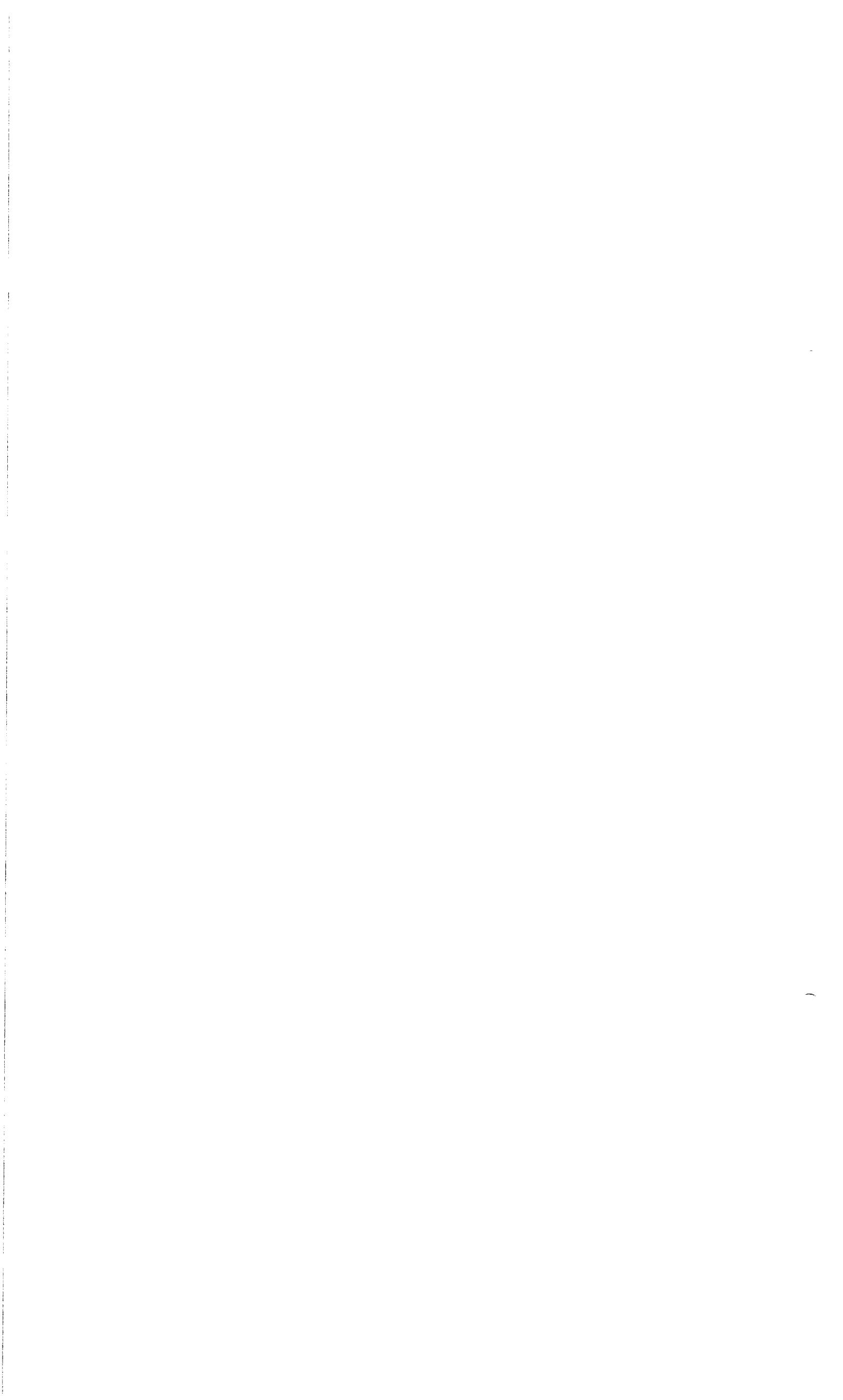
(10) That no evidence was presented to demonstrate that subsurface drainage or percolation of water from the proposed unlined pits would not be toward nor affect said fresh water.

(11) That to protect said fresh water from the potential harmful affects of the surface disposal of produced salt water in said pits the subject application should be denied.

IT IS THEREFORE ORDERED:

(1) That the application of La Rue and Muncy for 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 their McClay Federal Wells Nos. 9 and 10, located in Units G and F, respectively, of Section 33, Township 18 South, Range 30 East, NMPM, North Benson Queen-Grayburg Pool, Eddy County, New Mexico, in unlined surface pits located in the vicinity of said wells is hereby denied.

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



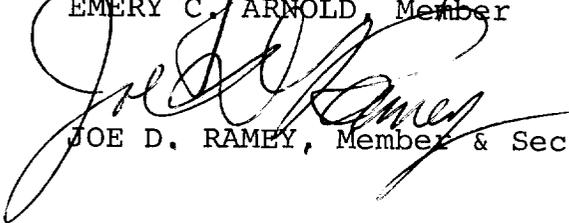
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DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

  
EMERY C. ARNOLD, Member

  
JOE D. RAMEY, Member & Secretary

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