

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 23, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Dalport Oil Corporation) CASE
for an exception to the provisions of) 5699
Order No. R-3221, Chaves County,)
New Mexico.)

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: Sim B. Christy, IV, Esq.
JENNINGS, CHRISTY & COPPLE
Attorneys at Law
P. O. Box 1180
Roswell, New Mexico

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I N D E X

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1 MR. STAMETS: At this time we will take Case 5699
2 cut of order.

3 MR. CARR: Case 5699, application of Dalport Oil
4 Corporation for an exception to the provisions of Order No.
5 R-3221, Chaves County, New Mexico.

6 MR. CHRISTY: Sim Christy, Jennings, Christy and
7 Copple for the applicant. We have one witness, Mr. Lampert.

8 MR. STAMETS: The record will reflect that this is
9 the same witness, previously sworn and he is still sworn in
10 this case.

11
12 LEON LAMPERT

13 called as a witness, having been previously sworn, was
14 examined and testified as follows:

15
16 DIRECT EXAMINATION

17 BY MR. CHRISTY:

18 Q And you advised us of your name, et cetera, and
19 your qualifications in the prior hearing did you not?

20 A Yes.

21 Q Are you familiar with what is sought in the applica-
22 tion in Case 5699?

23 A Yes, sir, this is the same area that is an
24 unorthodox in --

25 Q Case 5689?

1 A. Right.

2 Q. The same area?

3 A. The same lease. Exhibit A --

4 Q. Excuse me, Exhibit A.

5 A. All right.

6 (THEREUPON, a discussion was held off
7 the record.)

8 Q. (Mr. Christy continuing.) Now, you started to
9 refer to Exhibit A?

10 A. Yes, sir, on this Jones Lease we were not making
11 any water until we drilled our No. 3 Jones in the northeast
12 of the southwest about two months ago. That well tested
13 twenty-nine barrels of oil and seventeen barrels of water per
14 day. Now, that's the one that was slightly low.

15 We would like to obtain an exception to this No
16 Pit Order and build a pit right up there by the No. 1 which
17 is where the battery is to take care of this seventeen barrels
18 of salt water a day which will decrease like I mentioned
19 earlier. As the oil decreases the water will decrease with
20 it.

21 Q. You mean the production of oil?

22 A. As the production of oil decreases the production
23 of water will decrease.

24 Q. So, you don't envisage you will ever be above the
25 present seventeen barrels?

1 A. Except when we drill this No. 4 Well, if when we
2 drill it we might make some water there but at the most we
3 will probably be putting forty or fifty barrels of water a
4 day into that pit at a maximum.

5 Q. One of the concerns, of course, is contamination
6 of fresh water, I would like to have you discuss that
7 question a minute for the Examiner and refer to Exhibit B,
8 please?

9 A. Well, let me stay on Exhibit One. You will notice
10 underlined in red there is some "No Water" places there in
11 Exhibit A, in Section 22 there in southeast of the northwest,
12 that's the Dalport No. 1 Todd Hunter. We drilled that with
13 cable tools and there was no fresh water in that well.

14 We drilled in the northwest of the southwest, in
15 the Jones Well, we drilled it with cable tools and there was
16 no water in that well, no shallow water in that well.

17 Dalport had an interest, a dry hole interest in
18 the section just to the south in the McClellan No. 2 and there
19 was no water encountered in that well.

20 So, what this exhibit is showing is that there is
21 no fresh water present in an area surrounding this proposed
22 pit.

23 Q. What is the directional flow of surface water?

24 A. That's on Exhibit B. The normal direction of
25 underground flow is to the south and Exhibit B shows the

1 location of pumping water wells in yellow in this vicinity,
2 ranch water, and the closest one is to the north of our
3 proposed tank, two-and-a-half or so miles, the Little Lucky
4 Lake Well. There is one off to the west about four miles at
5 a depth of a hundred feet.

6 Like I say, the direction of the water is to the
7 south so that any water that is put into our pit, if it is
8 going underground it will be going southward. There are no
9 tanks, no water supply or aquifers to the south at all. There
10 would be just no damage to any kind of surface water in the
11 area.

12 Q Is there anything else that you think should be of
13 interest to the Examiner in connection with this case?

14 A Let's see, of course, in talking to the ranchers,
15 we have had these hearings before about these pits and the
16 water quality in there is poor. There are more wells further
17 up north as shown by those double circles you can see on
18 Exhibit B. The one on the right side of the map, that
19 Pine Tree double circle, is a mistake, that is just an
20 earthen tank, that is not a pumping well. It was on one of
21 my older maps and hadn't been taken off. That's just an
22 earthen tank there.

23 So, just basically disposal of water into the
24 earthen pit wouldn't harm any kind of water or environment.

25 Q And you would like to amend Exhibit B to delete the

1 reference to the well and leave the reference to the tank
2 over there on the pipeline?

3 A. This Pine Tree Well, one reason I didn't color
4 it yellow, all it is is an earthen tank.

5 Q. But you do want to amend Exhibit B to make that
6 correction?

7 A. Yes, right.

8 Q. Do you have anything else?

9 A. No, sir, I believe that is all.

10 MR. CHRISTY: That's all for the applicant. Excuse
11 me.

12 Q. (Mr. Christy continuing.) Were Exhibits A and
13 B prepared by you or under your direct supervision?

14 A. Yes.

15 MR. CHRISTY: That's all for the applicant.

16

17 CROSS EXAMINATION

18 BY MR. STAMETS:

19 Q. Have you notified the owners of these two water
20 wells of your application today?

21 A. No, sir, it is the Vogle Ranch that owns all of
22 that. I have talked to him in the past and he has been very
23 helpful in the past but I have not notified him about this
24 request. He is the one that has provided me with all of the
25 information about these wells but we are disposing of other

1 water in the area and there just has never been any problem.

2 Q Let's see, you mentioned some other surface disposal
3 that you have in there on Exhibit B, could you locate that,
4 please?

5 A It's 30 East, 15 South, 30 East, Section 25, right
6 there by the Cap, there is this Pine Tree Well there on the
7 right.

8 Q Uh-huh.

9 A All right, at the last hearing we had for our
10 State C pit, a few miles from there, I thought that was a
11 water well but I found out just --

12 Q No, I think you misunderstood my question. I
13 believe you already have authority to dispose of water on
14 the surface in other localities in this area, where are those
15 pits?

16 A Oh, I see what you mean. Well, first of all, going
17 back to Exhibit A, there is a pit just north of the one that
18 we are proposing, that's on the Todd Hunter Lease, between
19 the 1 and 2 Todd Hunter, there's an earlier pit right there,
20 just immediately north of the word "pit" and it's taking care
21 of five or six barrels a day.

22 And, let's see, elsewhere on this Exhibit A there
23 is -- well, of course, McClellan may have -- McClellan does
24 have some disposals systems there in the Sulimar but we would
25 have to go to Exhibit B and in Section 16 of 15, 30, it's pretty

1 hard to read this map but it would be right there where it
2 says "Cedar Point". There are some wells right in there and
3 there is a disposal pit right there in the southwest quarter of
4 15. This is our State C Lease.

5 So, there is a disposal pit there in the southwest
6 of 16. There's one, come up farther north, in 14, 30 in
7 Section 31. There is a disposal pit about -- well, there's
8 a little square, do you see the little square there in the
9 west half of 31, there is a disposal pit there.

10 Now, those are the ones that Dalport owns and then,
11 of course, Exxon or someone else may have some others but we
12 have three or four in the area.

13 Q Is it possible that sometime this little pool will
14 be water flooded and this water can return to the ground?

15 A Uh-huh. Definitely. I think every oil well in
16 that country will eventually be water flooded and there is
17 no reason why it shouldn't be.

18 Q How far off is that?

19 A Well, luckily in the Lucky Lake area we don't have
20 one operator in there so if we ever get started it wouldn't
21 take too long in the next foreseeable three years or something
22 like that.

23 Q If your application were denied might it be sooner?

24 A It's possible. Well, it's still primary development
25 in there and we wouldn't initiate water flood proceedings until