STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6659
Order No. R-6134

APPLICATION OF AMOCO PRODUCTION COMPANY
FOR AN EXCEPTION TO ORDER NO. R-3221,
AS AMENDED, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 19, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this __10th__ day of October, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2)   That Order (3) of Division 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.

(3)   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.

(4)   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.

(5)   That the applicant herein, Amoco Production Company,
seeks as an exception to the provisions of the aforesaid Order
(3) to permit the disposal of salt water produced by its wells
in Sections 27, 34, and 35, Township 18 South, Range 31 East,
NMPM, Shugart-Pennsylvanian Gas Pool, Eddy County, New Mexico,
into unlined surface pits located adjacent to its tank batteries
in said Sections 27, 34 and 35.

(6)   That there appears to be no shallow fresh water in the
vicinity of the subject pits for which a present or reasonably
foreseeable beneficial use is or will be made that would be
impaired by contamination from the subject pits.

(7)   That to prevent the waste of oil and gas in said
Shugart-Pennsylvanian Gas Pool, authority to dispose of produced
water from applicant's wells in the aforesaid Sections 27, 34,
and 35 in unlined surface pits on said lands should be granted.

IT IS THEREFORE ORDERED:

(1)   That the applicant, Amoco Production Company, is
hereby granted an exception to Order (3) of Division Order No.
R-3221, as amended, to dispose of water produced in conjunction
with the production of oil or gas, or both, from its leases in
Sections 27, 34, and 35, Township 18 South, Range 31 East, NMPM,
Shugart-Pennsylvanian Gas Pool, Eddy County, New Mexico, in
unlined surface pits located in said Sections 27, 34 and 35.

(2)   That the Director of the Division may by administra-
tive order rescind such authority whenever it reasonably appears
to the Director that such rescission would serve to protect
fresh water supplies from contamination.

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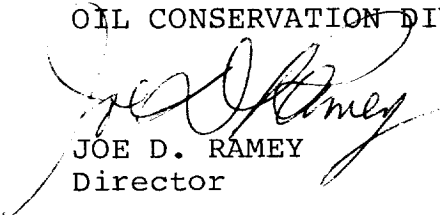entry of such further orders as the Division may deem necessary.

-3-
Case No. 6659
Order No. R-6134

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY
Director

SEAL

fd/