



STATE OF NEW MEXICO  
STATE ENGINEER OFFICE  
ROSWELL

S. E. REYNOLDS  
STATE ENGINEER

ADDRESS CORRESPONDENCE TO:

P. O. BOX 1717  
ROSWELL, NEW MEXICO  
88201

August 5, 1969

New Mexico Oil Conservation Commission  
State Land Office Building  
Santa Fe, New Mexico 87501

Dear Sirs:

This letter is in response to a request by Mr. Paul Eaton of Hinkle, Bondurant and Christy, Attorneys at Law, concerning fresh water supplies in the vicinity of Section 31, Township 18 South, Range 31 East, N.M.P.M., in the northeastern part of Eddy County, New Mexico. The records of the State Engineer Office do not reflect any fresh shallow water supplies in the area nor do they reflect that such shallow water supplies do not exist. The closest fresh water wells which have been noted in fairly comprehensive field checks of the area are those at the headquarters of the "Lusk" ranch in Sections 28 and 29, Township 19 South, Range 31 East, ~~some~~ five miles south and one mile east of the subject section, and shallow wells in the Clayton basin area in Sections 2 and 3, Township 20 South, Range 30 East, six and one-half miles south and two miles west of the subject section. It appears that surface drainage from Section 31, Township 18 South, Range 31 East, N.M.P.M., is directed towards the south and west.

Very truly yours,

  
Fred H. Hennighausen  
District II Supervisor

FHH\*jll  
cc: Hinkle, Bondurant & Christy

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. <u>2</u>
CASE NO. <u>4150</u>

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. 4180  
Order No. R-3813

APPLICATION OF UNION OIL COMPANY OF  
CALIFORNIA 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 August 6, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of August, 1969, 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, Union Oil Company of California, is the owner and operator of certain wells on its Federal "E" and Federal "F" Leases in Section 31, Township 18 South, Range 31 East, NMPM, Shugart Field, 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 previously been prohibited.

-2-

CASE No. 4180

Order No. R-3813

(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 on its Federal "E" and Federal "F" Leases in said Section 31, in the unlined surface pit located in the NE/4 of said Section 31.

(7) That the subject wells presently produce approximately 22 barrels of water per day.

(8) That there appears to be no shallow fresh water in the vicinity of the subject leases 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 applicant should be permitted to dispose of salt water produced by wells located on applicant's leases in said Section 31 in the unlined surface pit located in the NE/4 of said Section 31.

IT IS THEREFORE ORDERED:

(1) That the applicant, Union Oil Company of California, 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 wells on its Federal "E" and Federal "F" Leases in Section 31, Township 18 South, Range 31 East, NMPM, Shugart Field, Eddy County, New Mexico, in the unlined surface pit located in the NE/4 of said Section 31.

-3-

CASE No. 4180  
Order No. R-3813

(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 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*  
DAVID F. CARGO, Chairman

*Alex J. Armijo*  
ALEX J. ARMILLO, Member

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



esr/