

Case Number.

4 / 49

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Application

Transcripts.

Small Exhibits

ETC.

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
June 4, 1969  
EXAMINER HEARING

IN THE MATTER OF:

Application of Jack L.  
McClellan for an exception  
to Order No. R-3221, as  
amended, Eddy County, New  
Mexico.

Case 4149

BEFORE: DANIEL S. NUTTER, Examiner

TRANSCRIPT OF HEARING

JUL 14 4 19 27

MR. HATCH; Case 4149, application of Jack L. McClellan for an exception to Order No. R-3221, as amended, Eddy County, New Mexico.

MR. KELLAHIN: Jason Kellahin, appearing for the Applicant, and I have one witness.

(Thereupon, Applicant's Exhibits A through F were marked for identification.)

JACK L. McCLELLAN

called as a witness by the Applicant, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Will you state your name, please?

A Jack L. McClellan.

Q Are you the Applicant in Case 4149?

A Yes, sir.

Q Are you a Petroleum Engineer?

A I am a Petroleum Geologist.

Q Have you testified before the Oil Conservation Commission previously?

A I don't remember as a Geologist. I have

testified before.

Q For the benefit of the Examiner, would you briefly review your education and experience as a Geologist?

A I graduated from Texas Tech College in 1950 with a B.S. Degree in Petroleum Geology, minor in Petroleum Engineering. Subsequently, I had a-year-and-a-half of graduate work, was employed approximately five years by the Gulf Oil Corporation as a Petroleum Geologist. I have for twelve years been an independent oil operator and consulting geologist.

Q Where are you located now?

A In Roswell, New Mexico.

Q Has a substantial part of your work been done in southeast New Mexico?

A Entirely in southeast New Mexico.

MR. KELLAHIN: Are the witness's qualifications acceptable?

MR. NUTTER: Yes, they are.

Q Mr. McClellan, what is proposed in your application in Case 4149?

A I would like an exception to the Rule as stated in that application to dispose of produced water

from one well that I produced in the West Henshaw-Grayburg field in Eddy County, New Mexico, as depicted on Exhibit A in the red square.

Q In addition to the location of your well, this does show the offsetting ownership in the area, does it not?

A Yes, sir.

Q Exhibit A?

A Yes, sir.

Q Referring to what has been marked as Exhibit B, would you identify that exhibit?

A Exhibit B is taken from the proposed waterflood which ultimately can come into being, and which is now in operation. The red circles and the pyramid or triangle are now presently being utilized as a water injection field. My well is located there. It is now a producing oil well.

Q And the well No. 1 marked with a triangle, is that an injection well?

A Yes, they had set a proposed well. It is being utilized at the present time as an injection well. This is the West Henshaw-Grayburg flood, I believe they call it.

Q What flood is that?

A Operated by Mobil Oil Company.

Q You are not a member of that waterflood project?

A No, sir, I am not in that flood.

Q How much water is your well presently making?

A The last report that I had the water production was four barrels of water per day, with four barrels of oil per day. Of course, this raises the question why do I produce it? The reason I produced it is the fact that we drilled this well primarily in the hopes of achieving primary oil in the area, which didn't materialize. The injection program now being carried on, the Well No. 4, if you will look to the southwest of my well, the production has recently gone from around six barrels of oil per day to sixty-three barrels of oil per day. The well due south of me, the No. 2 well, is currently, I believe, making in excess 80 barrels a day. So the reason I continue to produce this well at an economic loss is with the expectation that eventually the injected water will force oil to my location and it will become commercial.

Q Do you know the volumes of water?

A I haven't look in the records. I believe they told me that they were making an average of about 20 barrels per day. That is only talk with the pumper. I don't know if he knows very closely, because they are into a common battery, as I understand it.

Q Now, referring to Exhibit C, will you explain that Exhibit?

A Exhibit C is a map I prepared after visiting in Roswell with the State Engineer's Office, and also visiting in the Bureau of Land Management, and observing all the map that they had, and all the other information I could determine by personal investigation as to the water in this area, and this is a composite of all the information that I determined from talking to these various individuals from their maps and personal inspection.

Q Now, the Exhibit would indicate that there is a windmill at High Lonesome. What is the status of that at the present time?

A That windmill is abandoned. There appears to be -- I haven't personally been on the location, I had my production man go out and look at it. He told me the windmill was down, and the tanks rusted out. There

is apparently an earthen pit there. I personally went to the well and got on top of the tank with binoculars, and I could not see a windmill from that location. In particular, I was looking for that one, and it just wasn't there.

Q You couldn't see any with a pair of binoculars?

A That's correct, from the top of the well in question.

Q Now, there is another Henshaw tank south of your location. Do you know the status of that?

A I believe that is a producing well. I have not been out there, and was not able to see it, but I have been informed that that well is a source of water.

Q Do you know how far that is from your well location?

A Yes, sir, it is about, I would say about three-and-a-half, perhaps four miles southeast of it.

Q According to all the information you were able to obtain, is that the only water in the area?

A In the immediate area that I can ascertain. Of course, there could be some out there that I wouldn't know about, nor these other people. But the State people and the maps of the BLM, and the Eddy County



Water Report 3 does not indicate wells in there, and I was not able to see them from the road or the well, if they do exist.

Q That would actually be closer to six miles, wouldn't it?

A On this Exhibit C, it is hard to say if it is six miles across there. I would say probably four miles.

MR. NUTTER: Which, the Henshaw tank well?

MR. KELLAHIN: Yes.

MR. NUTTER: Actually, that well is located, if you will refer to your Exhibit No. A, Mr. McClellan, that well is located there in Section 24 right near that Shell well which is called the Upper Penn discovery?

THE WITNESS: Right. I was told it was on the Shell lease, and it is a producing windmill there, which would make that some three plus miles.

MR. NUTTER: Correct.

Q (By Mr. Kellahin) Now, referring to what has been marked as Exhibit D, would you identify that exhibit?

A This is the same as our ground water report.

Q Yes.

A This map was taken from the Ground Water Report 3, which does not indicate on that Report any ground water in or near this area. However, it does not take in the area to the north under discussion here, and I did investigate that as shown on Exhibit C, to ascertain that there was any water north of it, and I could not find that there was any water. According to this, there is no water in the area.

Q And Exhibit E?

A This is a geological study of the upper zones, indicating here that the area under discussion comes under the dockum group, again showing -- well, this just shows the ground water source, if any were present, which in this area would be the dockum.

Q And it does not show any Ogallala?

A No, sir, not from this map.

Q And then Exhibit F, would you identify that exhibit?

A This is Plate 3 of the Ground Water Report 3, indicating the general movement of ground water in this particular area, which from this plat indicates it is west -- rather, southwest, south, or let's say southwest.

Q Assuming that this correctly shows the

direction of movement of the ground water, and that there is water at the Henshaw tank, would this indicate that water from your pit would go in that direction?

A Not from this information. I am relying completely on this.

Q You are not a hydrologist?

A I am not a hydrologist.

Q You are relying on the report?

A Right.

Q Mr. McClellan, in your opinion, will the continued use of a surface pit at your well location cause any damage to any fresh water anywhere in this area?

A No, sir.

Q Is there any close enough that it would be damaged, in your opinion?

A No, sir, not that I can ascertain from the information we have introduced here as evidence.

Q You are asking for permission to continue the use of a surface pit. Where is the pit located?

A About 200 feet north of the well.

Q What size pit is it?

A I believe it is a regulation twenty-by-twenty.

Q And that has been in use since you completed the well, is that correct?

A Yes, sir.

Q Were Exhibits A through C prepared by you or under your supervision?

A Yes, sir.

Q And Exhibits D, E, and F are copies from the Eddy County Ground Water Report?

A Yes, sir, taken from those plates.

MR. KELLAHIN: At this time, I offer in evidence Exhibits A through F.

MR. NUTTER: Applicant's Exhibits A through F will be admitted in evidence.

(Thereupon, Applicant's Exhibits A through F were admitted in evidence.)

MR. KELLAHIN: That completes our testimony.

# CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. McClellan, when was this well completed originally?

A The well was -- the first production was 8-1-68.

Q And what was the producing rate at that time?

A The well potentialed for 25 barrels of oil, five barrels of water.

Q And the current rate of production is four and four?

A Yes, sir. It varies. The last test we had was four and four, four oil and four water.

Q You would anticipate if it would receive a stimulation of production from the offsetting water injection well, that the rate of production of water might increase?

A I would think it would. Judging from the other wells in the area, I'd say it would probably not exceed 20 to 30 barrels of water a day.

Q Do you know what these other wells are making, as far as water is concerned?

A Not specifically. As I mentioned before, generally, I believe they are making between 20 and 30 barrels of water a day. Unless they take specific tests, I think it would be hard to determine, because I think they are going into one common tank battery.

Q At any rate, this well south of you is now

making more than 80 barrels of oil per day, and you don't know the watercut?

A Due south of me is an injection well.

Q Which one was it that you said --

A The one that just recently increased production was the No. 1 there to the southwest.

Q You said that the No. 4 southwest had gone from --

A It is the No. 4 over in the southeast, the No. 4.

Q That is the one that went to 80?

A That one had already been kicking for a considerable time. The one that increased was No. 4 to the southwest, which approximately six weeks ago did have its kick. The well due south and the well due east are water injection wells.

Q So you have a water injection well on two sides of you?

A Yes.

Q Do you own this 40 to the west of you?

A Yes.

Q Do you have any plans for that 40 at this time?

A No.

Q This acreage is included within the boundaries of the unit?

A No, sir, if you will look at Exhibit A, you will see that it is excluded. Originally, it was proposed under Exhibit B that you are looking at, originally it was in the unit but after the unit became solidified and actually operational, it was excluded, and this well was drilled subsequent to the waterflood.

Q This boundaries shown on Exhibit B are not the boundaries, they were changed?

A That's correct.

MR. NUTTER: Any further questions of Mr. McClellan? You may be excused. Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: That is all.

MR. NUTTER: Does anyone have anything to offer in Case 4149? We will take the Case under advisement, and the Hearing is adjourned.

I N D E XWITNESSPAGE

JACK L. MCCLELLAN

Direct Examination by Mr. Kellahin

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Cross Examination by Mr. Nutter

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EXHIBITSMARKEDADMITTED IN  
EVIDENCEApplicant's Exhibits  
A through F

2

11



STATE OF NEW MEXICO )  
                                   ) SS.  
 COUNTY OF BERNALILLO )

I, SAMUEL MORTELETTE, Court Reporter in and  
 for the County of Bernalillo, State of New Mexico, 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.

*Samuel R. Mortelette*

I do hereby certify that the foregoing is  
 a complete record of the proceedings in  
 the Examiner hearing of Case No. 4149,  
 heard by us on 6-9, 1969.

*[Signature]*, Examiner  
 New Mexico Oil Conservation Commission



## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87801

GOVERNOR  
DAVID F. CARGO  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

June 10, 1969

Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: Case No. 4149  
Order No. R-3777  
Applicant:  
Jack L. McClellan

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X

Artesia OCC X

Aztec OCC           

Other State Engineer Office

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. 4149  
Order No. R-3777

APPLICATION OF JACK L. McCLELLAN  
FOR AN EXCEPTION TO ORDER NO. R-3221,  
AS AMENDED, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 4, 1969,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of June, 1969, the Commission, a  
quorum being present, 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 Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Jack L. McClellan, is the owner and  
operator of the Harris Well No. 1, located in Unit P of Section  
5, Township 16 South, Range 30 East, NMPM, West Henshaw-Grayburg  
Pool, Eddy County, New Mexico.

(3) That effective January 1, 1969, 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.

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CASE No. 4149

Order No. R-3777

(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 applicant seeks an exception to the provisions of the aforesaid Order (3) to permit the disposal of salt water, produced by applicant's Harris Well No. 1, in an unlined surface pit located in said Unit P.

(7) That the subject well presently produces approximately 4 barrels of water per day.

(8) That the nearest fresh water well is a deep water well approximately 4 1/3 miles southeast of the subject pit.

(9) That there appears to be no shallow fresh water in the vicinity of the subject unlined pit for which a present or reasonably foreseeable beneficial use is or will be made that would be impaired by contamination.

(10) That the applicant should be permitted to dispose of salt water produced by the aforesaid well in the subject pit.

IT IS THEREFORE ORDERED:

(1) That the applicant, Jack L. McClellan, is hereby granted an exception to Order (3) of Order No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil or gas, or both, by his Harris Well No. 1, located in Unit P of Section 5, Township 16 South, Range 30 East, NMPM, West Henshaw-Grayburg Pool, Eddy County, New Mexico, in an unlined surface pit located in said Unit P until further order of the Commission.

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CASE No. 4149  
Order No. R-3777

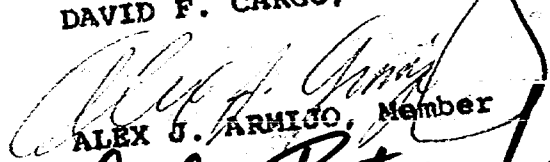
(2) That the Commission may by administrative order rescind such authority whenever it reasonably appears to the Commission that such rescission would serve to protect fresh water supplies from contamination.

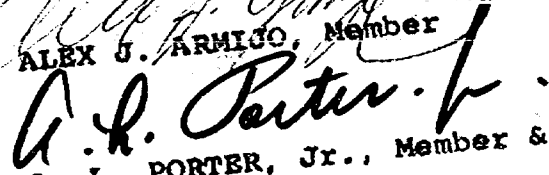
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

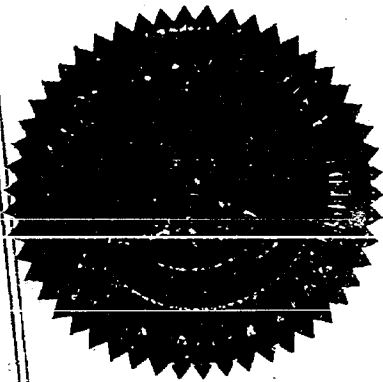
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
DAVID F. CARGO, Chairman

  
ALEX J. ARMIGO, Member

  
A. L. PORTER, Jr., Member & Secretary



esr/

Docket No. 16-69

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 4, 1969

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

The following cases will be heard before Daniel S. Nutter, Examiner, or  
Elvis A. Utz, Alternate Examiner:

CASE 4121: (Continued from the May 7, 1969, Examiner Hearing)  
Application of Roger C. Hanks for special pool rules, Lea County,  
New Mexico. Applicant, in the above-styled cause, seeks the  
promulgation of special pool rules for the Bar U-Pennsylvanian  
Pool, Lea County, New Mexico, including a provision for 160-  
acre spacing and proration units and the assignment of 80-acre  
allowables.

CASE 4143: (Continued from the May 21, 1969, Examiner Hearing)  
Application of Amerada Petroleum Corporation for downhole  
commingling and special gas-oil ratio limitation, Lea County,  
New Mexico. Applicant, in the above-styled cause, seeks  
authority to commingle production from the Eumont Gas Pool and  
the Skaggs-Grayburg Pool in the wellbore of its Fred Turner,  
Jr., "A" Well No. 2, the Eumont completion of which is presently  
classified as a gas completion, located in Unit K of Section 18,  
Township 20 South, Range 38 East, Lea County, New Mexico. Appli-  
cant, further seeks the establishment of a special gas-oil ratio  
limitation for the subject well.

CASE 3796: (Reopened)  
In the matter of Case No. 3796 being reopened pursuant to the  
provisions of Order No. R-3452, which order established 160-  
acre spacing units for the Cerca-Upper Pennsylvanian Pool, Lea  
County, New Mexico, for a period of one year. All interested  
parties may appear and show cause why said pool should not be  
developed on 40-acre or 80-acre spacing units.

CASE 4093: (Reopened)  
Application of BTA Oil Producers for salt water disposal, Lea  
County, New Mexico. Order No. R-3727, dated April 15, 1969,  
authorized the applicant to dispose of produced salt water into  
the Devonian formation in the intervals from approximately  
12,233 feet to 12,275 feet in its Max Pray State "E" Well No. 1  
and from approximately 12,088 to 12,164 feet in its Max Pray  
State "E" Well No. 2 located, respectively, in Units F and C of  
Section 5, Township 10 South, Range 36 East, adjacent to the  
West Crossroads-Devonian Pool, Lea County, New Mexico. Applicant  
now seeks authority to extend said Devonian zones of disposal  
to 12,233 feet to 12,500 feet in said Well No. 1 and 12,088  
feet to such depth as is necessary in said Well No. 2.

Examiner Hearing

June 4, 1969

Docket No. 16-69

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CASE 4144: Application of Sam G. Dunn Oil Operations for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from approximately 1910 feet to 1950 feet in its E. Faircloth "C" Well No. 1 located in Unit N of Section 32, Township 7 South, Range 27 East, Acme-San Andres Pool, Chaves County, New Mexico.

CASE 4143: (Continued and readvertised)

Application of Mallard Petroleum Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers formation in the open-hole interval from approximately 3700 feet to 3800 feet in the Federal Well No. 4, located in Unit C of Section 20, Township 20 South, Range 34 East, Lynch (Yates) Pool, Lea County, New Mexico.

CASE 4145: Application of Tenneco Oil Company for an exception to Order No. R-3221, as amended, Lea and Eddy Counties, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for applicant's Lusk Field leases comprising the SW/4 NW/8 of Section 19, Township 10 South, Range 32 East, Lea County, New Mexico, and the NE/4 of Section 24, Township 19 South, Range 31 East, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells completed on said leases in unlined surface pits on said leases.

CASE 4146: Application of V. S. Welch for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicants lease comprising the NE/4 of Section 28, Township 18 South, Range 31 East, Shugart Field, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells completed or to be completed on said lease in unlined surface pits on said lease.

Examiner Hearing

June 4, 1969

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Docket No. 16-69

CASE 4147: Application of Mobil Oil Corporation for pool reclassification, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to have the North Vacuum-Morrow Pool, Lea County, New Mexico, reclassified from an oil pool to a gas pool.

CASE 4148: Application of Fannie Lee Mitchell, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Wolfcamp formation in the perforated interval from approximately 10,450 feet to 10,550 feet in the former Southern Petroleum Exploration Co., Inc. Machris State 36-3 Well No. 1 located in Unit W of Section 3, Township 16 South, Range 35 East, Townsend-Wolfcamp Pool, Lea County, New Mexico.

← CASE 4149: Application of Jack L. McClellan for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for applicant's Harris Well No. 1 located in Unit P, Section 5, Township 16 South, Range 30 East, West Henshaw-Grayburg Pool, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by said well in unlined surface pits in the vicinity of the well.



Docket No. 16-69

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 4, 1969

9:05  
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*P.E. Consultant* New Mexico. Applicant, in the above-styled cause, seeks the  
*Midland* promulgation of special pool rules for the Bar U-Pennsylvanian  
*Leelan* Pool, Lea County, New Mexico, including a provision for 160-  
*Canrad* acre spacing and proration units and the assignment of 80-acre  
*Apple down* allowables.

*Garrett* CASE 4143: (Continued from the May 21, 1969, Examiner Hearing)  
*John S. S. S.* Application of Amerada Petroleum Corporation for downhole  
*Dick Engle* commingling and special gas-oil ratio limitation, Lea County,  
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the Skaggs-Grayburg Pool in the wellbore of its Fred Turner,  
Jr., "A" Well No. 2, the Eumont completion of which is presently  
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*Booker Kelly* CASE 3796: (Reopened)  
*Elmer Patman* In the matter of Case No. 3796 being reopened pursuant to the  
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to 12,233 feet to 12,500 feet in said Well No. 1 and 12,088  
feet to such depth as is necessary in said Well No. 2.

Examiner Hearing

June 4, 1969

Docket No. 16-69

-2-

**CASE 4144:** Application of Sam G. Dunn Oil Operations for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from approximately 1910 feet to 1950 feet in its E. Faircloth "C" Well No. 1 located in Unit N of Section 32, Township 7 South, Range 27 East, Acme-San Andres Pool, Chaves County, New Mexico.

**CASE 4132:** (Continued and readvertised)

Application of Mallard Petroleum Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers formation in the open-hole interval from approximately 3700 feet to 3,800 feet in the Miller Federal Well No. 4, located in Unit C of Section 20, Township 20 South, Range 34 East, Lynch (Zates) Pool, Lea County, New Mexico.

*Booker Kelly  
Rene Woodman*

**CASE 4145:** Application of Tenneco Oil Company for an exception to Order No. R-3221, as amended, Lea and Eddy Counties, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for applicant's Lusk Field leases comprising the SW/4 NW/4 of Section 19, Township 19 South, Range 32 East, Lea County, New Mexico, and the NE/4 of Section 24, Township 19 South, Range 31 East, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells completed on said leases in unlined surface pits on said leases.

*James T. [unclear]  
B.M. [unclear]*

**CASE 4146:** Application of V. S. Welch for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicants lease comprising the NE/4 of Section 28, Township 18 South, Range 31 East, Shugart Field, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells completed or to be completed on said lease in unlined surface pits on said lease.

Examiner Hearing

June 4, 1969

-3-

Docket No. 16-69

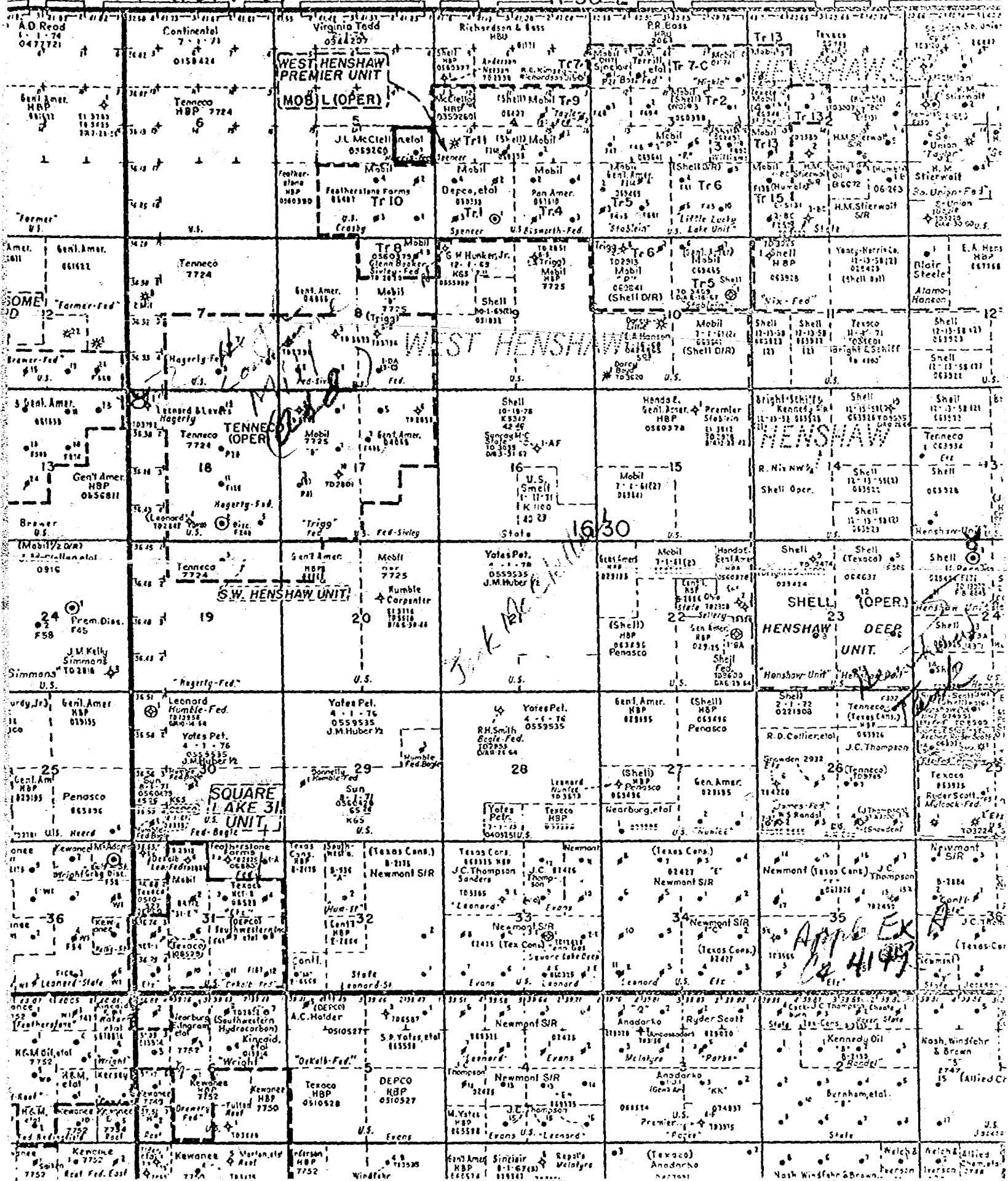
*Jim Dyer  
J.R. Hughes  
Sr. Prod  
Engr - Molau*  
CASE 4147: Application of Mobil Oil Corporation for pool reclassification, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to have the North Vacuum-Morrow Pool, Lea County, New Mexico, reclassified from an oil pool to a gas pool.

*J. even Keadin  
Root, J. Kenby*  
CASE 4148: Application of Fannie Lee Mitchell, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Wolfcamp formation in the perforated interval from approximately 10,450 feet to 10,550 feet in the former Southern Petroleum Exploration Co., Inc. Machris State 36-3 Well No. 1 located in Unit W of Section 3, Township 16 South, Range 35 East, Townsend-Wolfcamp Pool, Lea County, New Mexico.

*Jason K.  
Jack McClellan*  
CASE 4149: Application of Jack L. McClellan for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for applicant's Harris Well No. 1 located in Unit P, Section 5, Township 16 South, Range 30 East, West Henshaw-Grayburg Pool, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by said well in unlined surface pits in the vicinity of the well.

# Exhibit A

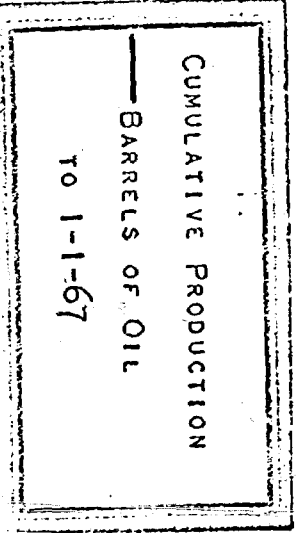
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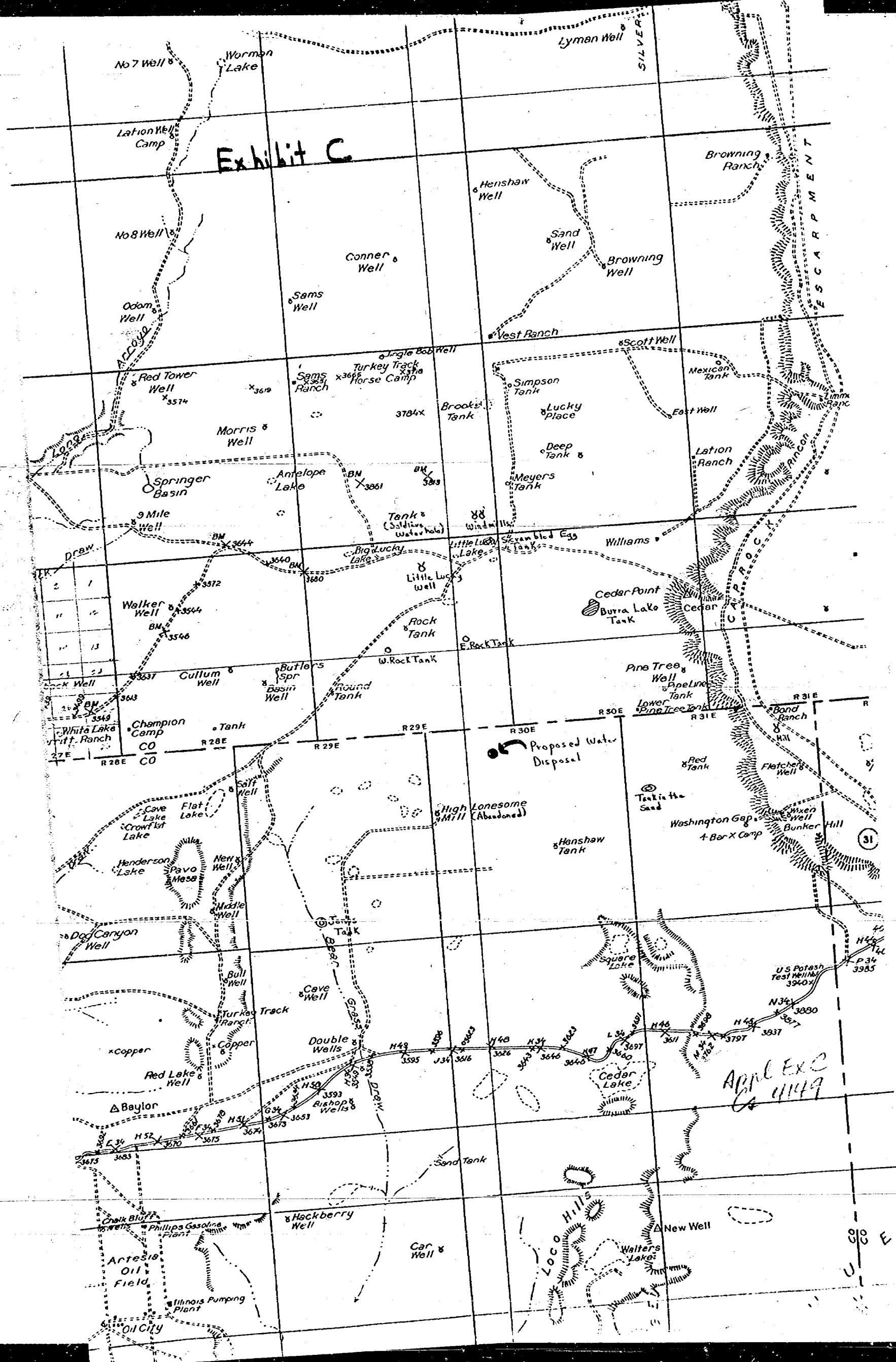


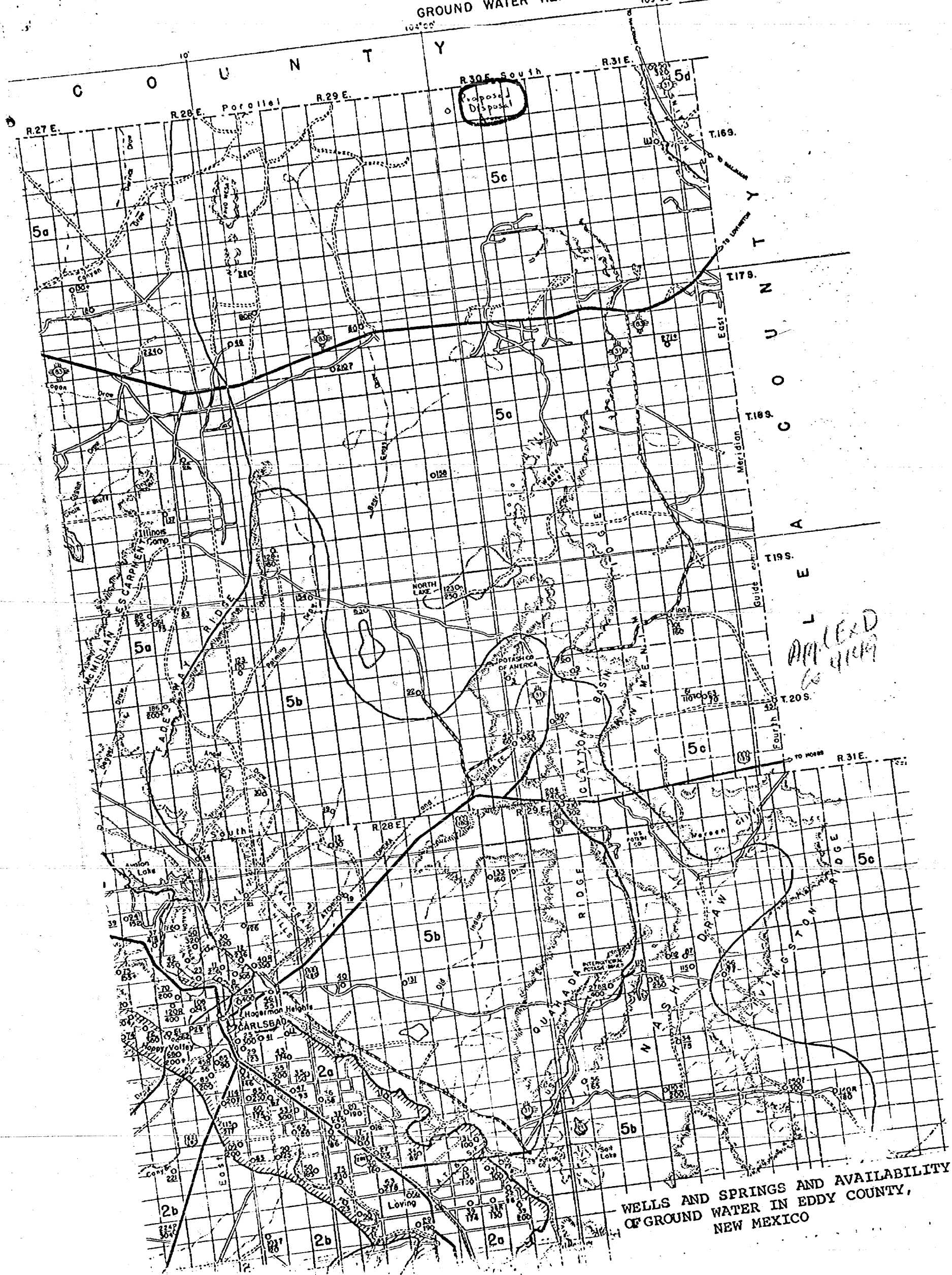
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COUNTY

Texoco COUNTY







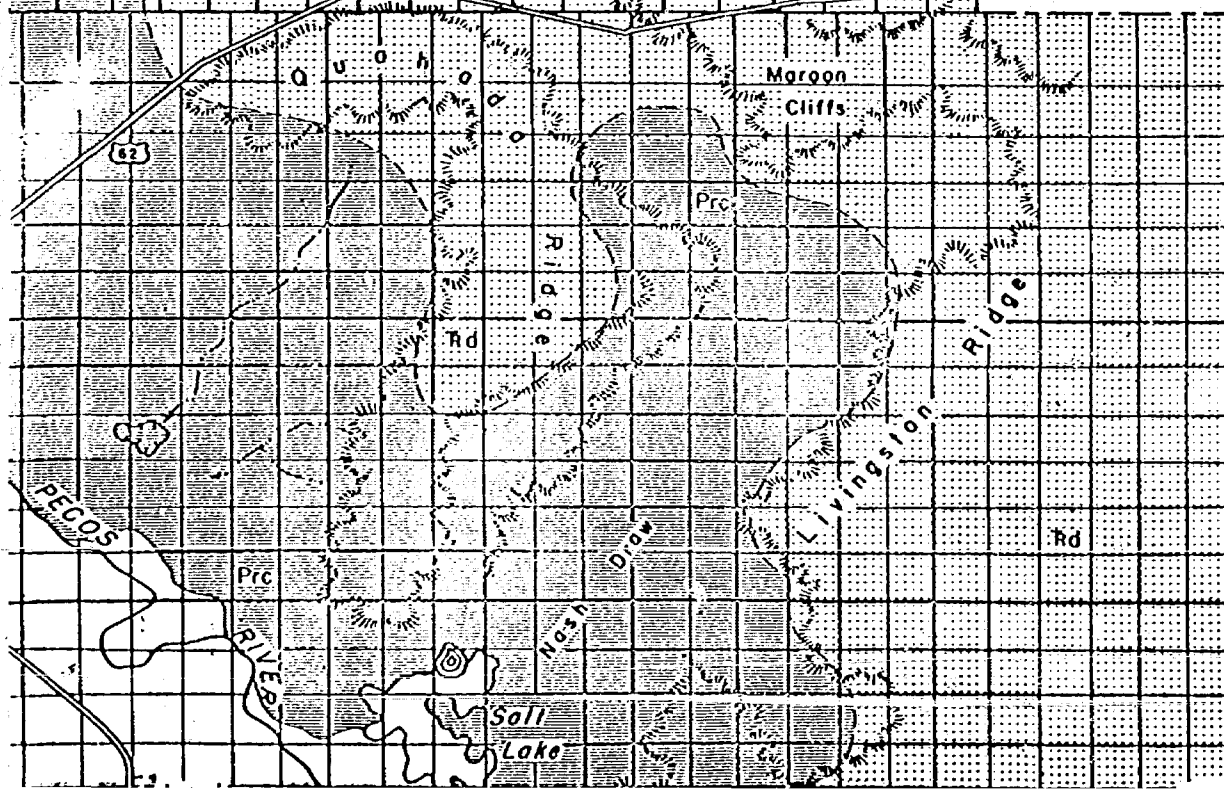
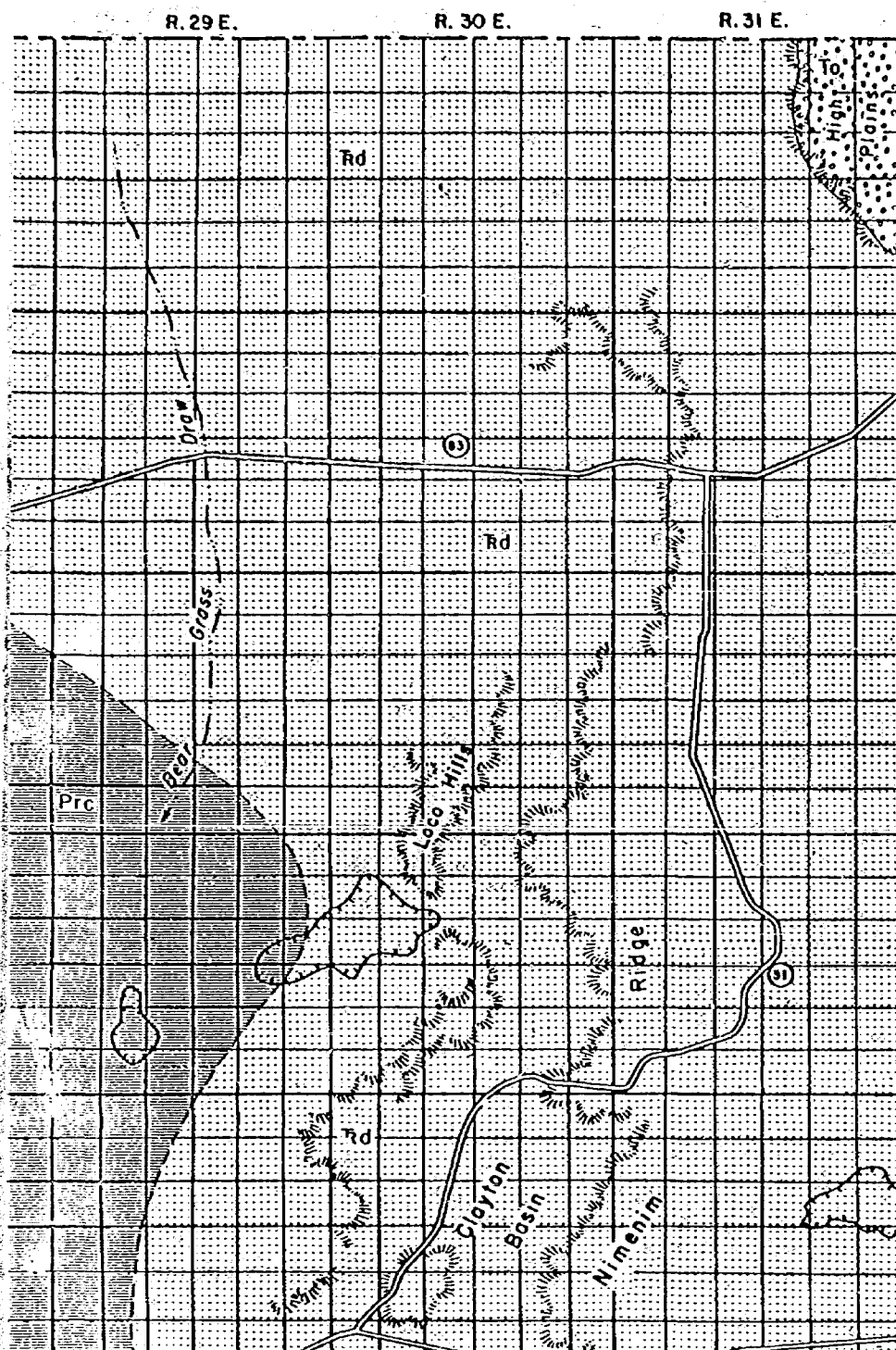
AMENDED  
6/1/49

WELLS AND SPRINGS AND AVAILABILITY  
OF GROUND WATER IN EDDY COUNTY,  
NEW MEXICO



# GROUND-WATER REPORT 3 PLATE I

N T Y



## EXPLANATION

Qal

Alluvium

To

Ogallala formation

Rd

Dockum group

Prc

Rustler formation east of the Pecos River. Castile and Rustler formations west of the Pecos River.

Pcl

Carlsbad limestone (Capitan limestone and Bell Canyon formation along reef escarpment. Goat Seep limestone along west escarpment of Guadalupe Mountains.)

Pcb

Chalk Bluff formation (including upper part of Goat Seep formation in southwest part.)

Ps

San Andres formation

TRIASSIC TERTIARY QUAT.

PERMIAN

Ochoa series

Guadalupe series

Leonard series

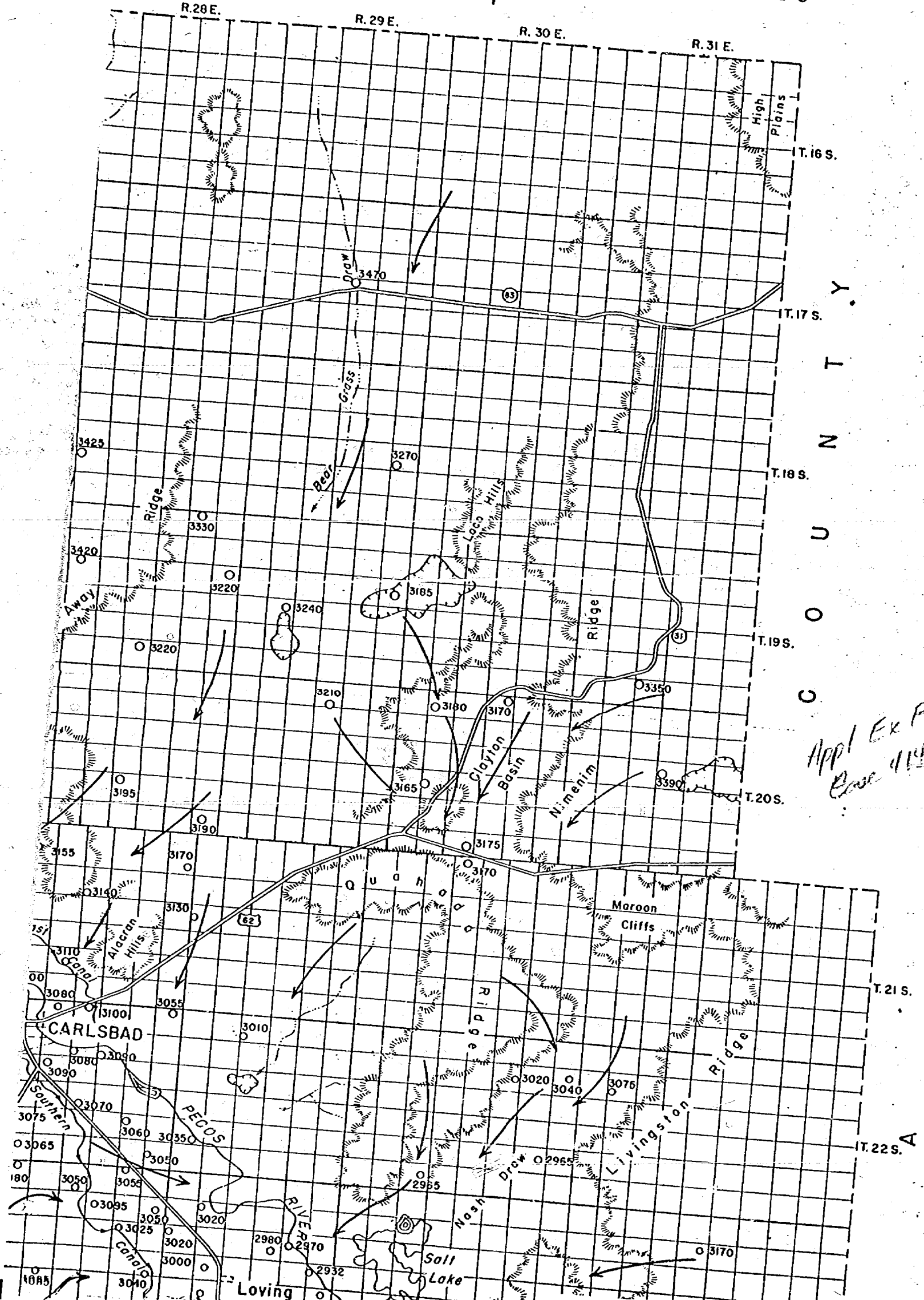
APPL EX E  
2-11-49

A



O U N T Y

GROUND-WATER REPORT 3 PLATE 3



BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

69 MAY 15 PM 11 03

IN THE MATTER OF THE APPLICATION  
OF JACK L. MC CLELLAN FOR AN  
EXCEPTION TO THE PROVISIONS OF  
ORDER NO. R-3221, AS AMENDED, EDDY  
COUNTY, NEW MEXICO

Case 4149

A P P L I C A T I O N

Comes now Jack L. McClellan and applies to the Oil Conservation Commission of New Mexico for an exception to the provisions of Commission Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas or both, on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico, after January 1, 1969, and in support thereof would show the Commission:

1. Applicant is the operator of the No. 1 Harris well, located in Lot 16, Section 5, Township 16 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, in the West Henshaw Grayburg Pool.

2. Said well is offset by the West Henshaw Premier Unit, operated by Mobil Oil Company, and is presently producing at the rate of two barrels of oil per day, and from five to six barrels of water, per day.

3. There is no feasible manner in which the produced water can be economically disposed of, and continue oil production from the well, unless surface disposal of the water is permitted.

4. It is applicant's opinion that there is no fresh water supply in the vicinity of the subject well, and the disposal pits that have been used for this well, that would be contaminated or subject to contamination by continued use of a disposal pit on the surface; that no surface or underground waters will be contaminated by continued surface disposal of the produced water.

WHEREFORE applicant prays that this application be set for

hearing before the Commission's duly appointed examiner, or before the Commission, and that after notice and hearing as required by law the Commission enter its order granting the exception prayed for in this application.

Respectfully submitted,

JACK L. McCLELLAN

By Jason W. Kellahan  
P. O. Box 1769  
Santa Fe, New Mexico 87501

ATTORNEY FOR APPLICANT

DRAFT

GMH/ear

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. 4149

Order No. R- 3777

APPLICATION OF JACK L. McCLELLAN  
FOR AN EXCEPTION TO ORDER NO. R-3221,  
AS AMENDED, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 4, 1969,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this June day of June, 1969, the Commission, a  
quorum being present, 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 Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Jack L. McClellan, is the owner and  
operator of the Harris Well No. 1, located in Unit P of Section  
5, Township 16 South, Range 30 East, NMPM, West Henshaw-Grayburg  
Pool, Eddy County, New Mexico.

(3) That effective January 1, 1969, 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 applicant seeks an exception to the provisions of the aforesaid Order (3) to permit the ~~continued~~ disposal of salt water, produced by applicant's Harris Well No. 1, in <sup>an</sup> unlined ~~surface pits in the vicinity of the well.~~ *located in said Unit P.*

*(7) That the subject well presently produces approximately 4 barrels of water per day.*

*(8) That the nearest fresh water well is a deep water well approximately 4 1/2 miles southeast of the subject pit.*

*(9) That there appears to be no shallow fresh water in the vicinity of the subject unlined pit for which a present or reasonably foreseeable beneficial use is or will be made that would be impaired by contamination.*

*(10) That the applicant should be permitted to dispose of salt water produced by the aforesaid well in the subject pit.*

-3-

Case No. 4149

Order No. R-\_\_\_\_\_

IT IS THEREFORE ORDERED:

(1) That the applicant, Jack L. McClellan, is hereby granted an exception to Order (3) of Order No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil or gas, or both, by his Harris Well No. 1, located in Unit P of Section 5, Township 16 South, Range 30 East, NMPM, West Henshaw Grayburg Pool, Eddy County, New Mexico, in an unlined surface pit located in said Unit P until further order of the Commission.

(2) That the Commission may by administrative order rescind such authority whenever it reasonably appears to the Commission that such rescission would serve to protect fresh water supplies from contamination.

(3) That jurisdiction of this cause is retained for the entry of such further order as the Commission may deem necessary.

DONE at .....