

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. 8800
Order No. R-7031-A

APPLICATION OF B & E, INC. FOR
AN AMENDMENT TO DIVISION ORDER
NO. R-7031, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 9, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 11th day of March, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, B & E, Inc., seeks authority to increase the maximum allowable discharge of produced water into Laguna Cuatro to 15,000 barrels per day at their commercial salt water disposal facility located in Section 6, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico.

(3) The applicant further seeks authority to dispose of drill cuttings, drilling fluids, and other related solids obtained in conjunction with the drilling and production of oil and gas, and limited to non-petroleum products, into three unlined pits located at said disposal site.

(4) By Division Order No. R-7031, issued in Case No. 7612, and dated July 21, 1982, the applicant was given authority to construct and operate a salt water treating and disposal facility on the northeast side of a brine lake known as Laguna Cuatro located as described in Finding No. (2) above.

(5) Finding No. (9) of said Division Order No. R-7031 stated that the facility should be capable of handling up to 14,400 barrels of water per day but that 7,500 barrels of water per day was a reasonable limit to place on the facility at that time.

(6) The maximum allowable discharge of 7,500 barrels of water per day was placed on the facility in order to assure that there would not be any detrimental effects to the existing hydrologic system in said lake.

(7) A hydrologic study was conducted on the Laguna Cuatro site by Geohydrology Associates, Inc. in 1985 to determine the hydrologic impact of increasing the discharge of salt water to 15,000 barrels per day into said lake.

(8) The results of this study indicated that the evaporation rates in Laguna Cuatro are at least adequate to dispose of the additional volume of salt water and that there will not be any detrimental effects to the existing hydrologic system in said lake due to such increased volume.

(9) The discharge of 15,000 barrels of salt water per day into Laguna Cuatro should not create a hazard to any fresh water in the area for which a present or reasonably foreseeable beneficial use is or will be made.

(10) The applicant proposes to construct three unlined surface pits to be located in the vicinity of their salt water disposal facility for the purpose of disposing of drill cuttings and drilling fluids.

(11) Based on the hydrologic evidence presented at the hearing and in Division Case No. 7612, the use of unlined pits at this location to dispose of drill cuttings, drilling fluids, and other related solids should not create a hazard to any fresh water in the area for which a present or reasonably foreseeable beneficial use is or will be made.

(12) At the time of the hearing the applicant stated that the maximum fill level in all of the above mentioned pits is to be limited to a plane two feet below the crest of the dikes surrounding the pits.

(13) Said facility should have adequate fencing, gates, and cattle guards installed and maintained to preclude livestock and unauthorized persons from entering the property.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, B & E, Inc., is hereby authorized to increase their discharge to 15,000 barrels per day into Laguna Cuatro at their salt water disposal site, located in Section 6, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico, provided that the facility is operated in such a manner as to reduce insoluble oils from the disposal discharge stream to an average concentration of less than 15 parts per million.

(2) The applicant is further authorized to construct and operate three unlined pits at said disposal site for the purpose of disposing of drill cuttings, drilling fluids, and other related solids obtained in conjunction with the drilling and production of oil and gas, and limited to non-petroleum products.

PROVIDED HOWEVER THAT, the sizes and locations of said unlined pits shall be in accordance with the engineering data presented at the time of the hearing and marked as B & E, Inc. Exhibit No. "A".

PROVIDED FURTHER THAT, the facility shall have adequate fencing, gates, and cattle guards installed and maintained to preclude livestock and unauthorized persons from entering the facility.

PROVIDED FURTHER THAT, the maximum fill level in each of the above said pits shall be limited to a plane two feet below the crest of the dikes surrounding the pits.

(3) 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.



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "R. L. Stamets".

R. L. STAMETS
Director