P. O. BOX 5370
(505) 393-0505

JOHN M. RENFROW

MADDOX & RENFROW
PROFESSIONAL CORPORATION
ATTORNEYS AND
COUNSELORS AT LAW

THIRD FLOOR
BROADMOOR BLDG.
HOBBS, NEW MEXICO 88241

R. E. RICHARDS
Attorney At Law

Law Offices of
R. E. RICHARDS
(505) 393-7737

Broadway Plaza - Suite 12
215 West Broadway
P. O. Box 761
Hobbs, New Mexico 88240

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

MEMORANDUM OF MEETING OR CONVERSATION

☐ Telephone ☒ Personal

Time: 11 AM

Date: 1/14/85

Originating Party	Other Parties
R.E. Richards, John Renfrow — Attorneys for PARABO	Dave Boyer, Dick Stamets — OCD

Subject: Update & Initial Discussion on PARABO Need for more space

Discussion: Unichem has bought stock & now owns PARABO. Pits close to being "full" due to abnormal rainfall plus more salt water from operators (more produced than anticipated). "Full" is allowed operating volume - 4' on sides, 3' freeboard on interior. PARABO seeks guidance on alternatives - want to know if there are to be environmental hassels. (1) If reduce freeboard on 40 acres, this adds 310,000 bbls. If have 3000 bbls/acre/yr (annualized vol), this gives 2.6 yrs additional time. (2) Disposal well - will have to treat to remove oil & sediment may be expensive (3) More pits - can construct after approval (4) Can go out of business!

Conclusions or Agreements: From OCD to Parabo: No environmental hassels if safe operation - present engineering* analysis justifying freeboard reduction. This will give time to investigate other alternatives & have approval. | Reduced freeboard stopgap only.

Distribution: Parabo Case File #5899

Signed: D. H. Boyer

(* other engineering that may need to be done includes evaporation & chem. dispersant studies)

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

TONEY ANAYA
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88240
(505) 393-6161

Dave

MEMO TO: Mr. R. L. Stamets

FROM: Jerry Sexton

DATE: January 10, 1985

SUBJECT: Monthly Activity Report - District I

Update on the Monument Situation: We have a report from Groundwater Technology (Oil Recovery Systems, Inc.) on the oil recovery, water well, and view of contamination. We will send you a copy of the report.

Vacuum Field: A meeting with vacuum waterflood operators has been scheduled for the 24th of January to discuss what to do on the waterflow situation. I feel that we have repaired so many wells that it is hard to monitor what is occurring in the area. At the meeting we will discuss the situation and what direction we will take.

We had one case of water contamination east of Tatum which probably came from an old pit. A windmill in Sec. 27, T12S, R37E, had chlorides go from 175 ppm to 1000 ppm in the last several years. The well is down dip from old pit and there is no disposal in the area. A monitoring schedule for the fresh water well will be started.

New Employee: R. A. Sadler has been employeed as a Field Rep I. He has retired from Sun Exploration & Production and should make us a very good employee.

Agua Disposal System: Agua has done a lot of work on the Eunice SWD system, but we are still checking it at least twice a week. I still expect additional requirements will have to be made before it is operating satisfactorily.

Operators of the Parabo Disposal System had a meeting with us last week and they are going to run out of disposal room before the evaporation rate increases. They will probably ask for a hearing to temporarily raise the freeborad of the pits. This is one of the things we should discuss next time you are down. Also, one monitor well indicates one of the dikes may be leaking. They are excavating to find out what is going on, and so far the redbed dikes look good.

Melba has done a great job on the gas rules of Southeast New Mexico along with Dave Boneau of Yates. We hope to finish up our part with a meeting in Midland on January 15th.

Dave Boyer and I will be talking to Parabo (Pa-Rabo) Monday the 14th

Dave

Bob Richards (AHy) and a person from Unichem will be here Monday at 11 to discuss possible expansion of Porabo. I would like you in on this.

RL

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. 5899
Order No. R-5516

APPLICATION OF ROBERT P. WALLACH,
RAY A. WALLACH, AND PATRICIA LOUISE
WALLACH HOUSE FOR AN EXCEPTION TO
ORDER NO. R-3221, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 20, 1977, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 30th day of August, 1977, 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, Robert P. Wallach, Ray A. Wallach, and Patricia Louise Wallach House, are the owners of certain gravel pits located in the SW/4 of Section 29, Township 21 South, Range 38 East, NMPM, Lea 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.

(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 applicants seek an exception to the provisions of the aforesaid Order (3) to permit the commercial disposal of produced salt water in the pits described in Finding No. (2) above.

(7) That said pits have been utilized for the mining of Ogallala formation gravels for many years.

(8) That said Ogallala gravels were laid down within an elongate East-West trending channel eroded into the underlying Triassic red bed formations.

(9) That percolation tests indicate that said Triassic red beds are highly resistant to the downward percolation of water within the area of said pits and are essentially impermeable.

(10) That the applicants propose to construct dikes and core trenches across and along said elongate channel in the Triassic red beds within said quarter section to create pits which are essentially impermeable to the lateral flow of water.

(11) That the applicants propose to limit the high water level in any such pit to at least four feet below the Triassic spill point in the pit.

(12) That salt water disposed of into any such impermeable pit as described in Findings Nos. (9) and (10) above will not percolate downward nor migrate laterally outward from said pit and create a hazard to fresh waters, but will evaporate.

(13) That approval for all of the pits requested by applicants in this case should not be granted at this time, but a pilot pit project utilizing the large central pit area

described as Pit 1 and Pit 2 on Figure 4 of Exhibit A in this case should be approved, subject to certain requirements.

(14) That applicants should be required to provide adequate salt water settling tanks to permit removal of oil from the water prior to placement of said water in the evaporation pit, in order to not impair water evaporation.

(15) That in order to ensure that no downward percolation nor outward migration of water from the authorized pit does occur, certain monitor wells should be drilled into the Triassic red beds at specified locations around the pit and a Commission-approved method for monitoring said red beds beneath the pit should be employed.

(16) That an administrative procedure should be adopted whereby additional pits within the SW/4 of said Section 29 may be utilized for salt water disposal.

(17) That approval of the application subject to the above-described conditions will not cause waste, will not violate correlative rights, nor harm fresh waters.

(18) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicants, Robert P. Wallach, Ray A. Wallach, and Patricia Louise Wallach House, are hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to commercially dispose of produced salt water in an unlined surface pit located in the SW/4 of Section 29, Township 21 South, Range 38 East, NMPM, Lea County, New Mexico, consisting of Pit 1 and Pit 2 as identified on Figure 4 of applicant's Exhibit A in the subject case.

(2) That prior to utilization of said pit for salt water disposal, applicant shall construct the following-described dikes and core trenches:

A. A north-northeast/south-southwest trending dike at the west end of the pit area;

B. A north-northwest/south-southeast trending combination core trench-dike at the east end of the pit area; and

C. An east-west trending core trench at the south side of the pit area.

(3) That the above-described dikes and core trenches shall be constructed to an elevation of 3,451 feet above sea level and in accordance with good engineering practices and the specifications set forth on pages five and six of applicant's Exhibit "A" in this case. Construction shall be under the supervision and responsibility of the consulting hydrologist in this case.

(4) That prior to utilization of the aforesaid pit for salt water disposal, applicant shall drill the following described monitor wells around the outer perimeter of said pit:

A. Nine monitor wells along the southern perimeter of said pit, being those wells depicted as monitor wells, pit one, on Figure 4 of applicant's Exhibit "A" in this case;

B. Three monitor wells at the southeast end of said pit, being those wells depicted as monitor wells, pits one and three on the aforesaid Figure 4;

C. Two monitor wells at the southwest end of said pit, being those wells depicted as monitor well, pits one and four on Figure 4;

D. Four monitor wells at the west end of said pit, being those wells depicted as monitor wells on a north-northeast/south-southwest line approximately 75 feet west of the western dike for Pit No. 1; and

E. Three monitor wells along the northern perimeter of said pit, being those monitor wells depicted as monitor well, pit one, monitor well, pits one and two, and monitor well, pits one, two, and three, on Figure 4.

(5) That each of the above-described monitor wells shall be drilled and cased under the supervision and responsibility of the consulting hydrologist in this case and shall be drilled to a sufficient depth to reach a plane 3427 feet above sea level, and shall be drilled six inches in diameter

and cased with 4-inch PVC casing; casing shall be perforated with at least eight holes per foot from the bottom of the casing to a point 3451 feet above sea level; the casing shall be capped at the surface and each monitor well checked for fluids at least once a month during the first two years of pit operation (for disposal purposes) and quarterly thereafter. Analyses of waters encountered during such tests and the results of such analyses, as well as water levels, shall be reported in writing to the Hobbs District Office of the Commission within 30 days following sampling.

(6) That the applicant shall bore a hole laterally into the Triassic red beds from a point east of the approximate middle of the easternmost dike described in Order No. (2) B above, said hole to be bored under the dike and penetrating a minimum of five feet into the pit area west of said dike; said hole shall be bored at an approximate depth of six to ten feet beneath the top of the Triassic red beds and shall be cased and gravel packed; the westernmost five feet of said casing shall be perforated and the easternmost end of said casing shall be positioned to drain into a covered impermeable sump to detect possible percolation of waters from the floor of the pit into the drain pipe; the monitoring procedures and reporting requirements of Order No. (5) above shall also apply to the aforesaid sump.

(7) In lieu of the percolation detection system required by Order No. (6) above, the Secretary-Director may authorize another acceptable means of detection of downward percolation of waters from the subject pit.

(8) The Secretary-Director shall order suspension of disposal operations into the subject pit if any of the monitoring procedures prescribed in Orders Nos. (4), (5), (6), or (7), or any other condition, gives him good cause to suspect outward migration or downward percolation of waters from said pit. Disposal operations shall not be resumed until the Secretary-Director is satisfied that such measures have been taken to ensure that continued disposal will not constitute a hazard to fresh waters in the area.

(9) That the applicants shall provide for the placement of a pipe, or acceptable substitute, in the pit, said pipe to be marked in such a manner as to readily indicate the depth of the water in the pit and the maximum elevation which the water in said pit shall be permitted to attain.

(10) That at no time shall disposal in the aforesaid pit be permitted if the total quantity of water in the pit,

from both natural precipitation and previous disposal, reaches a plane four feet below the level of the spill point of the Triassic red beds or dikes around such pit, said plane being at an elevation of 3447 feet above sea level.

(11) That the applicant shall install and maintain in good condition wooden or metal settling tanks, and shall allow all oil field brines to remain in such tanks for a sufficient period of time to permit residual oil contained in said brines to be skimmed off, and not be passed on with the brines to the disposal pit.

(12) That the applicant shall install and maintain in good condition meters or other measuring devices to permit an accurate determination of the quantity of water disposed of in the pit.

(13) That the applicant shall file a monthly report with the Commission in accordance with Rule 1120 of the Commission Rules and Regulations, reporting each source and quantity of disposal water and the total quantity disposed of.

(14) That the Secretary-Director of the Commission may administratively authorize the utilization of any of the remaining pits in the SW/4 of said Section 29 for salt water disposal upon a showing by the applicants that such pits will be constructed and operated in conformance with the provisions of this order and upon a showing of satisfactory operation of the pit authorized herein for a period of at least one year.

(15) The Secretary-Director may amend the above-specified frequencies for monitoring upon a showing that such amendment would not constitute a hazard to the fresh waters in the area.

(16) That the Secretary-Director of the Commission may by administrative order rescind the authorization for use of any pit approved under the provisions of this order whenever it reasonably appears to the Secretary-Director that such rescission would serve to protect fresh water supplies from contamination.

(17) 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

Phil R. Lucero Sept. 6, 1977

PHIL R. LUCERO, Chairman

Emery C. Arnold

EMERY C. ARNOLD, Member

Joe D. Ramey

JOE D. RAMEY, Member & Secretary

S E A L

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 7156
Order No. R-5516-A

APPLICATION OF PARABO, INC. FOR
AN ORDER AMENDING ORDER NO. R-5516,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 18, 1981, at Santa Fe, New Mexico, before the Oil Conservation Commission of the State of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 18th day of March, 1981, 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 applicant, Parabo, Inc., is the operator of a facility described and permitted in Order No. R-5516, being a multi-pit surface salt water disposal facility.

(3) That the applicant seeks the deletion of the requirements of Orders Nos. (6) and (7) of said Order No. R-5516 requiring the further use of a horizontal monitor well at the East end of "Pit No. 1" within said facility.

(4) That during the initial three years of operation of the disposal facility, no evidence of the downward percolation of fluids through the pit floor has been detected in said monitor well.

(5) That the surface location of said monitor well falls within the area of a newly constructed disposal pit rendering further use thereof impractical.

(6) That the proposed deletion of requirements for said horizontal monitor well should be approved.

(7) That with the periodic addition of new disposal pits at the facility, there will occur the need for the drilling of new monitor wells and the abandonment of old monitor wells.

(8) That rules should be adopted providing for the location, casing, and completion of new monitor wells and the plugging of monitor wells which would be abandoned.

(9) That at no time should disposal be permitted into any pit authorized by Order No. R-5516 or subsequently approved by the Division Director if the total quantity of water in such pit, from both natural precipitation and previous disposal, reaches a plane four feet below the level of the spill point of the Triassic red beds or the core dikes surrounding said pit, provided however, that the maximum water level in Pits Nos. 2 and 3 should be permitted to reach a plane three feet below such spill point; that the specific maximum water levels in the five pits authorized to date should be as follows:

Pit No. 1: 3447 feet above sea level
Pit No. 2: 3458 feet above sea level
Pit No. 3: 3458 feet above sea level
Pit No. 4: 3435 feet above sea level
Pit No. 5: 3446 feet above sea level

(10) That the amendment of Order No. R-5516 as described above and operation of the authorized disposal system in accordance with the provisions of said order amended as described above will afford reasonable protection to the underground fresh water supplies, will not cause waste nor impair correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Parabo, Inc., is hereby authorized to abandon the horizontal monitor well required by Orders Nos. (6) and (7) of Division Order No. R-5516 by filling such hole with cement.

(2) That the applicant is hereby authorized and required to drill additional monitor wells around new pits within the disposal facility, originally approved by Division Order No. R-5516 and as expanded from time to time, and to abandon existing monitor wells in accordance with the following rules:

Rule 1. That monitor wells shall be maintained around the entire perimeter of the permitted disposal facility with horizontal spacing not to exceed 300 feet and with no single monitor well to be more than 300 feet from the external perimeter of any pit.

Rule 2. No monitor well shall be required between any two single evaporating ponds unless the horizontal distance between said ponds exceeds 700 feet.

Rule 3. That as the facilities are enlarged or modified in such a way that any monitor well is abandoned because it contravenes the provisions of Rule 1 or Rule 2 hereof, said well shall be plugged to its entire vertical depth with cement.

Rule 4. That prior to any additions, modifications or changes in locations of monitor wells, advance written approval of the Director shall be procured.

Rule 5. New monitor wells shall be drilled and cased to an elevation equivalent to 20 feet below the average elevation of the floor of the pond(s) they are intended to monitor.

Rule 6. New monitor wells shall be cased with two inch inside diameter PVC casing, which shall be perforated with saw cuts or at least eight (8) one-quarter (1/4) inch holes from the bottom of said well, to an elevation equal to the maximum design water level of the highest of the pond(s) they are intended to monitor.

Rule 7. That at no time shall disposal be permitted into any pit authorized by Order No. R-5516 or subsequently approved by the Division Director if the total quantity of water in such pit, from both natural precipitation and previous disposal, reaches a plane four feet below the level of the spill point of the Triassic red beds or the core dikes surrounding said pit, provided however, that the maximum water level in Pits Nos. 2 and 3 may reach a plane three feet below such spill point; that the specific maximum water levels in the five pits authorized to date shall be as follows:

Pit No. 1: 3447 feet above sea level
Pit No. 2: 3458 feet above sea level
Pit No. 3: 3458 feet above sea level
Pit No. 4: 3435 feet above sea level
Pit No. 5: 3446 feet above sea level

(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

ALEX J. ARMIJO, Member

EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

S E A L

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7986
Order No. R-5516-B

APPLICATION OF PARABO, INC. FOR
AN AMENDMENT TO DIVISION ORDER
NO. R-5516, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 26, 1983, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 16th day of December, 1983, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Parabo, Inc., is the operator of a facility described and permitted in Division Order No. R-5516 entered on August 30, 1977, and amended by Division Order No. R-5516-A entered on March 18, 1981, being a multi-pit surface salt water disposal facility.

(3) That the applicant now seeks approval to dispose of drilling fluids, drill cuttings, and those materials that are normally connected with or are the results of drilling operations in New Mexico such as muds, tailings, and cement in an existing pit, known as "Pit No. 8", which is located in the eastern portion of the previously approved facility in Section 29, Township 21 South, Range 38 East, NMPM, Lea County, New Mexico.

(4) That the applicant also seeks approval to dispose of treated basic sediments and water (B.S. and W.) in a

previously approved salt water disposal pit, known as "Pit No. 4", which is located in the extreme western portion of said facility in the N/2 SW/4 of said Section 29.

(5) That said multi-pit surface salt water disposal facility has been in operation by the applicant since early 1978 and has expanded to include six active salt water disposal pits and the applicant is presently awaiting administrative approval from the Division on a seventh salt water disposal pit, known as "Pit No. 7", which will be located in the far eastern portion of said facility in said Section 29.

(6) That Pit No. 8 lies entirely within the essentially impermeable Triassic Red Bed Clay formation with its floor at an elevation of 3412 feet mean sea level.

(7) That Pit No. 8 is underlain by a layer of naturally deposited Triassic Red Clay at least 50 feet in thickness and that the highest level for the Red Clay or spill point for said pit is at an elevation of 3432.5 feet mean sea level.

(8) That Pit No. 8 was formed by the excavation of and the extraction of the Triassic Red Clay material which was used for the construction of dikes for the facility.

(9) That the applicant proposes that the maximum fill level for Pit No. 8 be limited to a plane one-half foot below the level of the spill point for said pit, said plane being at an elevation of 3432 feet mean sea level.

(10) That Pit No. 8 is located between the proposed Pit No. 7, as described in Finding No. (5) above, and all of the previously approved salt water disposal pits.

(11) That at such time as said Pit No. 7 is granted administrative approval by the Division, the entire eastern portion of the facility including Pit No. 8 will then be surrounded by monitor holes as required by Division Order Nos. R-5516 and R-5516-A.

(12) That the applicant requested that the requirements for new monitor holes around said Pit No. 8 be waived until such time as said proposed Pit No. 7 has received administrative approval from the Division.

(13) That Pit No. 4, as described in Finding No. (4) above, is completely contained by the essentially impermeable Triassic Red Bed Clay either by natural deposition or by man-made dikes

with its floor at an elevation of 3425 feet mean sea level.

(14) That Pit No. 4 is underlain by a layer of naturally deposited Triassic Red Clay at least 50 feet in thickness and that the highest level for the Red Clay or spill point for said pit is at an elevation of 3439 feet mean sea level.

(15) That the applicant also requested that the maximum water level limit of Pit No. 4 of 3435 feet mean sea level, as mandated by Rule No. 4 of Division Order No. R-5516-A, be amended to allow the maximum fill level in said Pit No. 4 to now be limited to a plane one-half foot below the level of the spill point for said pit, said plane being at an elevation of 3438.5 feet mean sea level.

(16) That the entire perimeter of the facility is presently surrounded by monitor holes as mandated by Division Order Nos. R-5516 and R-5516-A.

(17) That the applicant requested that the existing monitor holes in the far western portion of this facility be abandoned.

(18) That the applicant presented no evidence to support their claim that horizontal migration of fluids from the disposed material will not occur in the future.

(19) That that portion of this application proposing the abandonment of any existing monitor holes in the western portion of the facility should be <u>denied</u>.

(20) That the applicant failed to present sufficient evidence that their proposed maximum fill level limits of 3432 feet mean sea level for Pit No. 8 and 3438.5 feet mean sea level for Pit No. 4 are adequate or sufficient to retain any natural precipitation that could cause said pits to overflow their spill points.

(21) That the applicant should provide for the placement of a pipe, or acceptable substitute, in both pits, said pipe to be marked in such a manner as to readily indicate the depth of the disposed material in both pits and the maximum elevation which the disposed material in said pits shall be permitted to attain.

(22) That to promote solidification of disposed materials in Pit Nos. 4 and 8, the applicant proposes to decant, on a regular basis, any fluids which may reside on top of the disposed solids.

(23) That at such time as Pit No. 4 or Pit No. 8 is filled to capacity, it is proposed by the applicant that that pit then be covered in such a manner as to promote surface drainage away from that pit, and that its perimeter be resurveyed for future identification as to its location.

(24) That the amendment of Order No. R-5516 as described above and operation of the authorized disposal system in accordance with the provisions of said order amended as described above will afford reasonable protection to the underground fresh water supplies, will not cause waste nor impair correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Parabo, Inc., is hereby authorized to dispose of drilling fluids, drill cuttings, and those materials that are normally connected with or are the results of drilling operations in New Mexico such as muds, tailings, and cement in an existing pit, known as "Pit No. 8," which is located in the eastern portion of the previously approved multi-pit surface salt water disposal facility in Section 29, Township 21 South, Range 38 East, NMPM, Lea County, New Mexico.

(2) That the monitor hole requirements for new pits as mandated in Division Order Nos. R-5516 and R-5516-A are hereby waived, for Pit No. 8, until such time as the proposed salt water disposal Pit No. 7, as described in Finding Nos. (5) and (10) of this Order, has received administrative approval from the Division or for a period of one year from the date of this Order.

(3) That if at the end of the one year period said Pit No. 7 has not received administrative approval for salt water disposal, the applicant shall then provide for the required monitor holes around said Pit No. 8 as mandated in Division Order Nos. R-5516 and R-5516-A.

(4) That the applicant is also authorized to dispose of treated basic sediments and water (B.S. and W.) in a previously approved salt water disposal pit, known as "Pit No. 4," which is located in the far western portion of said facility in the N/2 SW/4 of said Section 29.

(5) That the applicant's request for abandonment of existing monitor holes in the far western portion of said multi-pit surface salt water disposal facility is hereby denied.

(6) That at no time shall disposal be permitted into either Pit No. 4 or Pit No. 8 if the total quantity of disposed materials or water, from both natural precipitation and previous disposal, reaches a plane one foot below the level of the spill point of the Triassic Red Bed Clay formation or the clay dike surrounding said pit; that the specific maximum fill levels in said pits shall be as follows:

Pit No. 4: 3438 feet mean sea level
Pit No. 8: 3431.5 feet mean sea level

(7) That the applicant shall provide for the placement of a pipe, or acceptable substitute, in both pits, said pipe to be marked in such a manner as to readily indicate the depth of the disposed material in the pits and the maximum elevation which the material in said pits shall be permitted to attain.

(8) That the applicant shall, on a regular basis (determined by the applicant and approved by the Supervisor of the Hobbs district office of the Division) decant any fluids which are residing on top of the disposed solids in both Pit No. 4 and Pit No. 8.

(9) That the applicant shall file a monthly report on each pit in duplicate (one copy with the Division's Santa Fe office and one copy with the Hobbs district office of the Division) and shall be postmarked not later than the 15th day of the second month.

(10) That said report shall include: the date, the source, the quantity of disposed material, type of disposed material (drilling fluid, drill cuttings, cement, B.S. and W., etc.), and the total quantity disposed of for that month.

(11) That at such time as either said Pit No. 4 or Pit No. 8 is filled to capacity, the operator shall cover that pit with a layer one foot in thickness of Triassic Red Clay followed with a layer two feet in thickness of random fill material; the perimiter of that pit shall then be resurveyed and the data reported on the facility plot plan, to the Division's Santa Fe office and to the Hobbs district office of the Division.

(12) That before the above-described covering procedures are initiated on either of said pits, the operator shall notify the Division Director so that a representative from the Division may be present to witness any or all of the said covering procedures.

(13) That the Director of the Division may by administrati order rescind the authorization for use of said Pit No. 4 or Pit No. 8 approved under the provisions of this Order whenever it reasonably appears to the Director that such rescission would serve to protect fresh water supplies from contamination.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY
Director

S E A L

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

December 27, 1982

Mr. R. E. Richards
Box 761
Hobbs, New Mexico 88240

Dear Mr. Richards:

Parabo is authorized to construct and dispose of water in an area shown as pit No. 7 in Mr. V. Steve Reed's letter and attached plat dated November 29, 1982.

A dike will be constructed around the pit to an elevation of 3443 feet and the maximum water level will be 3440 feet. Monitor wells will be constructed around the pit as outlined on the plat.

Please keep the Hobbs district office advised during construction so that periodic inspections can be made.

Yours very truly,

JOE D. RAMEY
Director

JDR/jc

cc: File
Hobbs Office

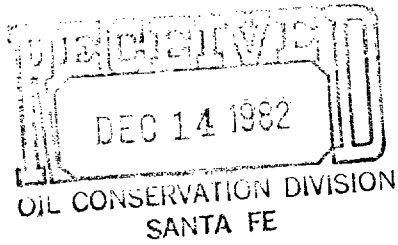
Law Offices of

R. E. RICHARDS

(505) 393-7737
Broadway Plaza - Suite 12
215 West Broadway
P. O. Box 761
Hobbs, New Mexico 88240

R. E. RICHARDS
LAWRENCE D. HANNA

December 9, 1982



Mr. Joe D. Ramey, Director
Oil Conservation Commission
Post Office Box 2088
Santa Fe, NM 87501

Case No. 7497
Order No. R-6940
Applicant: Parabo, Inc.

Dear Joe:

I enclose herewith a letter under date of November 29, 1982 from V. Steve Reed along with an updated plat of the Parabo site.

You will note from the letter that Steve is recommending and we are requesting on behalf of our principal, Parabo, that you authorize, under the authority granted you in the most recent Order, the construction of proposed pit No. 7, all as more clearly shown in Steve's letter and on the plat attached thereto.

I ask that you review this matter and indicate to me your approval of the additional pit, which will of course be constructed in the same manner with the same quality of workmanship as has been done in the past with the same safeguards for OCD inspection prior to use.

With best personal wishes for the Holiday Season to you and your family, I remain

Very truly yours,

LAW OFFICES OF R. E. RICHARDS

R. E. RICHARDS

RER/af
enclosure
cc:
Mr. Ray Wallach

Ed L. Reed and Associates, Inc.

Consulting Hydrologists

MIDLAND · CORPUS CHRISTI

TEXAS

ED L. REED, P.E.
CHAIRMAN OF THE BOARD

A. JOSEPH REED
PRESIDENT

CHESTER F. SKRABACZ
VICE PRESIDENT FIELD OPERATIONS

1109 N. BIG SPRING
MIDLAND, TEXAS 79701
915 682-0556

V. STEVE REED
EXECUTIVE VICE PRESIDENT

OIL INDUSTRIES BLDG
SUITE 315
723 UPPER N. BROADWAY
CORPUS CHRISTI, TEXAS 78403
512-883-1353

November 29, 1982

Mr. Robert E. Richards
Attorneys At Law
P.O. Box 761
Hobbs, New Mexico 88240

Re: Proposed Expansion, Parabo, Inc.

Dear Bob,

Over the last year, the Wallachs have mined a considerable amount of sand and gravel from an area northeast of the Parabo, Inc. salt water disposal facility. This mining activity has exposed the Triassic red bed over an area encompassing approximately 6 acres. Parabo, Inc. proposes to construct a salt water evaporating pit in the area where the red bed has been exposed. This proposed pit, labeled pit #7 on the enclosed map will be constructed by building a dike around the entire perimeter. This area is one which we have previously tested drilled and found to be underlain by red clays similar in character to those underlying the other evaporation pits.

Parabo, Inc. proposes to construct pit #7 in the following manner:

1. A dike will be constructed completely around the perimeter of the gravel pit. This dike will be constructed to a sea level elevation of 3,443 feet. Dike construction will be in a manner similar to the construction of the previous dikes. You will note that an area labeled "deep pit", which is the area from which clay was removed to construct pond #6 has been deleted from proposed pit #7. Parabo is reserving this deep pit for possible future solids disposal.
2. The maximum water level elevation in pit #7 will be 3,440 feet, giving a freeboard of 3 feet. A permanent gauge will be constructed in pit #7 to measure the fluid level.
3. Eleven monitor holes will be constructed around the pit. These monitor holes will be drilled to a sea level elevation of 3,410 feet, which is 20 feet below the floor of the pond. Each monitor hole will be perforated from total depth to a sea level elevation of 3,440 feet.

4. Monitor holes #64, 65, and 66, which lie between pit #6 and pit #7 will be abandoned by plugging them with cement.
5. Prior to introducing brine to pit #7 a monitor hole completion report will be submitted to the Oil Conservation Division.

If you have any questions on this proposal, please call.

Very truly yours,

V. Steve Reed

V. Steve Reed

VSR:ljs
cc: Ray Wallach

Case 5899

Law Offices
R. E. Richards
Attorney at Law

R. E. RICHARDS
JAMES E. NELSON

119 North Dalmont
HOBBS, NEW MEXICO 88240

P. O. Box 761
(505) 393-7737

March 8, 1977

Mr. Joe Ramey, Secretary-Director
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Dear Joe:

For filing I enclose herewith Petition for exception to R-3221, all of which is more fully described in the Petition and its attached and incorporated Exhibit. If you find this to be in order, I would appreciate your setting it down for hearing per our telephone conversation, and giving me as much notice as is possible in order that I may arrange my schedule and make certain that a representative of Ed L. Reed & Associates is available to testify.

Should you have any questions, please contact me.

Yours very truly,

LAW OFFICES OF R. E. RICHARDS

R. E. RICHARDS

RER/da
enclosures
cc:
Mr. Bobby Wallach
Mr. Ray Wallach
Post Office Box 1289
Hobbs, New Mexico 88240 (w/Pet.)

Mr. V. Steve Reed
Ed L. Reed and Associates
Consulting Hydrologists
1109 North Big Spring
Midland, Texas 79701 (w/Pet.)

STATE OF NEW MEXICO
P. O. Box 2348, 725 St. Michael's Drive
Santa Fe, New Mexico 87503

ENVIRONMENTAL IMPROVEMENT AGENCY

HEALTH and SOCIAL SERVICES department

April 15, 1977

File
Case 5899

Mr. John E. Guinn
Environmental Manager
Region VI
Environmental Improvement Agency
110 E. Fourth Street
Roswell, NM 88201

Dear John:

I have reviewed your memo of April 14, 1977, regarding the Oil Conservation Commission meeting scheduled for Wednesday, April 20.

While recognizing your concern on this matter, I believe that you should refer to Section 1-201. of the Amended Water Quality Control Commission Regulations which state: "However, notice regarding discharges from facilities for the production, refinement and pipeline transmission of oil and gas, or products thereof, shall be filed instead with the Oil Conservation Commission."

Further, let me call your attention to item no. 3 of the April 19, 1977 agenda of the New Mexico Water Quality Control Commission meeting. This subject will be discussed by the Commission and in all likelihood a motion will be made designating the OCC as the recipient for discharge plans pursuant to the ground water regulations.

I have discussed this matter with Cubia Clayton, Chairman of the Water Quality Control Commission and he concurs with my opinion that matters of the type discussed in your memorandum appropriately fall under the jurisdiction of the OCC.

If I may be of further assistance to you on this matter, please contact me.

Sincerely,

Joseph A. Pierce, Chief
Water Quality Division

cc: Cubia L. Clayton
Joe Ramey, OCC

STATE OF NEW MEXICO

MEMORANDUM

HEALTH SOCIAL SERVICES

To: Joe Pierce, Chief, Water Quality Division

From: John E. Guinn, Environmental Manager JEG

Date: April 14, 1977

Subject: COMMISSION HEARING, WEDNESDAY, APRIL 20, 1977, CONCERNING DISPOSAL OF PRODUCED SALT WATER FROM OIL & GAS WELLS IN LEA COUNTY

Enclosed is a notice of a Commission Hearing scheduled for Wednesday, April 20, 1977, in the Oil Conservation Commission Conference Room.

Joe, we feel that this particular hearing should have input from EIA. The water table in the immediate vicinity, as far as we know, is less than 10,000 total dissolved solids and we should oppose any plans for disposing of oil brine water in a gravel pit. As an alternative, it is suggested that a lined pond be provided for disposal of such salt water to allow for total evaporation and prevent salt water intrusion into the water table.

Suggest that you or someone from your office attend this hearing. If you have any questions concerning this matter, please contact me.

JEG/tkp

RECEIVED
APR 18 1977
WATER QUALITY SECTION

Water Quality

Docket No. 12-77

Dockets Nos. 15-77 and 16-77 are tentatively set for hearing on May 11 and May 25, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - APRIL 19, 1977

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 5930: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the establishment of an administrative procedure by which gas wells drilled on or after January 1, 1975, within established proration units which were producing or capable of producing natural gas from the same reservoir prior to January 1, 1975, may be exempted from the provisions of Section 6 of the Natural Gas Pricing Act (being Laws 1977, Chapter 73). Also to be considered will be the grounds upon which such exemption may be granted.

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Docket No. 14-77

DOCKET: COMMISSION HEARING - WEDNESDAY - APRIL 20, 1977

2 P.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 5899: Application of Robert P. Wallach, Ray A. Wallach, and Patricia Louise Wallach House for an exception to Order No. R-3221, Lea County, New Mexico. Applicants, in the above-styled cause, seek, as an exception to the provisions of Commission Order No. R-3221, permission to construct and operate several earthen evaporation pits in the gravel pits in the SW/4 of Section 29, Township 21 South, Range 38 East, Lea County, New Mexico, for the disposal of produced salt water from oil and gas wells in Lea County, New Mexico.