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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

July 28, 1971

EXAMINER HEARING

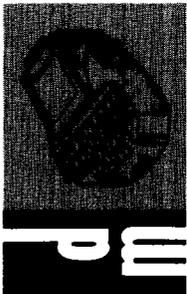
IN THE MATTER OF:)

Application of Great Plains Land)
Company for an exception to Order)
No. R-3221, as amended, Eddy)
County, New Mexico.)

Case No. 4561

BEFORE: ELVIS A. UTZ, EXAMINER

TRANSCRIPT OF HEARING



1 MR. UTZ: Case 4561.

2 MR. HATCH: Case 4561. Application of Great Plains
3 Land Company for an exception to Order Number R-3221, as
4 amended, Eddy County, New Mexico.

5 If the examiner please, This case was heard on June
6 30, but there had been a mistake in the advertising, but we
7 went ahead and heard the case, the testimony concerning it,
8 and I recommend that an order be issued on the basis of the
9 evidence received June 30, 1971, if there is no objection
10 today.

11 MR. UTZ: The mistaken advertising was that we
12 advertised Range 30 instead of 31; is that correct?

13 MR. HATCH: Yes.

14 MR. UTZ: Are there any appearances or any
15 objections? If there are no appearances in Case 4561, the
16 record will stand as it was heard on June 30. We will write
17 an order on that case.
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STATE OF NEW MEXICO)
)
COUNTY OF BERNALILLO)

I, LINDA MALONE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Linda Malone
Court Reporter

I do hereby certify that the foregoing is a true and correct record of the proceedings at the hearing of case No. 4561, heard by me on July 28, 1971.
[Signature], Esquire
New Mexico Oil Conservation Commission

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date JUNE 30, 1971TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
Kerr Paterson	White Gilbert Kolb & Kelly	Santa Fe
Joe S. Roney	N M O C A	Hobbs
Bob Christy	Dalport	Roswell
Tom M. Brant	Dalport	Dallas Tex
Jim Kraus	U. S. G. S.	Artesia, N.M.
James E. Turner	U. S. G. S.	Roswell
Lewis M. Williams	Tenneco	Midland, Tex
Jack M. McAdams	U. S. G. S.	Santa Fe
Raymond W. Parker	Marathon Oil Co	Houston, Tex
Clyde E. Altom	Marathon Oil Co	Houston, Tex
Joe S. McClell	McClell	Roswell, N.M.
O. Lopez	Montgomery Fischer	Santa Fe
Victor T. Lyon	Continental Oil Co	Hobbs
Monty J. Coit	Western States Prod Co	Midland
Jana Kellah	Kellah & Fox	Santa Fe
John J. Russell	Ingram	Roswell
Tom L. Ingram	Ingram	Roswell

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOHearing Date JUNE 30, 1971 TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
J. Losee	Losee & Pearson	Artesia
Brent Watson	Texas Oil & Gas	Midland
Dwight Stephens	Texas Oil & Gas	Midland
Mrs. J. Williams	LW Ryan & Co.	Santa Fe
Sterling J. Pallery	Perroc Oil Corp.	Midland

1 MR. UTZ: We will hear Case 4561, in order, and
2 we will then hear 4564 and 4549. The last one will be the
3 only remaining case, which is 4562.

4 Case 4561.

5 MR. HATCH: Application of Great Plains Land
6 Company for an exception to Order No. R-3221, as amended,
7 Eddy County, New Mexico.

8 MR. LOSEE: Mr. Examiner, I am A. J. Losee, Losee
9 and Carson, Artesia, representing Great Plains. I have one
10 witness, Mr. Lamb, and would ask that he be sworn at this
11 time.

12 (Witness sworn.)

13 (Whereupon, Applicant's Exhibits 1 through 4 were
14 marked for identification.)

15 N. RAYMOND LAMB,

16 having been first duly sworn, testified as follows:

17 DIRECT EXAMINATION

18 BY MR. LOSEE:

19 Q Will you state your name, please?

20 A N. Raymond Lamb.

21 Q Where do you live, Mr. Lamb?

22 A Artesia, New Mexico.

23 Q What is your occupation?

24 A Petroleum engineer.

25 Q Have you previously testified before this Commission and

1 had your qualifications made a matter of record?

2 A I have.

3 MR. LOSEE: Mr. Lamb's qualifications acceptable,
4 Mr. Examiner?

5 MR. UTZ: Well, they made a mistake years ago if
6 they aren't.

7 Q (By Mr. Losee) Are you acquainted with the application
8 of Great Plains Land Company in this Case 4561?

9 A Yes. I have examined the situation as to their application.

10 Q In this application they seek an exception to Order R-
11 3221, requiring the disposal of produced water.

12 A That is right, and request permission to dispose of
13 produced water in unlined pits.

14 Q I hand you what's been marked Applicant's Exhibit No. 1
15 and ask you to state what is represented by this exhibit.

16 A It is a plat of the area of the major part of the North
17 Shugart and the area outlined in -- the large area
18 outlined in red, which covers the area that I have examined.
19 The small red forty-acre square is the acreage involved
20 in the application.

21 Q Now, there's one producing well on this forty-acre tract.

22 A That's right. It's in the northwest quarter of the
23 northwest of Section 31, 18 South, 31 East.

24 Q What formation is it producing?

25 A It's producing from the Grayburg-San Andres.

1 O Where is the pit located in which the water is --
2 produced water is proposed to be disposed of?

3 A Well, the battery is about 200 feet from the well and
4 the small pit, which now exists, is some fifty-sixty
5 feet from the battery, south of the battery.

6 O Do you know what amounts of water are presently being
7 produced from this well?

8 A I have photocopy of the April, 1971 statistical report,
9 which is Marked as Exhibit --

10 O Four.

11 A -- Four. It shows the allowable at 570 barrels pumping;
12 production, 541; amount of water produced, 210. It's
13 my understanding that this water is now being trucked for
14 disposal.

15 O What efforts have you made, Mr. Lamb, to determine
16 whether there is any fresh water located in the area of
17 this lease?

18 A Well, I have made a personal examination of the area and
19 from past knowledge, various other reasons to be in the
20 area, I find no evidence of shallow water in the
21 immediate area.

22 O Now, is this a ranching area?

23 A Yes, solely ranching.

24 O Have you had occasion to make inquiry of Mr. Henninghausen,
25 the district supervisor at the State Engineer's Office

1 in Roswell, concerning fresh water supplies in this area?

2 A Yes. Exhibit Two is a copy of a letter from Mr.
3 Henninghausen giving his interpretation of the presence
4 of fresh, shallow water in the area. He states that
5 there is water five miles south and one mile east of the
6 subject section and some six and a half miles south and
7 two miles west.

8 And, it should be noted that these are scattered
9 areas of water production and are isolated.

10 Q Does it point out in this letter the direction in which
11 the surface drainage is?

12 A Yes. The drainage is to the southwest.

13 Q What is the importance of the drainage to the southwest
14 in connection with this application?

15 A The area to the southwest is in the potash area, where
16 the disposal of water from the potash mines is permitted
17 and there is not any known fresh water in the area.

18 Q Do you have an opinion as to whether or not there is any
19 fresh water sand existing near this Great Plains Lease?

20 A I know of none.

21 Q Please refer to what's been marked as Applicant's
22 Exhibit Three and explain what is shown by this exhibit.

23 A This is a portion of a topography sheet of the immediate
24 area. It shows the high area to be in the northwest
25 corner, with an elevation of about 3700 feet. The

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1 elevation at the Great Plains location is approximately
2 3550 feet and on to the southwest the elevation decreases
3 to about 3550 or less, which supports the indication that
4 the drainage area is to the southwest.

5 Q Now, I notice a blue line running from northeast to
6 southwest. What is meant by this blue line?

7 A This line is the approximate location of a potash water
8 supply line from the Caprock area to the potash mine and
9 along this line the ranchers have secured permission to
10 acquire stock water at various locations and there are
11 stock tanks along this line which supply the ranching
12 water in this area.

13 Q Do you have an opinion as to whether this application
14 will prevent waste and protect correlative rights?

15 A It should prevent waste and give the operator a longer
16 life on his production.

17 Q You have already referred to Exhibit Four as being simply
18 the Commission's records of production from this well.

19 A That's correct.

20 Q With the exception of the Commission record and the
21 letter from Mr. Henninghausen, were the other exhibits
22 prepared by you or under your direction?

23 A They were.

24 MR. LOSEE: We move the introduction of Applicant's
25 1 through 4.

1 MR. UTZ: Without objection, Exhibits 1 through 4
2 will be entered into the record of this case.

3 MR. LOSEE: Mr. Examiner, we would ask that you
4 take administrative notice of Case Numbers 4132, 4146, 4169
5 and 4180, in which exceptions to Order R-3221 were granted in
6 this Shugart Field. Also, this is all of the direct exami-
7 nation.

8 But, I would like to move to amend the application
9 to show that this subject well is located in Range 31 rather
10 than Range 30 and, unfortunately, ask the Commission to
11 republish it in the correct range.

12 MR. HATCH: The next one that can be advertised
13 will be for the 28th of July.

14 MR. UTZ: This case will be readvertised, because
15 of the advertising error in the paper, July 28th Examiner
16 Hearing advertisement.

17 Questions of the witness? He may be excused.

18 (Witness excused.)

19 MR. UTZ: Statements? The case will be taken under
20 advisement.

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I N D E X

WITNESS

PAGE

N. RAYMOND LAMB

Direct Examination by Mr. Losee

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E X H I B I T S

Applicant's 1 through 4

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