

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. 8629
Order No. R-7984

APPLICATION OF RAY WESTALL FOR
AN EXCEPTION TO DIVISION ORDER
NO. R-3221, AS AMENDED, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on June 19, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 12th day of July, 1985, 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 notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) At the time of the hearing this case was consolidated with Division Case No. 8630 for the purpose of testimony.

(3) The applicant, Ray Westall, is the owner and operator of his Ritz Lease, comprising the W/2 E/2 of Section 35, Township 18 South, Range 30 East, NMPM, Shugart Yates-Seven Rivers-Queen-Grayburg Pool, Eddy County, New Mexico, and his Trigg Lease, comprising the W/2 of said Section 35.

(4) At the present time, applicant has completed four wells on the aforesaid Ritz Lease, said wells being located in Units B, G, J, and O of said Section 35, and proposes to drill additional wells on the aforesaid Trigg Lease, the first of which is planned to be located in Unit K of said Section 35.

(5) Ordering Paragraph No. (3) of Division 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.

(6) 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.

(7) The State Engineer has designated, pursuant to Section 70-2-12 (15), NMSA, (1978), 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.

(8) The applicant seeks an exception to the provisions of Order R-3221, as amended, to permit the disposal of salt water produced by applicant's wells on the aforesaid Ritz Lease and the proposed wells on the aforesaid Trigg Lease in three unlined surface pits located in Units G, K, and O of Section 35, Township 18 South, Range 30 East, NMPM.

(9) Applicant's wells on his Ritz Lease are currently producing 20 to 30 barrels of water per well per day, and it is anticipated that the proposed wells to be drilled on applicant's Trigg Lease will produce approximately the same amount of water.

(10) The southern boundaries of the above-described Ritz and Trigg Leases are one mile from the northern boundary of the area defined by Division Order No. R-3221-B as the Clayton Basin Exempt Area, wherein disposal of produced waters in unlined surface pits is permitted, and the subject leases are so located in the Clayton Basin drainage system as to cause any possible surface or sub-surface migration of produced waters disposed of in unlined surface pits located as described in Finding Paragraph No. (7) above to be in a westerly and southerly direction, into Clayton Basin.

(11) In addition to the Clayton Basin Exempt Area defined by Division Order No. R-3221-B, there have been numerous individual exceptions granted by the Division in the general area, where it has been found by the Division that disposal of produced waters into unlined surface pits would not impose a hazard to any fresh water for which a present or reasonably foreseeable use is or will be made.

(12) 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 proposed disposal pits.

(13) To prevent the economic loss caused by gathering and trucking the water produced on applicant's leases, authority to dispose of produced water in unlined surface pits on said leases should be granted.

(14) Approval of disposal as described above will not impair correlative rights nor cause waste, but will in fact protect correlative rights and may prevent waste by prolonging the producing life of the subject leases.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Ray Westall, is hereby granted an exception to Ordering Paragraph No. (3) of Division Order No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil or gas, or both, from his Ritz Lease, comprising the W/2 E/2 of Section 35, Township 18 South, Range 30 East, NMPM, Shugart Yates-Seven Rivers-Queen-Grayburg Pool, Eddy County, New Mexico, in two unlined surface pits located in Units G and O of said Section 35.

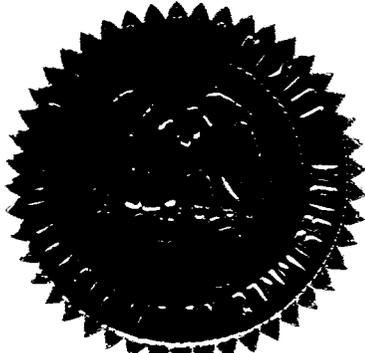
(2) The applicant is further granted an exception to Ordering Paragraph No. (3) of Division Order No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil or gas, or both, from his Trigg Lease, comprising the W/2 of the aforesaid Section 35, into an unlined surface pit located in Unit K of said Section 35.

(3) The Director of the Division may by administrative order rescind such authority whenever it reasonably appears to the Director that such rescission would serve to protect fresh water supplies from contamination.

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(4) 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

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