

*Entered April 3, 1970*  
*A.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. 4327  
Order No. R-3944

APPLICATION OF FRANKLIN, ASTON & FAIR  
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 March 25, 1970,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of April, 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, Franklin, Aston & Fair, is the owner  
and operator of certain leases in the Loco Hills Field comprising  
the NE/4 and N/2 SE/4 of Section 1, Township 18 South, Range 29  
East, and the E/2, N/2 NW/4, and S/2 SW/4 of Section 6, Township  
18 South, Range 30 East, NMPM, 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

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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 or to be located on said Loco Hills Field leases in unlined surface pits on said leases.

(7) That the applicant has recently completed the Ballard NH Federal Well No. 1, located 330 feet from the North line and 1750 feet from the East line of said Section 1 as a producing well in the Loco Hills Grayburg-San Andres Pool; that said well produces approximately 30 barrels of water per day in conjunction with its oil production.

(8) That there is a reasonable probability that the applicant will complete additional wells in the NE/4 of said Section 1.

(9) That there appears to be no water in the vicinity of the NE/4 of said Section 1 for which a present or reasonably foreseeable beneficial use is or will be impaired by contamination from unlined surface pits located on said quarter section.

(10) That the applicant should be permitted to utilize unlined surface pits for the disposal of salt water produced by wells located or to be located in the NE/4 of Section 1, Township 18 South, Range 29 East, NMPM, Loco Hills Field, Eddy County, New Mexico.

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IT IS THEREFORE ORDERED:

(1) That the applicant, Franklin, Aston & Fair, 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 or to be located on its lease or leases comprising the NE/4 of Section 1, Township 18 South, Range 29 East, NMPM, Loco Hills Field, Eddy County, New Mexico, in unlined surface pits located on said lease or leases.

(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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