

CASE 4179: Appli. of PETROLEUM
CORPORATION OF TEXAS FOR AN
EXCEPTION TO ORDER R-3221.

Case Number.

4179

Application

Transcripts.

Small Exhibits

ETC.

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

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 6, 1969

EXAMINER HEARING

IN THE MATTER OF:

Application of Petroleum Corpor-
ation of Texas for an exception
to Order No. R-3221, as amended,
Eddy County, New Mexico.

Case No. 4179

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date AUGUST 6, 1969TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
Jack M Campbell	Rich Cape Texas Stephens, Campbell & Associates	Santa Fe
J.A. Freeman	Midland	Midland
J.C. Roberts	Pan American Pet Corp	Fort Worth
P.B. Allen	Midland	Midland
Murray Stevens	Artec Oil & Gas Co.	Dallas
Joe L. ...	Artec Oil & Gas Co.	Dallas
Paul M. ...	Hinkle, Bertram & Chisley	Midland, Tex.
Clarence Mundy Jr.	Coastal States Gas Prod.	Midland, Tex.
Robert T. Shuttleff	Union Oil Co. of Cal.	Midland, Tex.
Jason Kellah	Kellah & Fox	Santa Fe
Rodney C Boyd	Pennzoil United	Midland, Tex.
Robert C. Arceneaux	Pennzoil United	Midland, Tex.
Jim ...	Albuquerque, N.M.	Albuquerque, N.M.
Wm. A. ...	Pennzoil United	Midland, Tex.
B.C. SINCLAIR	Pennzoil United	Midland, Tex.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date AUGUST 6, 1969 TIME: 9 a.m.

NAME	REPRESENTING	LOCATION
H. Lee Karrant	Southern Prod. Corp	Roswell, N.M.
Richard J. Mowbray	Montgomery et al	Santa Fe
Mauro J. Ross	Peapack Corp.	Samuel Whor

I N D E X

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E X H I B I T S

	<u>Marked</u>	<u>Offered and Admitted</u>
Applicant's Exhibits Nos. 1 and 1-A	5	10

MR. NUTTER: The first case will be Case 4179.

MR. HATCH: Case 4179. Application of Petroleum Corporation of Texas for an exception to Order No. R-3221, as amended, Eddy County, New Mexico.

MR. CAMPBELL: Mr. Examiner, I am Jack M. Campbell of Stephenson, Campbell and Olmsted, Santa Fe, New Mexico, representing the Applicant.

MR. NUTTER: Are there any other appearances in Case No. 4179?

MR. CAMPBELL: We have one witness to be sworn, Mr. Freeman.

(Witness sworn.)

KENNETH A. FREEMAN

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

DIRECT EXAMINATION

BY MR. CAMPBELL:

- Q Will you state your name, please?
- A Kenneth A. Freeman.
- Q Where do you live, Mr. Freeman?
- A Midland, Texas.
- Q By whom are you employed?
- A Petroleum Corporation of Texas.

Q In what capacity?

A District Superintendent.

Q Have you previously testified in your professional capacity before this Commission or its Examiner?

A Yes, I have.

Q What is your professional qualifications; are you a petroleum engineer?

A Yes, I graduated from the University of Texas in 1958, and I am a registered professional engineer in the State of Texas.

Q By whom were you employed when you previously testified before this Commission?

A Union Texas Petroleum, a Division of Allied Chemical.

MR. CAMPBELL: Are the witness' professional qualifications acceptable?

MR. NUTTER: Yes, they are.

BY MR. CAMPBELL:

Q Are you acquainted with the Application of Petroleum Corporation of Texas in this Case No. 4179, Mr. Freeman?

A Yes, I am.

Q Will you state in general terms what you are

seeking here?

A We are seeking in general terms to get approval to produce formation water which is from the Grayburg-Jackson formation into an unlined earthen pit.

Q What pool?

A This is in the Grayburg-Jackson area in Eddy County, New Mexico.

(Whereupon, Applicant's Exhibits Nos. 1 and 1-A were previously marked for identification.)

Q I hand you what has been marked as Applicant's Exhibits 1 and A in this case and ask you to state what these are, please?

A Well, No. 1 is a map of the general area of Eddy County, New Mexico, primarily Section 14, Township 17, Range 30, and the circle on this map is a 3-mile radius surrounding the well in question.

Q I notice you have an arrow pointing to one well which has been colored in red. What does that indicate?

A This is the Flint "B" well which is located in Unit M of Section 14. This is the well in which we seek the exception.

Q I notice you have two other wells which are

shown in red in the vicinity of your Flint "B" Federal No. 1. What do those indicate?

A These wells are also owned by Petroleum Corporation of Texas and in making the formation record which is Exhibit 1-A, the information from all three wells as to the sample description, gamma ray neutron logs was put together in arriving at the intervals and the type of formation.

Q Referring now to Applicant's Exhibit No. 1-A, will you state what that is intended to show?

A It is our intent with 1-A to illustrate the formation, lithology, from the surface down to the top of the Gates Sand which is from surface to 1165 feet.

Q Now, Mr. Freeman, I am sure you are acquainted with the policy that the Commission has established in connection with the disposal of salt water in New Mexico, and that its purpose is to avoid the contamination of any economic fresh water supplies at depths above the producing zone. Will you state to the Examiner what steps you took to determine whether or not in your opinion the use of open earthen pits at this particular location would have that effect of contamination or whether it would not; what did you do?

A Well, the main thing we did was to look the area over as to windmills or any type of fresh water within a 3-mile area or the area in general. Now, the town of Local Hills gets their water from the Caprock Water System, and we have talked to some old-timers over there, and to their knowledge, there is no fresh water. We have driven around asking ranchers and etcetera, if there was any fresh water in the area. All we were able to come up with is the type where they make a dam to catch the rain water, but to my knowledge, there is no windmill or fresh water in the area.

Q Referring to your Exhibit No. 1-A which is a composite of your examination of the three wells shown in red on Exhibit No. 1, what does that reflect with regard to the presence of any water?

A Well, if you will look at the formation interval where it says "Total feet from zero to 50 feet," at the surface there is just alluvium and red bed exposed. Then we have open-hole logs that will pick up the formation from 200 foot on down and primarily exist in a vaporized series where you have anhydrite and red beds and salt sections and this primarily is shown in exhibit 1-A. As you go down the list, it is all that

we can tell that there is. There is no water sand that we were able to find in any of the logs.

Q Did you know or whether or not or is it your information that the Commission has approved the salt water disposal in this fashion, application within the 3-mile radius of your well shown on Exhibit 1?

A It is our understanding that an exception was approved in Section 1 of 17-30 to McKinley out of Roswell.

Q How much water is your well producing?

A The last three weeks we have been watching it real close. I would say 50 barrels per day.

Q How much oil?

A 35 to 36 barrels per day.

Q Has this production of water changed substantially in the last several months?

A Yes, it has. It has come up approximately 4½ months ago. It increased and it looks like it has leveled off at this 50 barrels a day.

Q Prior to that time was there any problem in disposing of the salt water?

A Well, it made very little water; about 2 to 3 barrels a day and we were trucking it, and the expense was very minor at that point. Due to this increase, why,

this is why, and due to economics we are trying to get an exception.

Q To what do you attribute the increase?

A Well, in my opinion, it is due to some of the water fluid in the general area.

Q What is the quality of this water, if you know; what type of water is it?

A It is typical formation water produced in the Grayburg-Jackson formation. It is salt water -- produced brine water.

Q In your opinion, if you were permitted to dispose of this salt water by open earthen pits near this well, would it cause any contamination of any known fresh water supplies in the area shown on Exhibit No. 1, the 3-mile radius of your well?

A In my opinion, it would not due to the fact that to my knowledge there is no fresh water in the area.

MR. CAMPBELL: That's all the questions at this time, Mr. Examiner. I would like to offer Applicant's Exhibits 1 and 1-A in evidence.

MR. NUTTER: Applicant's Exhibits 1 and 1-A will be admitted in evidence.

(Whereupon, Applicant's Exhibits Nos. 1 and 1-A were offered and admitted in evidence.)

CROSS EXAMINATION

BY MR. NUTTER:

Q Sir, I missed your name.

A Kenneth Freeman.

Q Mr. Freeman, an exception was granted by the Commission to Order No. 3221 for Mr. McKinley and his lease is in the NE/4 of Section, is that correct?

A Yes, sir.

Q Which would be right there on the 3-mile radius line that you have drawn?

A Yes, it cuts a portion of that quarter.

Q Now, this Application here today is advertised for your Flint "B" Federal No. 1 which is in the SW, SW of 14, yet Petco does operate other wells in the area, is this correct?

A Yes, they do.

Q What are you doing with the water that is produced on those leases?

A We are putting it in a tank and trucking it to a disposal.

Q Those wells are making minor amounts of water like this one formerly did?

A Yes, sir.

Q Where is the nearest injection well to this producer here on your Flint Lease?

A To my understanding, it is Well No. 10 in this Winfer Oil Company. They are the operator. You will see it would be two locations to the east. That would be the nearest injection well.

Q So this Grayburg-Jackson unit operated by Winfer Oil is a secondary recovery unit then?

A Yes, sir.

Q Are there secondary recovery operations to the west and to the south of your Flint Lease?

A There is to the south, the one that is operated by Andarco Production Company. It is also Grayburg-Jackson flood.

Q Now, this Exhibit No. 1-A that you made up showing the formation record is a composite formation record taken from the three wells?

A Yes, sir.

Q And the first 50 feet would be aleuvian in in some of these wells, in an average of the wells?

A Yes, sir.

Q And there are no wells completed in the aleuvian in this area?

A No, sir.

MR. NUTTER: Are there further questions of this witness?

You may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Campbell?

MR. CAMPBELL: No, Mr. Examiner, nothing further.

MR. NUTTER: Does anyone have anything they wish to offer in Case No. 4179?

We will take the case under advisement.

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) ss.

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Richard L. Nye
COURT REPORTER

My Commission Expires April 8, 1971.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4179 heard by me on 8-6 1969.
Thomas 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

August 14, 1969

Honorable Jack M. Campbell
Stephenson, Campbell & Olmsted
Attorneys at Law
Post Office Box 877
Santa Fe, New Mexico

Re: Case No. 4179
Order No. R-3812
Applicant:
Petroleum Corporation of Texas

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. 4179
Order No. R-3812

APPLICATION OF PETROLEUM CORPORATION
OF TEXAS 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 August 6, 1969,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of August, 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, Petroleum Corporation of Texas, is
the owner and operator of the Flint "B" Federal Well No. 1, located
in Unit M of Section 14, Township 17 South, Range 30 East, NMPM,
Grayburg-Jackson Pool, Eddy 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.

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CASE No. 4179

Order No. R-3812

(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 Flint "B" Federal Well No. 1 in an unlined surface pit located in Unit M of said Section 14.

(7) That the subject well presently produces approximately 50 barrels of water per day.

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

(9) That the applicant should be permitted to dispose of salt water produced by its Flint "B" Federal Well No. 1 in the unlined surface pit located in Unit M of the aforesaid Section 14.

IT IS THEREFORE ORDERED:

(1) That the applicant, Petroleum Corporation of Texas, is hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil or gas, or both, by its Flint "B" Federal Well No. 1, located in Unit M of Section 14, Township 17 South, Range 30 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico, in an unlined surface pit located in said Unit M.

(2) That the Commission may by administrative order rescind such authority whenever it reasonably appears to the Commission

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CASE No. 4179
Order No. R-3812

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.

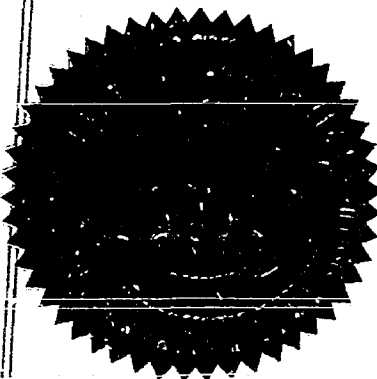
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMILLO, Member


A. L. PORTER, Jr. Member & Secretary



esr/

Docket No. 22-69

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 6, 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 4179: Application of Petroleum Corporation of Texas 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. Said exception would be for applicant's Flint "B" Federal Well No. 1 located in Unit M of Section 14, Township 17 South, Range 30 East, Grayburg-Jackson Pool, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by said well in an unlined surface pit located in said Unit M.

CASE 4180: Application of Union Oil Company of California 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. Said exception would be for applicant's Federal "E" and Federal "F" leases in Section 31, Township 18 South, Range 31 East, Shugart Field, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells on said leases in unlined surface pits on the subject leases.

CASE 4167: (Continued from the July 9, 1969 Examiner Hearing)
Application of Charles B. Read for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete his Hobbs "Y" Well No. 1 located in Unit J of Section 29, Township 12 South, Range 34 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the East Hightower-Pennsylvanian Pool and the disposal of produced salt water through the intermediate casing-production casing annulus into the San Andres, Glorieta, Yeso, and Abo formations in the open-hole interval from approximately 4195 feet to 7720 feet.

Examiner Hearing - August 6, 1969

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CASE 4181: Application of J. M. Huber Corporation for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Stoltz Federal Well No. 1 located in Unit J of Section 12, Township 15 South, Range 34 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Morton-Wolfcamp Pool and the disposal of produced salt water through the 8 5/8 X 4 1/2-inch casing-casing annulus into the San Andres, Tubb, Abo, and possibly other formations in the open-hole interval from approximately 4330 feet to 9750 feet.

CASE 4182: Application of Franklin, Aston & Fair, Inc. 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. Said exception would be for certain of applicant's Loco Hills Field wells located in Units I and P of Section 20, Township 17 South, Range 30 East, Unit A of Section 17 and Unit F of Section 4, Township 18 South, Range 30 East, and Unit O of Section 36, Township 17 South, Range 29 East, Eddy County, New Mexico. Disposal would be into unlined surface pits in the vicinity of said wells.

CASE 4183: Application of Pan American Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cedar Point Unit Area comprising 5,120 acres, more or less, of State and Federal lands in Township 15 South, Range 30 East, Chaves County, New Mexico.

CASE 4172: (Continued from the July 23, 1969. Examiner Hearing)
Application of Pennzoil United, Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the East Lovington-Pennsylvanian Pool, Lea County, New Mexico, including a provision for 80-acre oil proration units.

CASE 4184: Application of Pennzoil United, Inc. for the creation of a new oil pool, promulgation of special rules therefor, and a non-standard oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Pennsylvanian oil pool for its Gallagher "8" State Well No. 1 located in the NW/4 NW/4 of Section 6, Township 17 South, Range 34 East, Lea County, New Mexico, and for the promulgation

(Case 4184 continued)

of special rules therefor including a provision for 160-acre proration units and well locations in either the Northwest or Southeast quarter of a quarter section. Applicant further seeks an exception to said proposed rules to re-enter its Monsanto Gallagher State Well No. 1 located 660 feet from the South and West lines of said Section 8 and to recomplete said well in the subject pool.

CASE 4185: Application of Pennzoil United, Inc., for the creation of a new oil pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for its Sinclair "6" State Well No. 1 located 660 feet from the South line and 760 feet from the East line of Section 6, Township 17 South, Range 34 East, Lea County, New Mexico, and for the promulgation of special rules therefor including a provision for 160-acre proration units and well locations in either the Northwest or Southeast quarter of a quarter section.

CASE 4186: Application of Tenneco Oil Company for compulsory pooling and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool underlying the North half of Section 11, Township 29 North, Range 13 West, San Juan County, New Mexico, said acreage to be dedicated to a well to be drilled at an unorthodox gas well location 2250 feet from the North line and 660 feet from the East line of said Section 11. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4187: Application of Aztec Oil & Gas Company for the amendment of Administrative Order NWU-341 and Commission Order No. R-2046, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Administrative Order NWU-341 and Commission Order No. R-2046, which orders established, respectively and among other units, certain non-standard gas proration units for the Blanco Mesaverde and Basin-Dakota Pools in Sections 7, 8, 9, 10, 11, 12, 18, and 19, Township 32 North, Range 8 West, San Juan County, New Mexico. Applicant seeks to amend said orders in such a manner as to establish eight co-extensive Mesaverde and Dakota gas proration units in Sections 7, 8, 9, 10, 11, 12, and 18, said units to average 318.89 acres each.

Examiner Hearing - August 6, 1969

Docket No. 22-69

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CASE 4188: Application of Coastal States Gas Producing 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 Lower San Andres formation in the open-hole interval from approximately 5025 feet to 5125 feet in its Santa Fe State Well No. 2 located in Unit F of Section 33, Township 9 South, Range 37 East, West Sawyer-San Andres Pool, Lea County, New Mexico.

CASE 4189: Application of Cayman Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the well location requirements for the High Plains-Pennsylvanian Pool as promulgated by Rule 4 of Order No. R-2874, to permit the drilling of a well at an unorthodox location in the center of the SE/4 NE/4 of Section 15, Township 14 South, Range 34 East, Lea County, New Mexico.

PETROLEUM CORPORATION OF TEXAS
1000 V & J Tower
Midland, Texas 79701

MAIN OFFICE

JUL 3 1969 PH 4 24

Case 4179

July 2, 1969

State Geologist, Al Porter, Jr.
Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Sante Fe, New Mexico 87501

RE: Exception to Commission
No Pit Order
Flint "B" Federal
Grayburg Jackson Field
Section 14-T17-S, R30-E
Eddy County, New Mexico

Dear Sir:

We are requesting a hearing to be scheduled for an exemption to the Commission No Pit Order in the above described area. We request Commission inspection of our pit and well prior to the hearing date.

It is our understanding that an exception was granted in Section 1-17-30 by Order No. R-3734.

We will be putting approximately 50-60 barrels of water per day into the unlined earthen pit if an exception is granted.

We will submit water analysis, lease plats, and all pertinent information at the hearing.

Yours very truly,

K. A. Freeman

Petroleum Corporation of Texas
Ken A. Freeman

KAF:sc

DOCKET MAILED

Date 7-24-69
K

NEW MEXICO
OIL CONSERVATION COMMISSION

MAIN OFFICE

'69 JUL 22 AM 9 04

FIELD TRIP REPORT

Date 7-15-69

Name of Employee R. L. Stamets

Time of Departure 8:00 A. M. Time of Return 12:15 P. M.

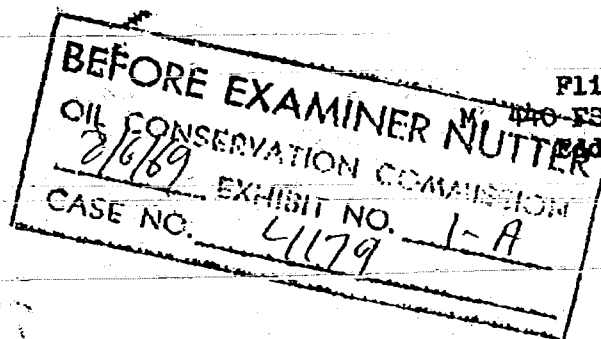
Miles Travelled 131

In the space below please indicate purpose of trip and duties performed, listing wells or leases visited.

Check two dry holes in Chaves County, 6-15-28 & 24-15-29. Both OK. Check Double L and Sulimar-Queen Pools, OK. Check Pit sites in The Jackson Abo Pool and area around Petroleum Corp. of Texas Flint B Fed. #1-M 14-17-30 where a request for exception to R-3221 has been filed. The well is located about two miles ENE of Loco Hills in the sand hills. No windmills are visible from the well site. The closest windmill appears to be in the NW $\frac{1}{4}$ of 24-16-30. This is in an area where drinking water has been piped in from the Caprock for over 20 years. Cedar Lake in 26-17-30 has water in it only after heavy rains. There are 2 abandoned windmills at its western end.



Employee's Signature
District # II



Flint "B" Federal No. 1
No. 131, 880 FWL Sec. 14, T17 R 30
Sandoval County, New Mexico

FORMATION RECORD

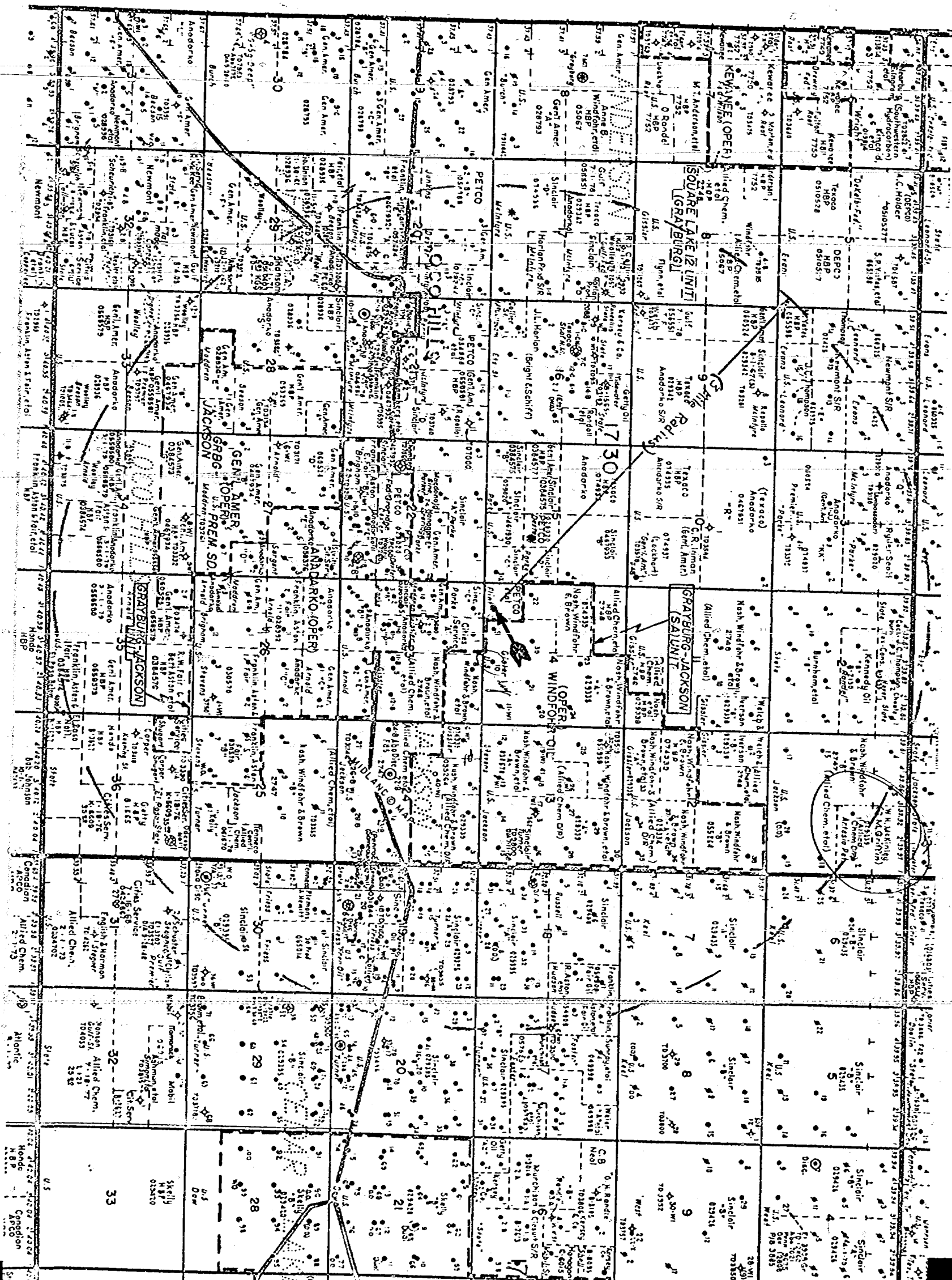
From--	To--	Total Feet	Formation
0	50	50	Alluvium with some Red Beds exposed at surface
50	250	200	Anhydrite & Red Beds (Dockum Group)
250	1030	780	Anhydrite & Salt Interbedded (Dewey Lake & Rustler)
1030	1165	135	Lime & Sand (Tensill)
1165			Top of Yates Sand & Lime

Above information based on GR/Neutron Logs and Sample Descriptions of following wells.

- Flint "B" Sec. 14-17-30
- Dexter 1-15 Sec. 15-17-30
- Dexter 3 Sec. 22-17-30

50 BWD
36 BOD
Started increasing water about 4 mos.
ago - may be due to W/P in area
has now leveled off - was
trucking when amt. was only
20 S BWD

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 1
CASE NO. 4117



DRAFT

GMH/esr

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. 4179

Order No. R- 2812

APPLICATION OF PETROLEUM CORPORATION
OF TEXAS 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 August 6, 1969,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of August, 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, Petroleum Corporation of Texas,
is the owner and operator of the Flint "B" Federal Well No. 1,
located in Unit M of Section 14, Township 17 South, Range 30
East, NMPM, Grayburg-Jackson Pool, Eddy 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 applicant seeks an exception to the provisions of the aforesaid Order (3) to permit the disposal of salt water produced by applicant's Flint "B" Federal Well No. 1 in an unlined surface pit located in Unit M of said Section 14.

(7) That the subject well presently produces approximately 50 barrels of water per day.

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

(9) That the applicant should be permitted to dispose of salt water produced by its Flint "B" Federal Well No. 1 in the unlined surface pit located in Unit M of the aforesaid Section 14.

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CASE No. 4179

IT IS THEREFORE ORDERED:

(1) That the applicant, Petroleum Corporation of Texas, is hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil or gas, or both, by its Flint "B" Federal Well No. 1, located in Unit M of Section 14, Township 17 South, Range 30 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico, in an unlined surface pit located in said Unit M.

(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.

CASE 4180: Application of UNION
OIL CO. OF CALIF. FOR AN EXCEPTION
TO ORDER NO. R-3221, AS AMENDED.