

CASE 4182: Appli. of FRANKLIN,  
ASTON & FAIR, INC. FOR AN  
EXCEPTION TO ORDER NO. R-3221.

Case Number.

4/82

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 Franklin, Aston  
and Fair, Inc., for an exception  
to Order No. R-3221, as amended,  
Eddy County, New Mexico.

Case No. 4182

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

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MR. NUTTER: Case No. 4182.

MR. HATCH: Case No. 4182. Application of Franklin, Aston and Fair, Incorporated for an exception to Order No. R-3221, as amended, Eddy County, New Mexico.

MR. KELLAHIN: If the Examiner please, this is Jason Kellahin of Kellahin and Fox, Santa Fe, appearing for the Applicant. We have one witness I would like to have sworn.

(Whereupon, Applicant's Exhibits Nos. 1 through 4 were marked for identification.)

(Witness sworn)

GRANT M. SMITH

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A I am Grant M. Smith.

Q By whom are you employed and in what position, Mr. Smith?

A I am a geologist for Franklin, Aston and Fair, Incorporated, Roswell, New Mexico.

Q Now, you have testified before the New Mexico Oil

Conservation Commission and made your qualifications as a geologist a matter of record?

A Yes, sir.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

BY MR. KELLAHIN:

Q Mr. Smith, are you familiar with the Application of Franklin, Aston and Fair in Case No. 4182?

A Yes, sir.

Q Briefly, what is proposed by the Applicant in this case?

A It is an Application to dispose of produced water from oil wells in the Loco Hills area in surface pits.

Q In connection with the Application, the McIntyre "A" Well, No. 4 was erroneous in its designation?

A It is 4.

Q It is 4 and it should be McIntyre "A" No. 4 and McIntyre "A" Well, No. 5, is that correct?

A Right.

Q And not No. 1 as appears on the Application.

Now, Mr. Smith, in connection with this Application, have you made an examination of the area in which these wells

are located?

A Yes, sir.

Q Now, referring to what has been marked as Applicant's Exhibit No. 1, would you identify that Exhibit and discuss the information shown on it?

A This is a land map showing the location of oil wells in the Loco Hills area. Ownership and also colored in yellow are the Franklin, Aston and Fair leases involved in the Application.

Q Now, in connection with each one of these leases there appears an arrow and the well designation and information on the water production, is that correct?

A That's right.

Q Was that the actual production for the month of May, 1969?

A Yes, sir.

Q On each one of these leases?

A Yes, sir.

Q Where are the disposal pits that you propose to use located?

A It doesn't show up very well on this exhibit, but the wells are shown and the disposal pits are usually 150 feet or so from the well, and they are marked in blue on

these exhibits. I would like to draw attention to the Masteller "B" No. 1 Well in Section 17 of 18 South, 30 East. The disposal pit for this well would be across the section line in Unit "O" of Section 8.

Q Unit "O" of Section 8?

A Yes.

Q Can you give the Unit location and Section number for the other disposal pits?

A For the Nelson No. 3 in Section 4 of 18-30, the disposal pit would be in Unit "E".

Q Of that same section?

A Yes. For the McIntyre wells, it would be in Unit "P" of Section 20 of 17-30, and I would like to point out that the road as shown on that map is wrong. It wouldn't be going across. In reality, this road goes right along the east side of this location. For the State 1-A in Section 36 of 17-29, the disposal pit would be in that Unit, Unit "O".

Q On the McIntyre wells, you are using only one pit for 2 wells?

A Yes, sir.

Q And each of the other wells has a separate pit?

A Yes, sir.



Q Now, on the extreme righthand side of the exhibit there appears a small red triangle. What does that signify?

A On the right or the left?

Q On the left.

A This represents windmills or water wells in this general area.

Q There is only one shown on this particular exhibit. Are you familiar with this area personally, Mr. Smith?

A Yes, I have been going through it for some time.

Q Do you know whether it is in operation at the present time?

A I think that this well in Section 35 is in operation. The one in Section 24, I believe, is in operation. Some of these may be gyped-up and I don't know for sure whether they are operating.

Q I show you what has been marked as Exhibit No. 2. Would you identify that exhibit, please?

A This was taken from the ground water report No. 3 showing the outcrop of geologic formations at the surface in this general area. It also shows the windmills marked with red triangles. It shows the oil wells

producing water that are concerned in this Application.

Q What formation would those wells be producing from?

A The water wells?

Q Yes, sir, the water wells?

A I don't have the exact information as to their depth, but I would imagine it is probably from the Rustler.

Q There is no Ogalala present in this area, is there?

A The only Ogalala that I am aware of is shown in the extreme upper righthand corner in Section 16 South, 31 East, which would be above the area involved and beyond contamination.

Q I refer you to what has been marked as Exhibit No. 3. Can you identify that Exhibit?

A This is a reproduction of the ground water report NO. 3 showing wells and springs and the availability of ground water in this general area.

Q Again, there appears some small red triangles on this exhibit. Is that --

A (Interrupting) These still represent the wells previously mentioned.

Q What is the closest well to any of your pits?

A It appears that the well northwest of our

State "A" No. 1 in Section 36 of 17-30. This windmill is in the NW NW of Section 35 of 17-30, a mile and a half or two miles away.

Q All the other wells are two or more miles away, are they not?

A Yes, sir.

Q From any disposal pit. Now, referring to what has been marked as Exhibit No. 4, would you identify that exhibit?

A This is also a reproduction of the ground water report No. 3 showing some of the surface features in this area, their names, and it also shows the general direction of movement of ground water. It also shows the previously mentioned windmills and wells that are producing water.

Q How long have these wells been producing, Mr. Smith, just generally?

A I don't know.

Q They have been producing for many years, have they not?

A Yes, sir.

Q Has there been any increase in the amount of water being produced?

A Are you referring to the water wells or the oil wells?

Q The oil wells.

A Well, the oil wells, I will have to correct that statement if you are referring to the oil wells. The water production in the Nelson Well has remained quite constant. This is the well in Section 4 of 18-30. The Masteller No. 1 in Section 17 of 18-30 has remained constant. The State "A" No. 1 in Section 36 of 17-29 is a re-entry of an old injection in the Neumont Water Flood. We carried it on through the Metex and Premier. Its water is holding constant, about 20 barrels per day. This well was just completed last year.

Q That well has been abandoned as a water injection well?

A That's right.

Q But has been re-completed in a zone other than that in which water was being injected?

A That's right.

Q What zone is it completed in now?

A It is completed in the Premier and it has some perforations in the Metex. We are a little undecided right now just exactly how much is coming from which zone. We had a terrible problem fighting the water from the Loco Hills water flood and we carried this well on deeper.

and we shut it off until we ran a casing in this re-entry.

Q So the State 1-A is producing from the Premier and the Metex or the Metex. The Nelson No. 3, is that San Andres?

A San Andres well.

Q Would you anticipate there would be an increase in the water production from that well?

A Not from the way it has behaved, I don't believe it will be. McIntyre 4-A and 5A -- to refer to your previous question -- we originally water free on completion. Water has increased, however, at the present time, we are producing it just about pump capacity, and I don't anticipate an increase in the water from them, only as this would relate to a decrease in the oil. We have no plans of installing larger pumps at this stage. They are too near the stripper stage.

Q And the Masteller well is producing from the Loco Hills?

A Loco Hills, correct.

Q Would you anticipate that the water production there would increase?

A No, sir. It doesn't show any indication of it.

Q Now, on the basis of your examination of this

area and your familiarity with the presence of water wells, in your opinion would the continued use of surface pits for water disposal as applied for here, cause any damage to any fresh water supplies either on the surface or underground?

A No, sir. I looked through many of these old records that I could find. Reports of fresh water were very scarce. In talking with people in this area, we have found or I have found no instance where water wells in this area that the water is being used for domestic purposes. What ground water is used, is for stock use only.

Q Now the closest disposal pit to any water well is your disposal pit for the State A No. 1. In reference to Exhibit No. 4, would that indicate that the water movement, if there were any drainage from that pit, would be toward this water well?

A No, sir, I don't believe that it would show that there would be contamination from this well.

Q In your opinion, would it be physically possible for any contamination to reach that well from this pit?

A I don't believe so.

Q Were Exhibits 1 through 4 prepared by you or under your supervision?

A Yes, sir.

MR. KELLAHIN: I now offer in evidence, Exhibits 1 through 4, inclusive.

MR. NUTTER: Applicant's Exhibits 1 through 4 will be admitted in evidence.

(Whereupon, Applicant's Exhibits Nos. 1 through 4 were offered and admitted in evidence.)

MR. KELLAHIN: That's all I have, Mr. Examiner.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Smith, referring to your Exhibit No. 3 here, the well which is down here in Section 24 has a figure beside that triangle and part of that number has been obliterated by the triangle on this particular exhibit. Could you tell me what that number is? That would represent the depth to the water?

A The depth to the water? That would be, I think, 158. 158, correct.

Q You don't happen to know the depth of this well?

A No, sir.

Q What about the well up here just west of your State No. 1, what is the depth of this, do you know?

A No, sir, I don't know. I checked with the Bureau

of Land Management in Roswell on some of these wells and some of them have pencil notes beside them that were rather hard to make out. I notice in one or two cases in wells in this general area, they have just the word "out" written beside it. I don't know whether this meant the well was no longer producing or what it did mean, really.

Q You may have presented those figures and I missed them, Mr. Smith, but what is the oil production per day from each of these various wells?

A No, I didn't present these figures. The Nelson No. 3 is making approximately 100 barrels a month. The Masteller No. 1 is producing about the same amount. The State "A" No. 1 is producing about 300 barrels a month. The McIntyre wells are producing in the neighborhood of 50 barrels a day -- 1000 barrels a month. It will vary some.

Q The McIntyre wells are the only ones that are making substantial quantities of water then?

A That is correct.

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

You may be excused.



(Witness excused.)

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

MR. KELLAHIN: No, sir, Mr. Examiner. Thank you.

MR. NUTTER: Does anyone have anything they  
wish to offer in Case No. 4182?

We will take the case under advisement.

CASE NO. 4182 REOPENED

MR. NUTTER: At the request of the Applicant,  
we are going to re-open Case No. 4182 for a few minutes.

(Discussion held off the record.)

MR. KELLAHIN: If the Examiner please, the  
reason for re-opening the case is that it appears that  
there was a salt water disposal well approved for  
disposal of water in the vicinity of the McIntyre wells  
and I wanted to recall the witness to give some  
explanation as to the situation in regard to that disposal  
well.

MR. NUTTER: The record will show that Mr. Smith  
is still under oath in this case.

GRANT M. SMITH

recalled as a witness, having been previously sworn,  
was examined and testified as follows:

REDIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Smith, in connection with the disposal of  
water from the McIntyre wells, what disposal has been  
made in the past of this water?

A We had approval for disposing the salt water  
from the McIntyre 4-A and 5-A into the Brigham 2-H which

is an east offset of the McIntyre 4-A. This was into the Abbo Reef.

Q What is the situation in regard to that disposal at the present time?

A This well started out very well taking the water on vacuum, but pressure has continued to mount in this well and it will now not dispose of the water produced from the 4 and 5-A.

Q Would it be possible to install additional equipment and continue to use the disposal well?

A It would be possible, but expensive and possibly uneconomical at this point.

Q In your opinion, would the cost be prohibitive?

A Yes, sir.

Q It is essential that you be granted an exception to the provisions of R-3221 for surface disposal of the McIntyre wells?

A Yes, sir.

Q If this is granted, would it be possible to continue producing the wells?

A It will now only take the water produced from the McIntyre 4-A which is about 60 barrels of water per day. We will have to go to the expensive pumping

equipment to dispose of the rest of the water.

Q Do you have anything to add?

A No, sir.

RE CROSS EXAMINATION

BY MR. NUTTER:

Q What was the name of the well again, Mr. Smith?

A Brigham 2-H.

Q And being in an east offset to your McIntyre No. 4, that would probably be covered up by your arrow then?

A That's right.

Q What zone is the disposal authorized for?

A Abbo.

Q How much water has been put into that well?

A The total volume -- I don't have the figure -- they would be pretty much what we are showing per day here for the past -- probably since about February.

Q Running close to 200 barrels a day for 5 months?

A Right.

Q And it took water on a vacuum at first. What pressure is necessary now to get the 60 barrels?

A Well, it will still take it at a vacuum, but it won't take the water that we are producing. It will take the water from the 4-A.

Q On a vacuum?

A Yes.

Q You haven't put any pressure on the disposal well then?

A No, sir. It would require an expensive pump to do this. One problem we have run into in our other water disposals is not knowing what pressure it is going to take to dispose of the water, and by the time you get a pump big enough to do it, sometimes you have bought two pumps.

MR. NUTTER: Are there any other questions of

Mr. Smith?

You may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further,

Mr. Kellahin?


MR. KELLAHIN: No, sir. Thank you.

MR. NUTTER: Does anyone have anything to offer in Case No. 4182 recalled?

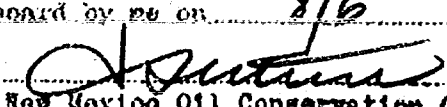
It will be taken under re-advisement and call a 15 minute coffee recess.

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. 4182 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. ARMIJO  
MEMBER  
STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

August 27, 1969

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

Re: Case No. 4182  
Order No. R-3820  
Applicant:

~~Franklin, Aston & Fair, Inc.~~

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.*

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. 4182  
Order No. R-3820

APPLICATION OF FRANKLIN, ASTON & FAIR,  
INC., 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 27th 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, Franklin, Aston & Fair, Inc., is the  
owner and operator of the following-described wells in the Loco  
Hills Field, Eddy County, New Mexico:

LOCO HILLS-ABO POOL  
TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

McIntyre "A" Well No. 4, located in Unit I  
of Section 20  
McIntyre "A" Well No. 5, located in Unit P  
of Section 20

LOCO HILLS GRAYBURG-SAN ANDRES POOL  
TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
State "A" Well No. 1, located in Unit O  
of Section 36



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CASE No. 4182

Order No. R-3820

LOCO HILLS GRAYBURG-SAN ANDRES POOL  
TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Nelson Well No. 3, located in Unit F of  
Section 4  
Masteller "B" Well No. 1, located in  
Unit A of Section 17

(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 the above-described wells in unlined surface pits located near said wells.

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

(8) That the applicant should be permitted to dispose of salt water produced by the above-described wells in unlined surface pits located near said wells.

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CASE No. 4182  
Order No. R-3820

IT IS THEREFORE ORDERED:

(1) That the applicant, Franklin, Aston & Fair, Inc., is hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to dispose into unlined surface pits, water produced in conjunction with the production of oil or gas, or both, by the following-described wells in the Loco Hills Field, Eddy County, New Mexico:

LOCO HILLS-ABO POOL  
TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM  
McIntyre "A" Well No. 4, located in Unit I  
of Section 20  
McIntyre "A" Well No. 5, located in Unit P  
of Section 20

LOCO HILLS GRAYBURG-SAN ANDRES POOL  
TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
State "A" Well No. 1, located in Unit O  
of Section 36

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM  
Nelson Well No. 3, located in Unit F of  
Section 4  
Masteller "B" Well No. 1, located in  
Unit A of Section 17

(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. ARMIJO, Member

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

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 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.

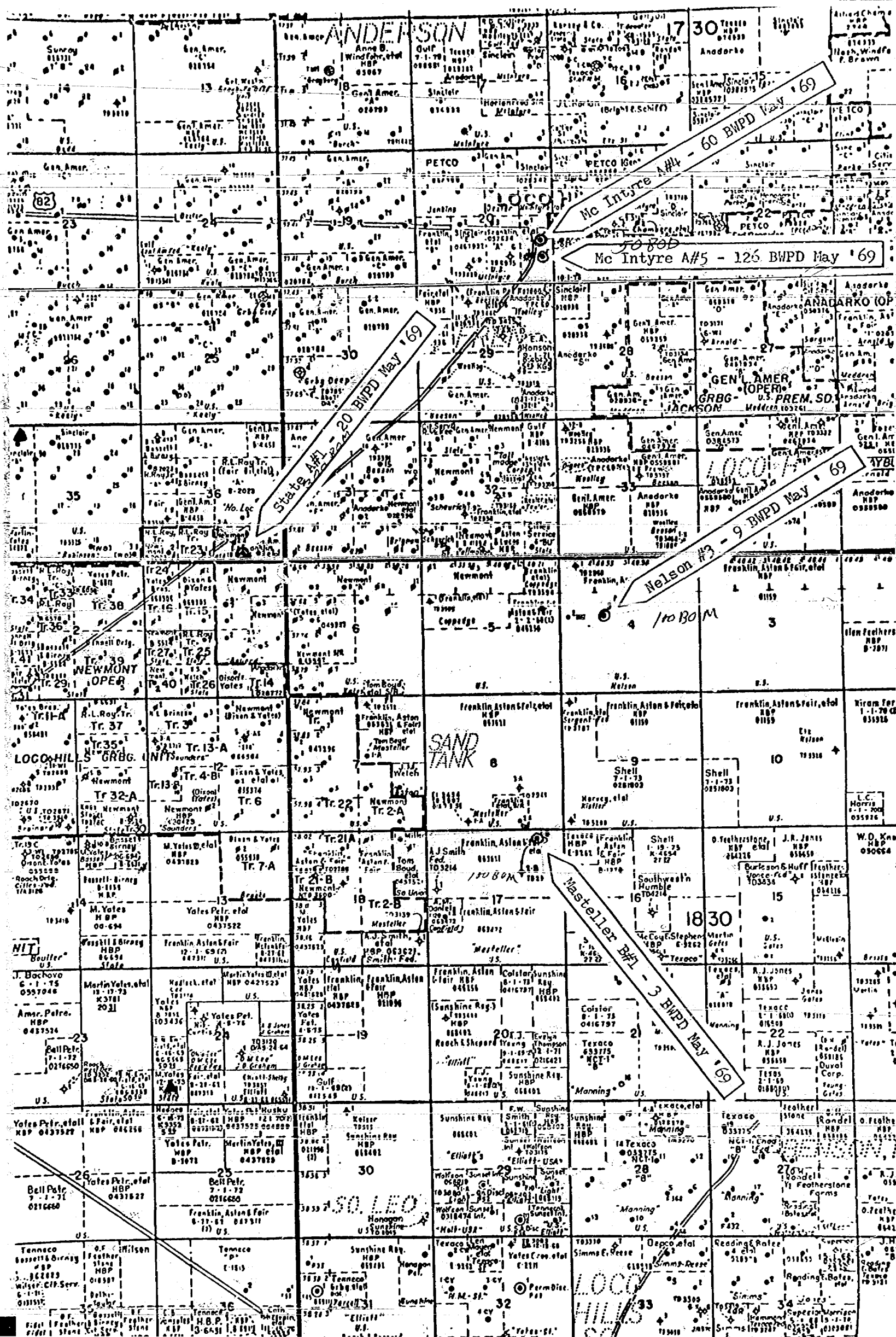
Examiner Hearing - August 6, 1969

Docket No. 22-69

-4-

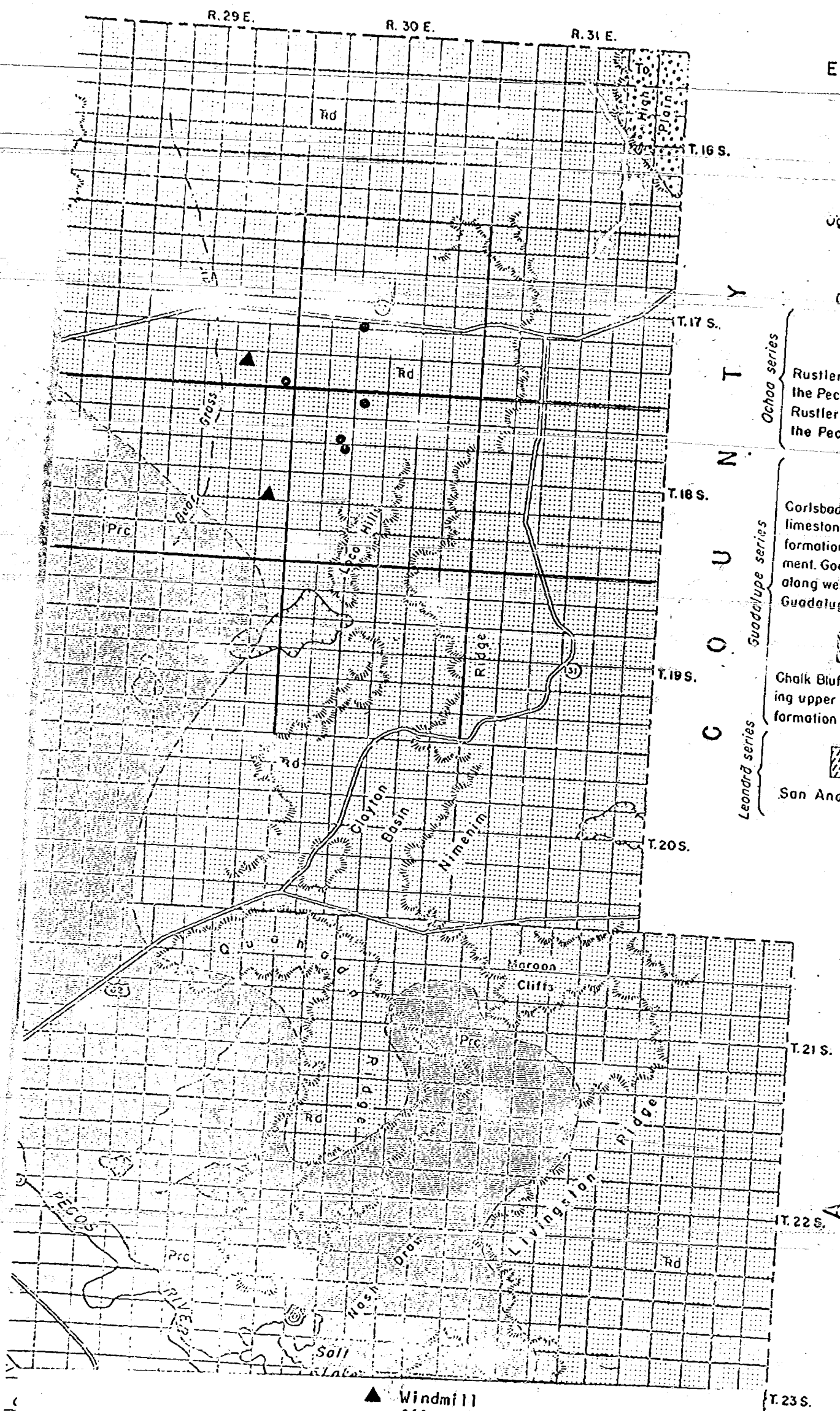
CASE 4188: Application of Coastal States Gas Producing Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Lower San Andres formation in the open-hole interval from approximately 5025 feet to 5125 feet 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.





# GROUND-WATER REPORT 3 PLATE I

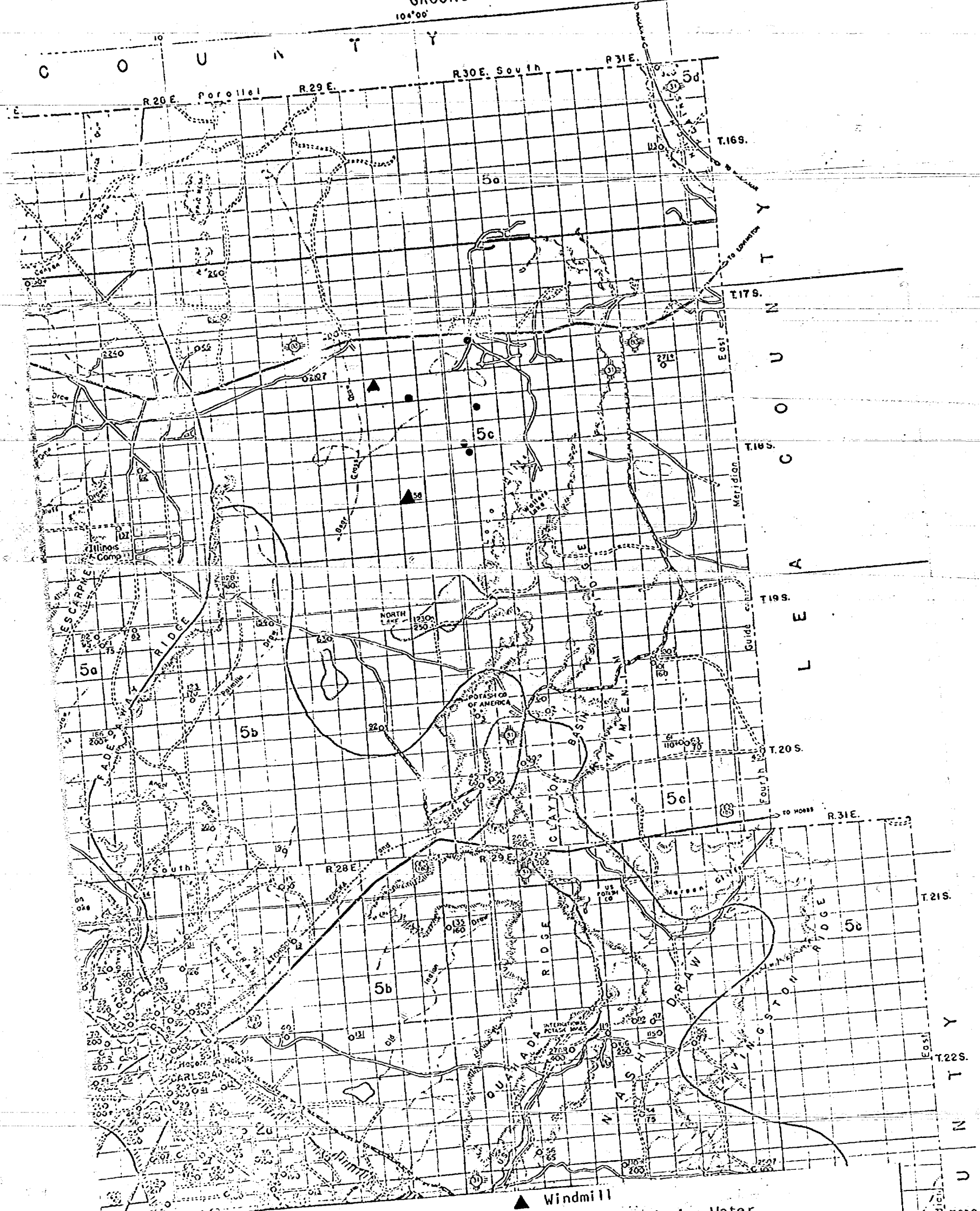


## EXPLANATION

Qol	Alluvium	QUAT.
To	Ogallala formation	TRIASSIC TERTIARY
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.)	PERMIAN
Pcb	Chalk Bluff formation (including upper part of Goat Seep formation in southwest part.)	
Ps	San Andres formation	

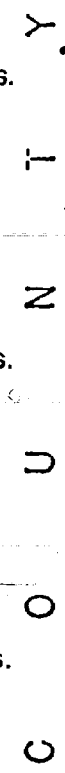


GROUND WATER REPORT 3 PLATE 4



▲ Windmill  
● Oil Well Producing Water  
WELLS AND SPRINGS AND AVAILABILITY OF GROUND  
WATER IN EDDY COUNTY, NEW MEXICO

O U N T Y



T. 23 S.

JASON W. KELLAHIN  
ROBERT E. FOX

KELLAHIN AND FOX  
ATTORNEYS AT LAW  
54 1/2 EAST SAN FRANCISCO STREET  
POST OFFICE BOX 1769  
SANTA FE, NEW MEXICO 87501

July 18, 1969

TELEPHONE 982-4315  
AREA CODE 505

MAIN OFFICE

29 JUL 22 AM 8 43

*[Handwritten signature]*

*Case 4182*

The Oil Conservation Commission  
of New Mexico  
Post Office Box 2088  
Santa Fe, New Mexico

Re: Application - Franklin, Aston & Fair, Inc.  
for an exception to Order R-3221, as  
amended, Eddy County, New Mexico

Gentlemen:

Enclosed please find original and two copies of  
the above application, which hearing is set for  
August 6.

Yours very truly,

JASON W. KELLAHIN

jwk;peg  
Enc. as stated

cc R. R. Aston  
with copy of enclosure

DOCKET NAMED

Date 7-24-69

BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF FRANKLIN, ASTON &  
FAIR, INC., FOR AN EXCEPTION TO  
ORDER R-3221, AS AMENDED, EDDY  
COUNTY, NEW MEXICO

*Case 4182*

APPLICATION

Comes now FRANKLIN, ASTON & FAIR, INC., and applies  
to the Oil Conservation Commission of New Mexico for an  
order granting it an exception to the provisions of  
Commission Order No. R-3221, as amended, to permit the  
continued use of unlined surface pits for the disposal  
of produced water in the Loco Hills-Abo Pool, and the  
Loco Hills-Grayburg-San Andres Pool, Eddy County, New  
Mexico, and in support thereof would show the Commission:

1. Applicant is the operator of the following wells  
in the areas for which an exception is sought:

LOCO HILLS-ABO POOL

McIntyre "A" Well No. 1, located in Unit I of  
Section 20, Township 17 South, Range 30 East,  
N.M.P.M.

McIntyre "A" Well No. 5, located in Unit P of  
Section 20, Township 17 South, Range 30 East,  
N.M.P.M.

LOCO HILLS-GRAYBURG-SAN ANDRES POOL

State "A" Well No. 1, located in Unit O,  
Section 36, Township 17 South, Range 29 East,  
N.M.P.M.

Masteller "B" Well No. 1, located in Unit A,  
Section 17, Township 18 South, Range 30 East,  
N.M.P.M.

Nelson Well No. 3, located in Unit F, Section  
4, Township 18 South, Range 30 East, N.M.P.M.

2. Applicant's wells in the Loco Hills-Abo Pool,  
are producing approximately 5770 barrels of water per  
month, and the wells in the Loco Hills-Grayburg-San Andres

Pool, are producing approximately 993 barrels per month.

3. In applicant's opinion, there is no fresh water supply in the vicinity of the subject wells and the water disposal pits used in conjunction therewith that would be or could be contaminated or be subject to contamination by continued use of disposal pits on the surface of the ground, and that no surface or underground waters will be contaminated by continued surface disposal of the produced water.

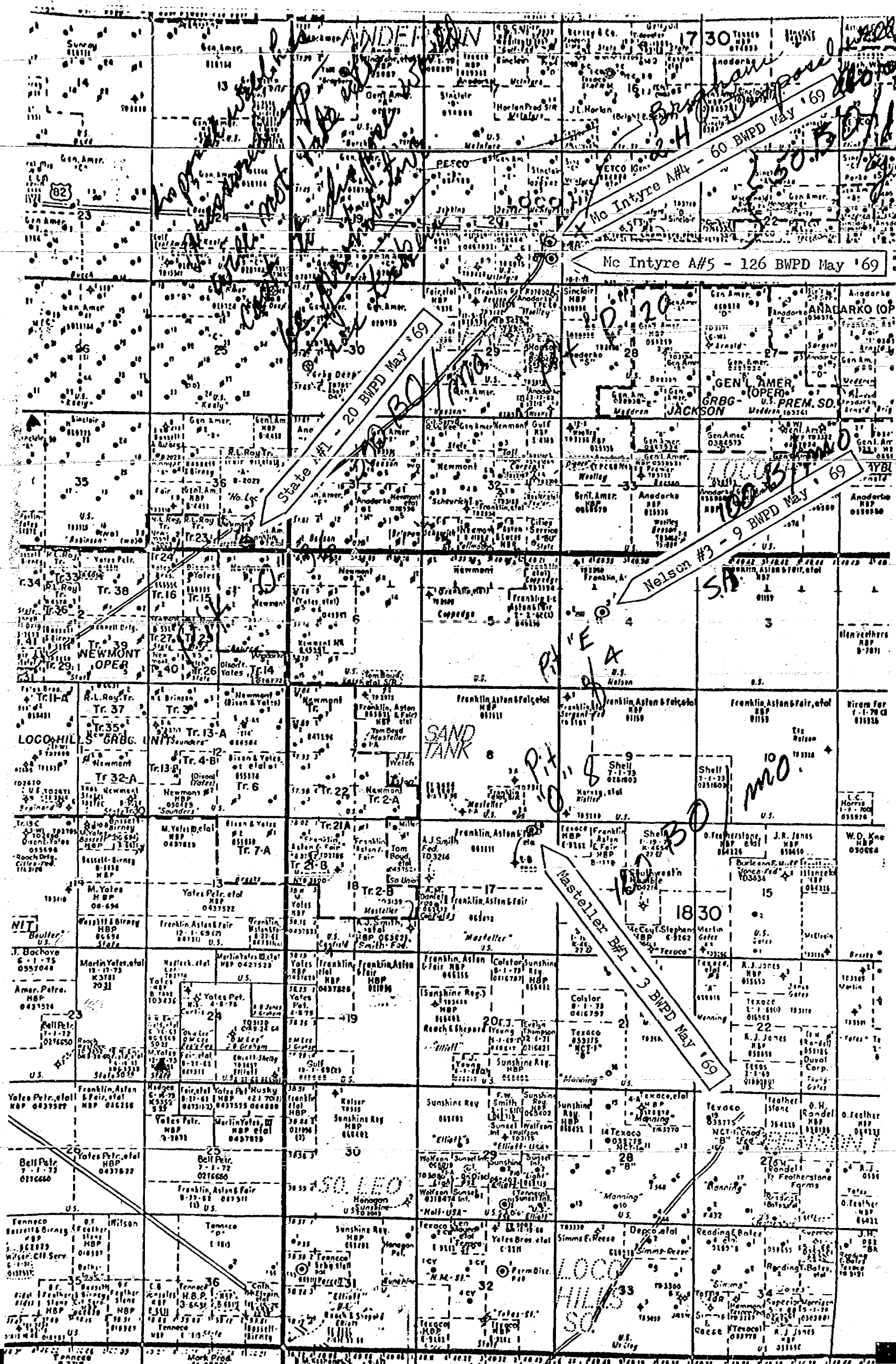
WHEREFORE, applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order granting an exception from the provisions of Order No. R-3221, as amended, to permit continued use of surface disposal pits for the wells and areas described above.

Respectfully submitted,

FRANKLIN, ASTON & FAIR, INC.

By: W. W. Kellahin  
Kellahin & Fox  
Post Office Box 1769  
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT





# GROUND-WATER REPORT 3 PLATE I

U N T Y  
R. 29 E. R. 30 E. R. 31 E.

## EXPLANATION

Qol

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

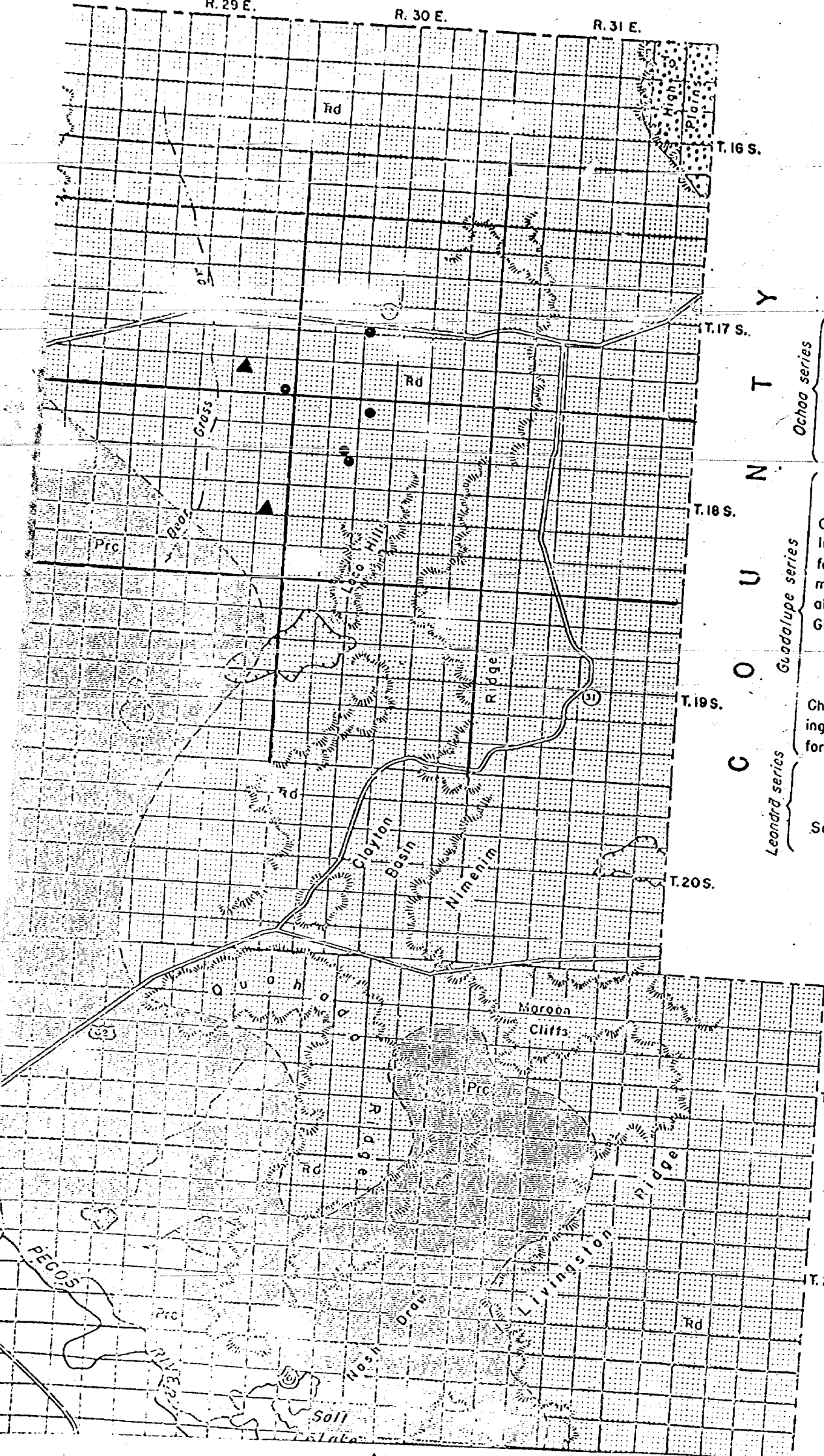
TRIASSIC TERTIARY QUAT.

PERMIAN

Ochoa series

Guadalupe series

Leonard series



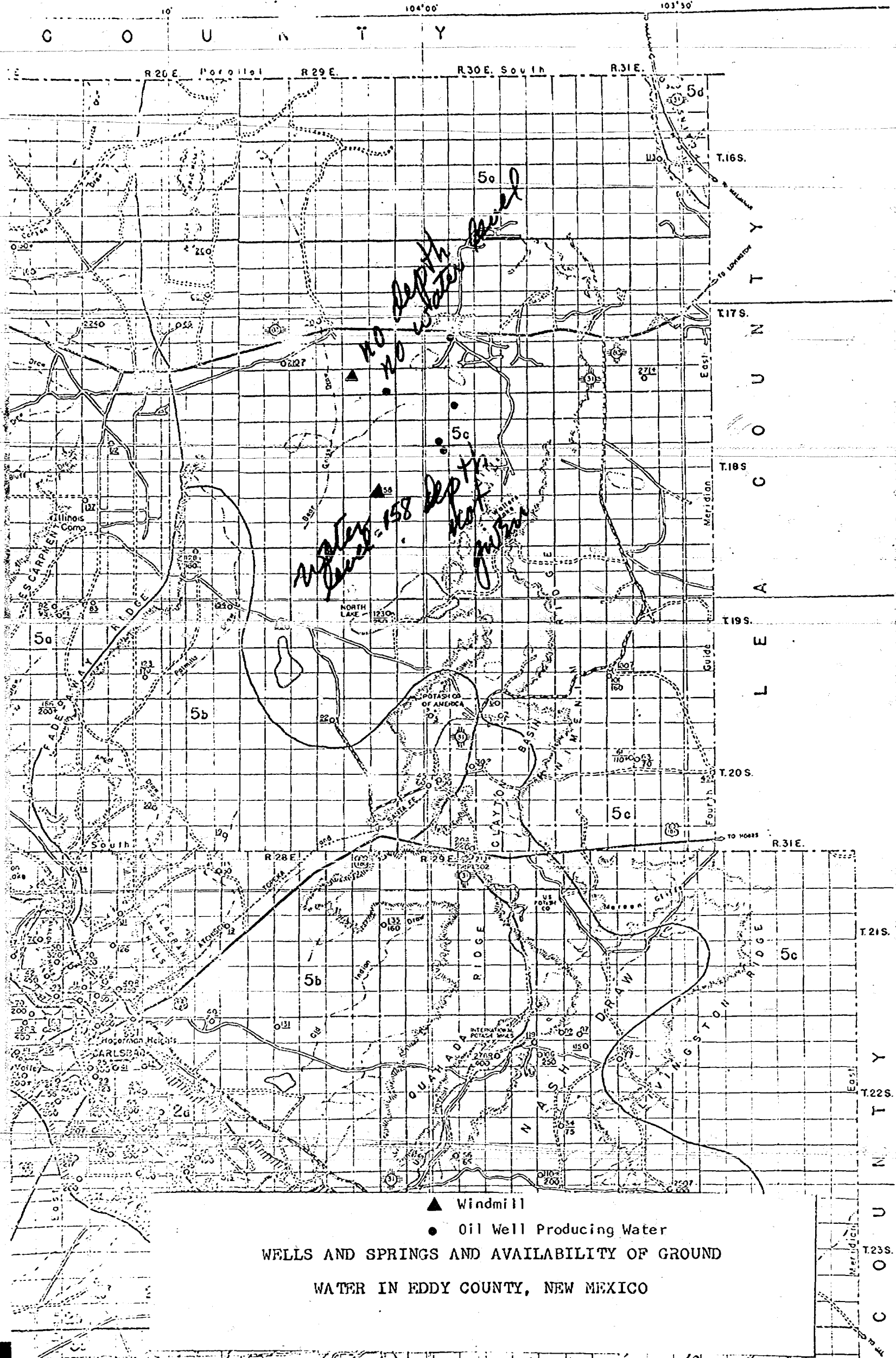
▲ Windmill

● Oil Well Producing Water

GEOLOGY OF EDDY COUNTY, NEW MEXICO

T. 23 S.

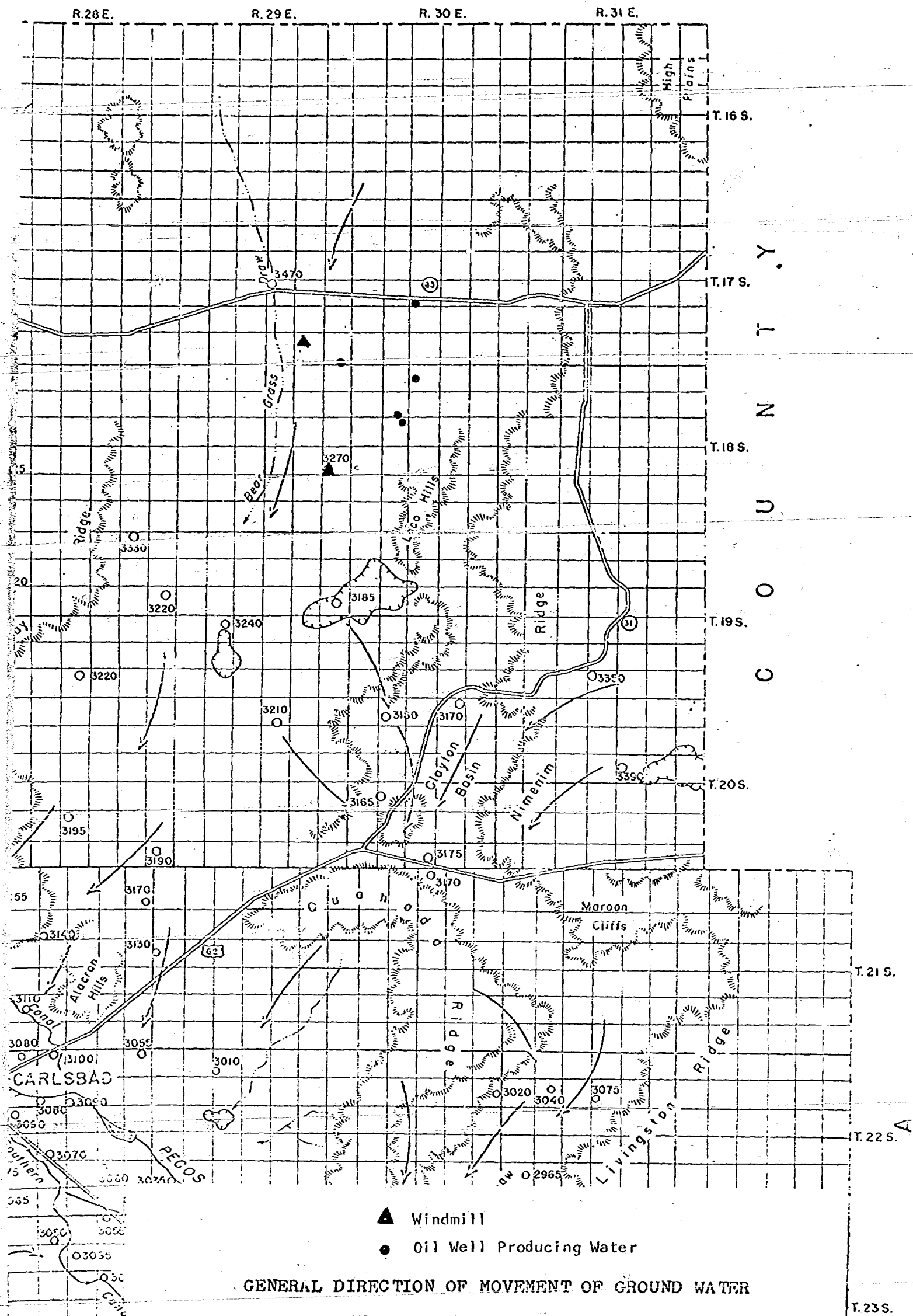
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# GROUND-WATER REPORT 3 PLATE 3

O U N T Y



DRAFT

GMH/esr

③  
*[Signature]*

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

*[Signature]*

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 4182

Order No. R-2820

APPLICATION OF FRANKLIN, ASTON & FAIR,  
INC., FOR AN EXCEPTION TO ORDER NO.  
R-3221, AS AMENDED, EDDY COUNTY, NEW  
MEXICO.

*[Signature]*  
8-25-69

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, Franklin, Aston & Fair, Inc., is the  
owner and operator of the following-described wells in the Loco  
Hills Field, Eddy County, New Mexico:

LOCO HILLS-ABO POOL

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

McIntyre "A" Well No. 4, located in Unit I  
of Section 20

McIntyre "A" Well No. 5, located in Unit P  
of Section 20

LOCO HILLS GRAYBURG-SAN ANDRES POOL

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

State "A" Well No. 1, located in Unit O  
of Section 36

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Nelson Well No. 3, located in Unit F of  
Section 4

Masteller "B" Well No. 1, located in Unit A  
of Section 17

(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 the above-described wells in  
unlined surface pits located near said  
wells.

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

(8) That the applicant should be permitted to dispose of salt water produced by the above-described wells in

IT IS THEREFORE ORDERED:

(1) That the applicant, Franklin, Aston & Fair, Inc., is hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to dispose into unlined surface pits, water produced in conjunction with the production of oil or gas, or both, by the following-described wells in the Loco Hills Field, Eddy County, New Mexico.

LOCO HILLS-ABO POOL

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

McIntyre "A" Well No. 4, located in Unit I of Section 20

McIntyre "A" Well No. 5, located in Unit P of Section 20

LOCO HILLS GRAYBURG-SAN ANDRES POOL

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

State "A" Well No. 1, located in Unit O of Section 36

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Nelson Well No. 3, located in Unit F of Section 4

Masteller "B" Well No. 1, located in Unit A of Section 17

(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. ARMIJO, Member

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

Franklin, Adon & Fair Inc  
exception to R-3221  
Loco Hills AB-SA  
Loco Hills A60:  
Mc Intyre A#4 I 20-  
17-30

A#5 P-20

SE/4 of 20

□ St A#1 0 36 17 29  
□ Masteller B#1 R, M-18-30  
□ Nelson #3 F 4-18-30

Case No.

4483

Unit Agreement  
Active at time  
of filming. See  
Unit Agreement files.