

Case Number.

4180

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Application

Transcripts.

Small Exhibits

ETC.

dearnley-meier reporting service, inc.

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  
August 6, 1969

EXAMINER HEARING

IN THE MATTER OF: )

Application of Union Oil Company )  
of California for an exception )  
to Order No. R-3221, as amended, )  
Eddy County, New Mexico. )

Case No. 4180

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

I N D E XROBERT T. SHURTLEFF

Direct Examination by Mr. Eaton  
Cross Examination by Mr. Nutter

Page

3

8

E X H I B I T S

Applicant's Exhibit No. 1  
Applicant's Exhibit No. 2

MarkedOffered and  
Admitted

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MR. NUTTER: Case No. 4180.

MR. HATCH: Case No. 4180. Application of Union Oil Company of California for an exception to Order No. R-3221, as amended, Eddy County, New Mexico.

MR. EATON: Paul W. Eaton, Jr., with the firm of Hinkle, Bondurant and Christy, Roswell, New Mexico, representing the Applicant. We have one witness.

(Witness sworn)

ROBERT T. SHURTLEFF

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

DIRECT EXAMINATION

BY MR. EATON:

Q Will you please state your name?

A My name is Robert T. Shurtleff.

Q What is your residence and occupation and the name of your employer, Mr. Shurtleff?

A I live in Midland, Texas. I am a District Production Engineer for Union Oil Company of California.

Q Are you familiar with the Application of Union in this case and with the location of the property that is involved?

A Yes, I am.

Q Have you previously testified for the New Mexico Oil Conservation Commission?

A No, I have not.

Q Would you please give a brief resume of your education and your professional experience since graduating from college?

A I graduated from Texas A and M College in 1960 with a B.S. in Petroleum Engineering and was employed at that time by Union Oil of California. I have worked 3½ years in production as Production Engineer, 3½ years as a Drilling Engineer and 2 years as a Reservoir Engineer and have recently gone back into production engineering.

Q In what area have you been performing this work?

A I have been performing in West Texas and New Mexico and the Panhandle area.

MR. EATON: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

BY MR. EATON:

Q What does Union seek by Application in this case?

A Union requests an exemption to Order R-3221, as amended, so that we may dispose of produced water from

our leases into an unlined surface pit.

(Whereupon, Applicant's Exhibit No. 1 was previously marked for identification.)

BY MR. EATON:

Q. Mr. Shurtleff, I hand you what has been marked as Applicant's Exhibit No. 1 and ask you to please state what that represents?

A. The area in Section 31, T-18 S, 31 East, which is the lease which Union holds as the Federal E Lease and F Lease which has three producing wells in the Shugart Pool. The red line which encircles this area is the area that we have made an on-sight inspection for windmills or surface ponds and have found no surface fresh water sand in this area.

Q. The Exhibit reflects the location of three wells in the north three 40's of Section 31, is that correct?

A. That is correct.

Q. Are those the only producing wells of Union?

A. That is correct.

Q. Where would you propose to locate the surface pit?

A. The surface pit would be in the vicinity of the Federal F No. 1 well which is located in the NW/4 of the NW/4. I am sorry. That is the NE/4 of the NE/4.

Q What amounts of oil and water are presently being produced from these leases?

A At the present, we are making 15 barrels of oil per day and 22 barrels of water per day.

Q What efforts have you made to determine whether there is any shallow water, shallow ground fresh water located in the area of these leases?

A We have made the on-sight inspection and have inquired about the use fresh water that the ranchers use and it is our understanding that the fresh water that they use for their ranching is brought in by pipeline.

Q This is in a ranching area, is that correct?

A It is a ranching area.

(Whereupon, Applicant's Exhibit No. 2 was previously marked for identification.)

MR. EATON: Mr. Examiner, we hand you what has been marked as Exhibit No. 2 which is a letter from Fred H. Hennighausen, District Supervisor of the State Engineer's office in Roswell, in which he states that the records of his office do not reflect any fresh shallow water supplies in the area of the Union leases, however, they have no information that shallow water supplies do not exist. They point out that in a fairly comprehensive

7

field check made by that office, the closest fresh water wells that they have discovered are some 5 miles south and one mile east of the Union leases and some 6½ miles south and 2 miles west of Union leases. Also, Mr. Hennighausen points out that the surface drainage is to the southwest.

BY MR. EATON:

Q Mr. Shurtleff, in connection with Mr. Hennighausen's statement that the surface drainage is to the southwest, what is the meaning or importance of that?

A I think that this means that if there was any migration of the water on the surface, it would be toward the potash area in which there is no known fresh water sands.

Q Is it your understanding that the potash area is to the southwest of this location?

A It is.

Q In your opinion, is there any shallow ground fresh water in the area of Union's leases?

A From our observations and all the evidence that we could obtain, it is my opinion that there is no fresh water sand existing near our leases.

Q In your opinion will the approval of Union's



Application here result in the prevention of waste and protection of correlative rights?

A Yes, it will.

MR. EATON: We would appreciate the Hearing Examiner to take an administrative notice of Cases Nos. 4132, 4146 and 4169 in which exceptions to Order R-3221 were granted in the Shugart Field.

MR. NUTTER: That was Cases 4132, 4146 and 4169?

MR. EATON: Yes, sir.

MR. NUTTER: We will take notice of that.

MR. EATON: We move the admission of Applicant's Exhibits Nos. 1 and 2.

MR. NUTTER: Applicant's Exhibits Nos. 1 and 2 will be admitted in evidence. Exhibit No. 2 is the letter from the State Engineer's Office?

MR. EATON: Yes, sir. I have no further questions of this witness.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Shurtleff, I have here a book of maps prepared by the New Mexico State Highway Department which are made from aerial photographs and it indicates that here in Section 31 of Township 18 South, Range 31 East,

that there is a couple of symbols which are identified in the legend in the front of the book as being wells or water tanks. Now, it appears that there is a series of these wells or water tanks parallel or adjacent to this road which runs southwest-northeast, and I have a suspicion that these may be watering tanks for cattle along the potash company's water line, the Southwest Potash Company's plant in this vicinity here.

A Yes, sir.

Q Could you ascertain for me and let me know just what these are along this road?

A Yes, I will.

Q All right. I will appreciate that.

MR. NUTTER: Are there any further questions of Mr. Shurtleff?

You may be excused.

(Witness excused.)

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

MR. EATON: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case No. 4180?

Mr. Gressett, are you aware of what those symbols

on this map might indicate?

MR. GRESSETT: Yes, sir. That one on 31 is a water tank and it is tied onto the Potash Company's water line.

MR. NUTTER: And this road, this straight road running northeast-southwest here, does it parallel the Potash Company's water line?

MR. GRESSETT: Yes.

MR. NUTTER: And there are watering tanks along that with automatic valves that keep these tanks full of water for cattle.

MR. GRESSETT: Yes.

MR. PORTER: Are you aware of any wells along this line?

MR. GRESSETT: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case No. 4180?

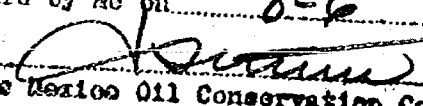
We will take the case under advisement.

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

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.

  
 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. 4180  
 heard by me on 8-6 1969.  
  
 Examiner  
 New Mexico Oil Conservation Commission



## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

GOVERNOR  
DAVID F. CARGO  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMJO  
MEMBER

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

August 14, 1969

Mr. Paul Eaton  
Hinkle, Bondurant & Christy  
Attorneys at Law  
Post Office Box 10  
Roswell, New Mexico 88201

Re: Case No. 4180  
Order No. R-3813  
Applicant:  
UNION OIL COMPANY

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. 4180  
Order No. R-3813

APPLICATION OF UNION OIL COMPANY OF  
CALIFORNIA 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, Union Oil Company of California, is  
the owner and operator of certain wells on its Federal "E" and  
Federal "F" Leases in Section 31, Township 18 South, Range 31  
East, NMPM, Shugart Field, 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.

-2-

CASE No. 4180

Order No. R-3813

(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 wells located on its Federal "E" and Federal "F" Leases in said Section 31, in the unlined surface pit located in the NE/4 of said Section 31.

(7) That the subject wells presently produce approximately 22 barrels of water per day.

(8) That 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 subject pit.

(9) That the applicant should be permitted to dispose of salt water produced by wells located on applicant's leases in said Section 31 in the unlined surface pit located in the NE/4 of said Section 31.

IT IS THEREFORE ORDERED:

(1) That the applicant, Union Oil Company of California, 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 wells on its Federal "E" and Federal "F" Leases in Section 31, Township 18 South, Range 31 East, NMPM, Shugart Field, Eddy County, New Mexico, in the unlined surface pit located in the NE/4 of said Section 31.

-3-

CASE No. 4180  
Order No. R-3813

(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. ARMISTEAD, Member

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



csr/



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.

- 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 8, 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 Callagher 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

-4-

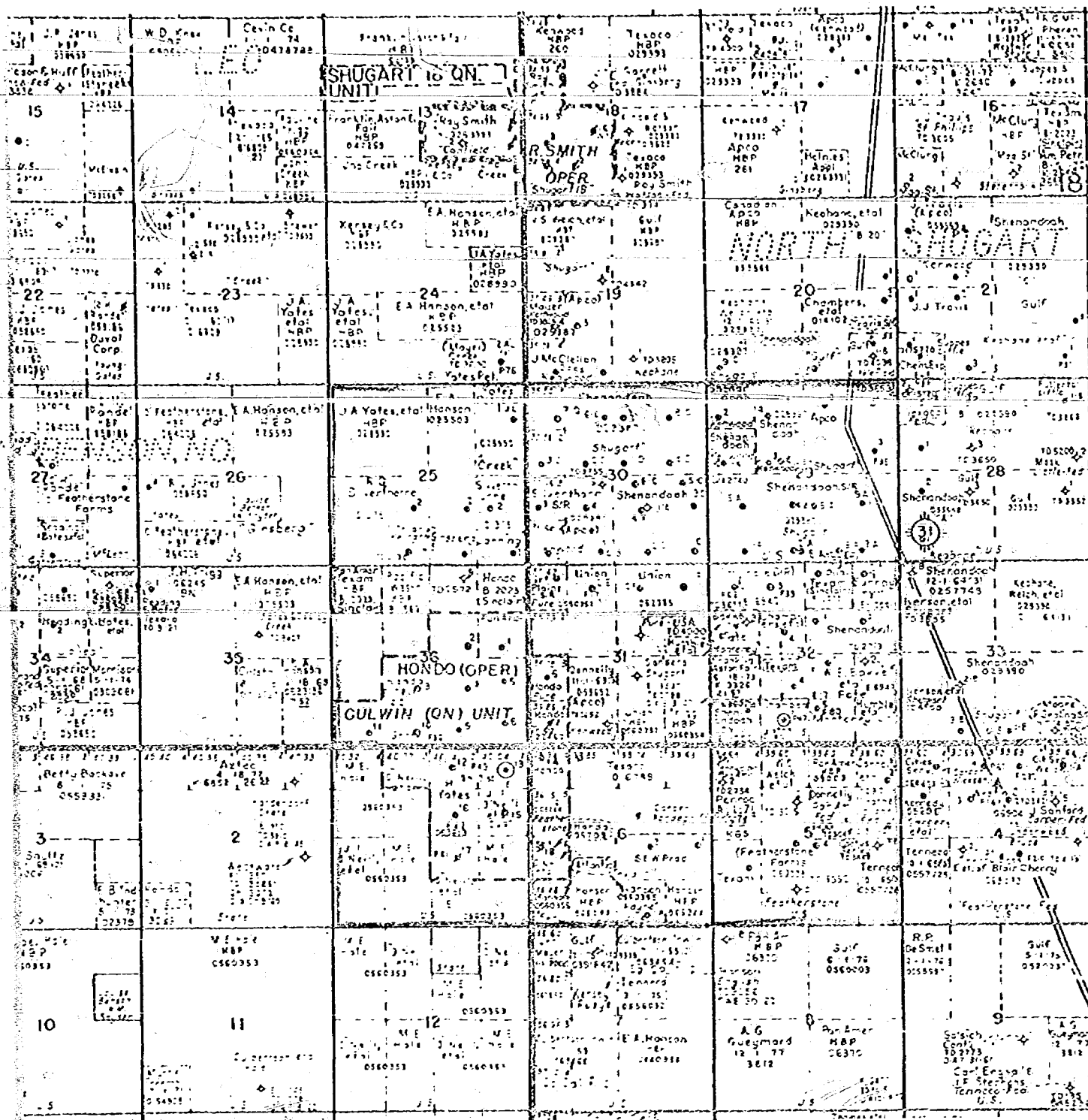
Docket No. 22-69

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.

R-30-E

R-31-E



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19  
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4132  
4146  
4169

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 1  
CASE NO. 11180

SHUGART  
EDDY COUNTY, NEW MEXICO  
SCALE: 1" = 4000'



STATE OF NEW MEXICO  
STATE ENGINEER OFFICE  
ROSWELL

S. E. REYNOLDS  
STATE ENGINEER

ADDRESS CORRESPONDENCE TO:

P. O. BOX 1717  
ROSWELL, NEW MEXICO  
88201


August 5, 1969

New Mexico Oil Conservation Commission  
State Land Office Building  
Santa Fe, New Mexico 87501

Dear Sirs:

This letter is in response to a request by Mr. Paul Eaton of Hinkle, Bondurant and Christy, Attorneys at Law, concerning fresh water supplies in the vicinity of Section 31, Township 18 South, Range 31 East, N.M.P.M., in the northeastern part of Eddy County, New Mexico. The records of the State Engineer Office do not reflect any fresh shallow water supplies in the area nor do they reflect that such shallow water supplies do not exist. The closest fresh water wells which have been noted in fairly comprehensive field checks of the area are those at the headquarters of the "Lusk" ranch in Sections 28 and 29, Township 19 South, Range 31 East, ~~from~~ five miles south and one mile east of the subject section, and shallow wells in the Clayton basin area in Sections 2 and 3, Township 20 South, Range 30 East, six and one-half miles south and two miles west of the subject section. It appears that surface drainage from Section 31, Township 18 South, Range 31 East, N.M.P.M., is directed towards the south and west.

Very truly yours,

  
Fred H. Hennighausen  
District II Supervisor

FHH\*j11

cc: Hinkle, Bondurant & Christy

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	2
CASE NO.	4180

Union Oil Company of California  
500 N. Marientfeld, Midland, Texas 79701  
Telephone (915) MU 2-9731

**union**

July 8, 1969

Midland District

Oil Conservation Commission  
Attention: Mr. A. L. Porter, Jr.  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

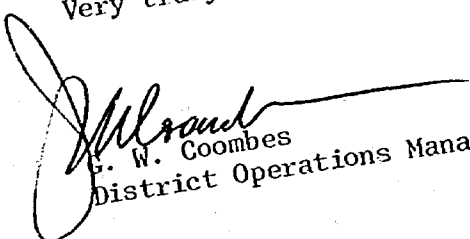
Request for Exception to No-Pit Order  
on the Federal "E" and Federal "F"  
Leases, Shugart Field, Eddy County,  
New Mexico

Union Oil Company of California respectfully requests exception to Commission Order R-3221 to dispose of produced water in unlined pits at the tank battery site common to the above captioned leases, which are located in Section 31, Township 18-S, Range 31-E, Eddy County, New Mexico. Production averages 15 BOPD plus 22 BWPD.

There are no fresh water sands or water wells in the immediate area, nor is there any salt water disposal system in the vicinity available to connect into. It is Union's understanding that exceptions to the no-pit order have been granted in this field.

Your consideration of this request will be appreciated.

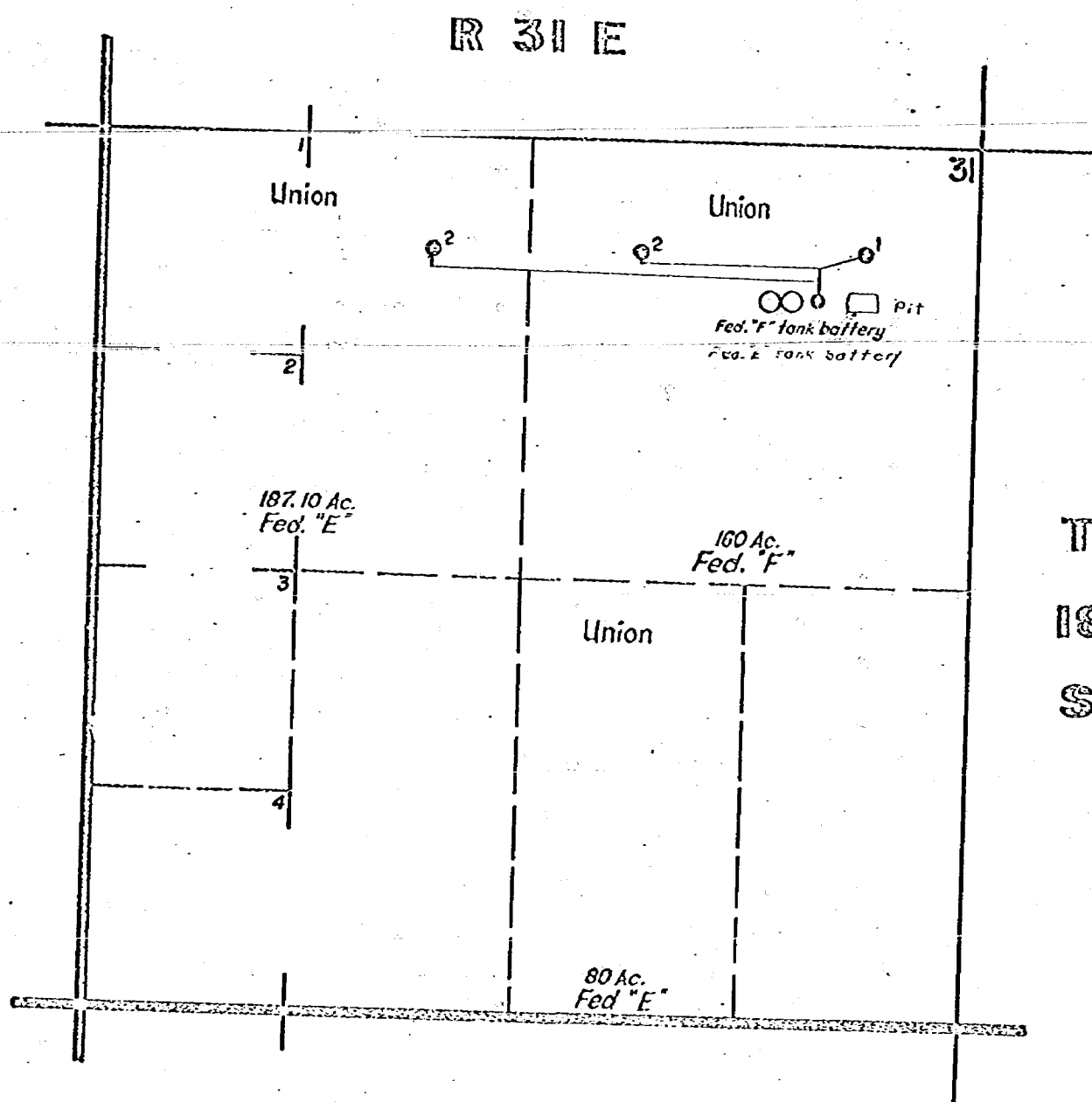
Very truly yours,

  
G. W. Coombes  
District Operations Manager

GWC:RTS/bMc  
Attachment

DOCKET MARKED  
Date 7-24-69

*Set for hearing*  
*Case 4180*



Case 4180



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. 4180

Order No. R-3813

APPLICATION OF UNION OIL COMPANY OF  
CALIFORNIA 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, Union Oil Company of California, is  
the owner and operator of certain wells on its Federal "E" and  
Federal "F" Leases in Section 31, Township 18 South, Range 31  
East, NMPM, Shugart Field, 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 wells located on its Federal "E" and Federal "F" Leases in said Section 31, in <sup>the</sup> unlined surface pits located the NE 1/4 of said Section 31.

(7) That the subject wells presently produce approximately 22 barrels of water per day.

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

(9) That the applicant should be permitted to dispose of salt water produced by wells located on applicant's location said Section 31 in the unlined surface pit located in the NE 1/4 of said Section 31.

-3-  
CASE No. 4180

IT IS THEREFORE ORDERED:

- (1) That the applicant, Union Oil Company of California, 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 wells on its Federal "E" and Federal "F" Leases in Section 31, Township 18 South, Range 31 East, NMPM, Shugart Field, Eddy County, New Mexico, in the unlined surface pit located in the NE/4 of said Section 31.
- (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,

CLERK 4131: Application of J. H.  
RUBEN CORP. FOR A DUL COMPLETION  
AND SALT WATER DISPOSAL.

TO THE SEPTEMBER 10, 1949 EXAMINER HEARING

ENTER TO THE SEPTEMBER 10, 1949 EXAMINER HEARING