

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. 3758
Order No. R-3424

APPLICATION OF WILLIAM A. AND EDWARD R.
HUDSON FOR AN EXCEPTION TO ORDER NO.
R-3221, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 15, 1968, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 31st day of May, 1968, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 applicants, William A. and Edward R. Hudson, are the owners and operators of the Hudson & Hudson Federal, Hudson & Hudson Gulf Federal, and Hudson & Hudson Eddy State "BD" Leases located in Sections 28, 32, and 33, Township 20 South, Range 30 East, NMPM, Dos Hermanos Yates-Seven Rivers Pool, Eddy County, New Mexico.

(3) That effective January 1, 1969, Order (3) of Commission Order No. R-3221, dated May 1, 1967, 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,

-2-

CASE No. 3758

Order No. R-3424

pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any other place or in any manner which will constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

(4) That the applicants seek an exception to the provisions of the aforesaid Order (3) to permit the continued surface disposal of produced water on said leases on or after January 1, 1969.

(5) That substantial amounts of water are produced in conjunction with the production of oil or gas, or both, from the aforementioned leases.

(6) That said produced water is presently being disposed of in surface pits located on said leases.

(7) That several large surface ponds, or lakes, containing extremely high concentrations of chlorides exist in the immediate and mediate vicinity of said disposal pits which ponds, or lakes, are not subject to the provisions of Order No. R-3221.

(8) That in relation to said surface lakes, the subject disposal pits are small in volume of water and the concentrations of chlorides are inappreciable.

(9) That the aforesaid disposal pits and surface lakes overlie the same general subsurface drainage system.

(10) That the purpose of Order No. R-3221, to protect fresh water supplies from the hazard posed by surface disposal of produced water, would not be advanced by the enforcement of said order as to the subject leases at this time.

(11) That approval of the subject application will relieve the applicants of unnecessary operating expenses, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicants, William A. and Edward R. Hudson, are hereby granted an exception to Order (3) of Commission Order No. R-3221, to continue to dispose of water produced in conjunction with the production of oil or gas, or both, from wells located on their Hudson & Hudson Federal, Hudson & Hudson Gulf Federal, and Hudson & Hudson Eddy State "BE" Leases located in

-3-

CASE No. 3758
Order No. R-3424

Sections 28, 32, and 33, Township 20 South, Range 30 East, NMM, Dos Hermanos Yates-Seven Rivers Pool, Eddy County, New Mexico, in pits located on said leases until further order of the Commission.

(2) That the Commission may by administrative order rescind such authority whenever it reasonably appears to the Commission that such rescission would serve to protect fresh water supplies from pollution.

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

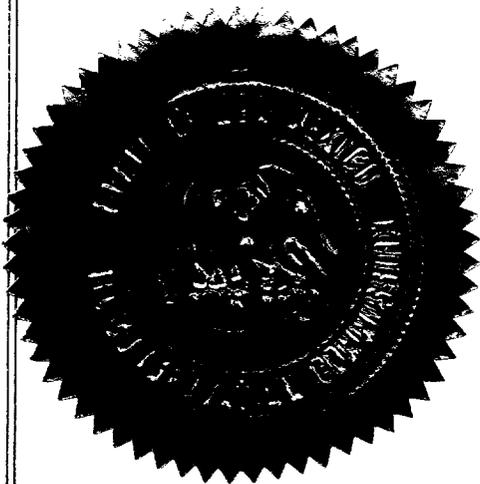
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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



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-3-

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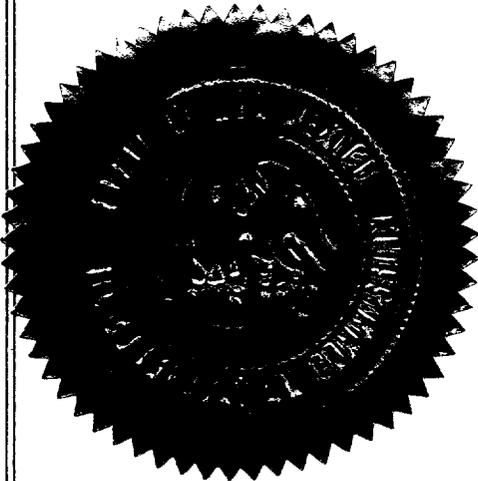
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STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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



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United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

July 27, 1971

Mrs. Ida Rodriguez
Secretary to Director
New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Ida:

The exhibits we borrowed on July 23 (No. 1 through No. 13, case 3758, and No. 1 through No. 4, case 4182) are returned herewith. Thank you for your cooperation in making these exhibits available to us.

Sincerely yours,

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

Atchs

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 2088
SANTA FE

May 31, 1968

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: Case No. 3758
Order No. R-3424
Applicant:
Wm. A. & Ed. Hudson

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Aztec OCC

Other Mr. John Anderson, U. S. Geological Survey, Roswell, New Mexico