

Case Number

4286

Application
Transcripts.

Small Exhibits

ETC.

dearnley-meier

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
January 7, 1970

EXAMINER HEARING

IN THE MATTER OF:)

Application of Gulf Oil Corporation) Case No. 4286
for an exception to Order No. R-3221,)
as amended, Eddy County, New Mexico.)
-----)

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICOHearing Date JANUARY 7, 1970TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
Jerry L. Lued	Atlantic Richfield	Roswell
Jack Beard	"	"
Eugene J. Zuller	Gary Oil Co.	Holbs.
WV Ketter	Hulb Oil Corp	Roswell N.M.
J H Hoover	✓	✓
Richard J. Morris	Montgomery et al	Santa Fe
Joe B. McSHANE, Jr.	Wood & McSHANE	Monahans, Tex
Oliver Wood	Wood, McShane & Thomas Cole	✓
Charles E. H. H. H.	Continental Oil Co.	Roswell N.M.
W D Elliott	Continental S. & L.	Corpus Christi TEX
Victor T. Lyer	Continental Oil Co.	Holbs. N.M.
Pat Kelly	Mobil Oil	Midland, Tex
C. F. K. R. W.	✓	✓
Jim Spaulding	Midland Segments	alb.
Ray McShane	Spaulding & McShane	✓
John H. H. H.	Continental Oil Co.	✓
John H. H. H.	Continental Oil Co.	✓
Jason K. H. H.	Continental Oil Co.	✓

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOHearing Date JANUARY 7, 1970TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
Maccum, Gordon	State Land	Santa Fe,
Kma S. Durbane	RW Byrum	Santa Fe

MR. NUTTER: The hearing will come to order, please. The first case this morning will be Case 4286.

MR. HATCH: Application of Gulf Oil Corporation for an exception to Order No. R-3321, as amended, Eddy County, New Mexico.

MR. KASTLER: I am Bill Kastler, from Roswell, representing Gulf Oil Corporation and our witness in this case will be Mr. John Hoover.

(Witness sworn).

(Whereupon, Applicant's Exhibits 1 and 2 were marked for identification).

JOHN HOOVER

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

DIRECT EXAMINATION

BY MR. KASTLER:

Q For the record, will you please state your name and position?

A John H. Hoover, district production engineer, Gulf Oil Corporation, Roswell, New Mexico.

Q Are you familiar with Gulf's application in Case No. 4286?

A Yes, sir.

Q Have you previously qualified as an expert engineer and given testimony before the New Mexico Oil Conservation Commission Hearing?

A Yes, I have.

Q Mr. Hoover, what is Gulf seeking in this application?

A We are asking for approval to dispose of produced water in unlined surface pits, as an exception to salt water disposal, Order No. R-3221, as amended.

Q Where is this produced water coming from and how are you disposing of it at the present?

A This water is produced from the Shugart Pool and the Shugart-Delaware Pool on our Federal Littlefield "AB" Lease, which is shown on Exhibit No. 1.

Exhibit No. 1 is a plat showing this lease -- outlined in red -- and it's described as all of Section 22, T 18 South, R 31 East, Eddy County, New Mexico.

Wells 2, 5, 6 and 7 are producing from the Shugart Pools and wells number 1, 3 and 4 are producing from the Shugart-Delaware Pool. The total water produced from all these wells averages approximately thirty-three barrels per day.

We are, at the present time, disposing of water in the Keohane "C" Federal Well No. 3, which is located in Unit I of Section 21, Township 18 South, Range 31 East. This well is circled and colored in red on Exhibit No. 1.

This disposal was approved by Order No. R-3347 in Case No. 3793, dated July 3, 1968.

Q Why do you now want to use surface pits in lieu of underground disposal?

A We are going to the expense of underground disposal. However, offset operators have requested and received approval from the Commission to use unlined pits. We do not believe that underground disposal is necessary in this area and the expense cannot be justified for us to put water underground when offset operators dispose of it on the surface.

We also have need for this disposal equipment at another location and by utilizing this equipment, we will realize a saving on investment cost.

The value of the equipment that we can utilize here is about twelve thousand two hundred dollars. We estimate it is costing us at this time about a dollar a day to dispose of water, but this cost represents a new

well and new system; and, therefore, as the system gets older and the well gets older, the cost would go up.

If we -- if our application is approved in this case we would close in that Keohane "C" Federal Well No. 3 and hold it for possible waterflood at a later date.

Q Will you please state the order numbers approving surface disposal for the offset operators in which exceptions have been granted?

A Yes. VS Well, Case No. 4146, Order No. R-3778, Examiner Hearing June 4, 1969, approved disposal for eighty-four barrels per day in the northeast quarter of Section 28.

Referring to Exhibit No. 1, the northeast quarter of 28 is a southwest offset to our Federal Littlefield "AB" Lease. This order stated there were no shallow water wells within four miles radius.

Then, Pan American Petroleum Corporation, Case No. 4132, Order No. R-3771, Examiner Hearing May 21, 1969, approved the disposal of two hundred seven barrels per day in the northeast quarter and southeast quarter of Section 27, 18 South, 31 East; and referring to Exhibit No. 1 that is the section offsetting our Littlefield "AB" Federal Lease to the south.

Q You say two hundred seven barrels of water a day were authorized?

A Yes. And this order stated no -- the nearest shallow water wells were approximately four miles northeast from Unit H and surface and subsurface drainage appears to be towards the southwest.

The next order, although not an offset -- but, it is in the vicinity -- it's Union Oil Company, Case No. 4180, Order No. R-3813, Examiner Hearing August 6, 1969, approved disposal of twenty-two barrels per day in the northeast quarter of Section 31, Township 18 South, 31 East. That is about three miles southwest from our lease.

Q Shown on Exhibit No. 1 as a pure lease?

A Yes. This order also stated no shallow water wells within the vicinity.

Q How much water are you producing at the present time?

A The Littlefiled "AB" Federal Wells Nos. 2, 5, 6 and 7 in the Shugart Pool produced approximately four hundred sixty-five barrels during the month of November and wells nos. 1, 3 and 4 in the Shugart-Delaware produced approximately five hundred ten barrels during this month, making a total of nine hundred seventy-five barrels for

the month of November. This is an average of thirty-three barrels per day.

Q Are there any shallow water wells on this lease?

A No, there are not. We find no shallow water wells within three and a half miles of the center of Section 22.

Q If your approval was granted, where would the disposal pit be located?

A Our tank battery is located in the center of Section 22. We have two small pits, one just to the north of the battery and one just to the south of the battery and we would use both of these pits.

Q Mr. Hoover, have you made any cursory studies of the general topographical conditions in this area, which I think is referred to as the Clayton Basis?

A Just briefly. At the last moment, I ran across this. But, examining the topographical map put out by the U. S. Geological Survey, which they list as their Clayton Basin Map, the contours -- the slope is all to the southwest.

The contours in the center of Section 22 are on about three thousand, six hundred fifty-five feet, going to the southwest down in Section -- the corner of Section

12, which is 19 South, 30 East. The contour is thirty-four forty, which makes about two hundred ten feet drop to the southwest from our disposal location and in that regard the Commission issued Order No. R-3221B, where they exempted several townships and ranges as exempt from the disposal order and the -- this Section 12, that I referred to, would be the nearest corner section to our lease; so, we would be about five miles northeast from the start of this area that is exempt.

MR. NUTTER: Is Section 12 in the exempt area?

THE WITNESS: Yes, it is. The exempt area starts in Township 19 South, Range 30 East, and it's Sections 8 through 36. Section 12 would catch it and the order stated that the major portion of the Clayton Basin and north draw, being broad depressions caused by the slumping of the surface due to the removal of underlying salt by solution lie within the above described area and that the general direction of movement of both ground water and surface water in the subject area is toward and into said basins; then, southwest into Nash draw toward Malaga Bend.

Q (By Mr. Kastler) In other words, you find there is some evidence of an extension of this exempted

area toward your Township 18 South, Range 31 East area, which would not constitute any pollution effect if water were disposed of under the surface?

A Yes; that's right. In fact, just checking the elevations of our wells the Well No. 4 ground level is thirty-six hundred forty-eight feet. You get down to Well No. 5, it drops to thirty-six forty-two feet; so, even the ground level elevations of our wells going to the southwest fall slightly in a southwesterly direction.

MR. KASTLER: Mr. Examiner, would you like us to introduce this topographical plat as our Exhibit No. 2? We only have the one copy. However, we can obtain more and send them up.

MR. NUTTER: I think since reference has been made to it that we should identify it as an exhibit and enter it in the record.

You have indicated on this exhibit a little red "X" in the northeast corner of Section 12, Mr. Hoover. Would that be the northeast corner of the exempted area?

THE WITNESS: Yes, it would.

MR. NUTTER: And it is approximately five miles, then, northeast up to your lease in Section 22?

THE WITNESS: Yes. I have the center section,

too, marked with a little red "X".

MR. NUTTER: Right. What is the location of the pit in Section 22?

THE WITNESS: They would be right at the tank battery, which is in the center of the section.

MR. NUTTER: Where the "X" is, then?

THE WITNESS: Yes. One is just to the north of the battery, probably within a hundred feet and one is just to the south of the battery within a hundred feet.

MR. KASTLER: We will stamp this as Exhibit 2.

Q (By Mr. Castler) Do you have anything further to add in this case, Mr. Hoover?

A No, sir, I don't.

Q Was Exhibit No. 1 prepared by you or under your supervision and at your direction?

A Yes, it was.

MR. KASTLER: This concludes our direct testimony, Mr. Nutter; and, at this time I would like to have Exhibit No. 1 and Exhibit No. 2 entered into evidence.

MR. NUTTER: Gulf's Exhibit 1 and 2 will be admitted in evidence.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Hoover, you mentioned that you had some equipment here that could be used at another location.

A Yes, sir.

Q What do you have here that could be removed and utilized somewhere else?

A Yes, sir. Okay. We have a Bethlehem Triplex plunger pump, a value of twenty-four hundred twenty dollars, with a thirty horsepower electric motor.

We have an eight foot by twelve foot building, valued at four hundred ninety-five dollars. We have a low five hundred welded steel plat bottom tank, internally coated with epoxy, three thousand thirty-three dollars.

Then, we have forty-four hundred ninety-nine feet of two and three eighths inch plastic coated tubing electrical material, six hundred thirty-nine dollars; total value, twelve thousand two hundred dollars.

We have need for the pump right now to help out on an additional disposal system that needs a little more help in getting rid of additional water.

Q I see. So, you are having to put this water into this disposal well under pressure, then?

A Yes, sir.

Q You would be able to salvage all of this equipment?

A Yes, sir.

MR. NUTTER: Are there further questions of Mr. Hoover? He may be excused.

(Witness excused).

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

MR. KASTLER: No, I haven't.

MR. NUTTER: Does anyone have anything they wish to offer in Case 4286?

We will take the case under advisement.

I N D E X

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E X H I B I T S

Applicant's Exhibits	
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Glenda Burks
Notary Public

March 12, 1973

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of case No. 4286, heard by me on 11/7, 1970.

[Signature]
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**

January 14, 1970

Mr. Bill Kastler
Gulf Oil Corporation
Post Office Box 1938
Roswell, New Mexico 88201

Re: Case No. 4286
Order No. R-3909
Applicant:
Gulf Oil Corporation

Dear Sir:

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

Very truly yours,

G. 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 _____

**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. 4286
Order No. R-3909**

**APPLICATION OF GULF OIL CORPORATION
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 January 7, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of January, 1970, 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, Gulf Oil Corporation, is the owner and operator of certain wells on its Littlefield "AB" Federal Lease comprising all of Section 22, 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.

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CASE No. 4286

Order No. R-3909

(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 said Littlefield "AB" Federal Lease in two unlined surface pits located near the center of said Section 22.

(7) That the subject wells presently produce approximately 33 barrels of water per day.

(8) That there appears to be no shallow fresh water in the vicinity of the subject lease for 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 its Littlefield "AB" Federal Lease comprising all of said Section 22 in the subject unlined surface pits.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby granted an exception to Order (3) of Order No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil or gas, or both, by wells located on its Littlefield "AB" Federal Lease comprising all of Section 22, Township 18 South, Range 31 East, NMPM, Shugart Field, Eddy County, New Mexico, in two unlined surface pits located near the center of said Section 22.

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CASE No. 4286

Order No. R-3909

(2) That the Secretary-Director of the Commission may by administrative order rescind such authority whenever it reasonably appears to the Secretary-Director 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: EXAMINER HEARING - WEDNESDAY - JANUARY 7, 1970

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
A. L. Porter, Jr., Alternate Examiner:

CASE 4286: Application of Gulf Oil Corporation 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 Littlefield "AB" Federal Lease, located in Section 22, 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 lease in unlined surface pits in said Section 22.

CASE 4287: Application of Continental Oil Company, for a waterflood expansion and unorthodox injection well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Forest Donahue Waterflood Project, Forest Pool, by the injection of water through one additional well located at an unorthodox location 1960 feet from the North line and 1450 feet from the West line of Section 35, Township 16 South, Range 29 East, Eddy County, New Mexico.

CASE 4288: Application of Wood, McShane and Thams-Colorado for an unorthodox oil well location and waterflood expansion, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to drill their Well No. 63, a producing oil well, at an unorthodox location 2740 feet from the South line and 1280 feet from the East line of Section 30, Township 22 South, Range 37 East, as an infill well in the Humble Oil & Refining Company State "M" Lease Waterflood Project, Langlie-Battix Pool, Lea County, New Mexico. Applicants further seek to expand said project by the conversion to water injection of their Wells Nos. 27 and 39 located, respectively, in Units H and J of said Section 30. Applicants also seek a procedure whereby additional producing wells and injection wells at orthodox and unorthodox locations in said project may be approved administratively.

January 7, 1970 - Examiner Hearing

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Docket No. 1-70

CASE 4289: Application of Getty Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Justis-Blinbry and Justis-Tubb Drinkard Pools in the wellbore of its State "BB" Well No. 2 located in Unit D of Section 2, Township 25 South, Range 37 East, Lea County, New Mexico.

CASE 4290: Application of Getty Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard proration unit comprising the SE/4 NE/4 and the NE/4 SE/4 of Section 29, Township 18 South, Range 38 East, Hobbs-Drinkard Pool, Lea County, New Mexico, said unit to be dedicated to a well to be drilled at a standard location in the NE/4 SE/4 of said Section 29.

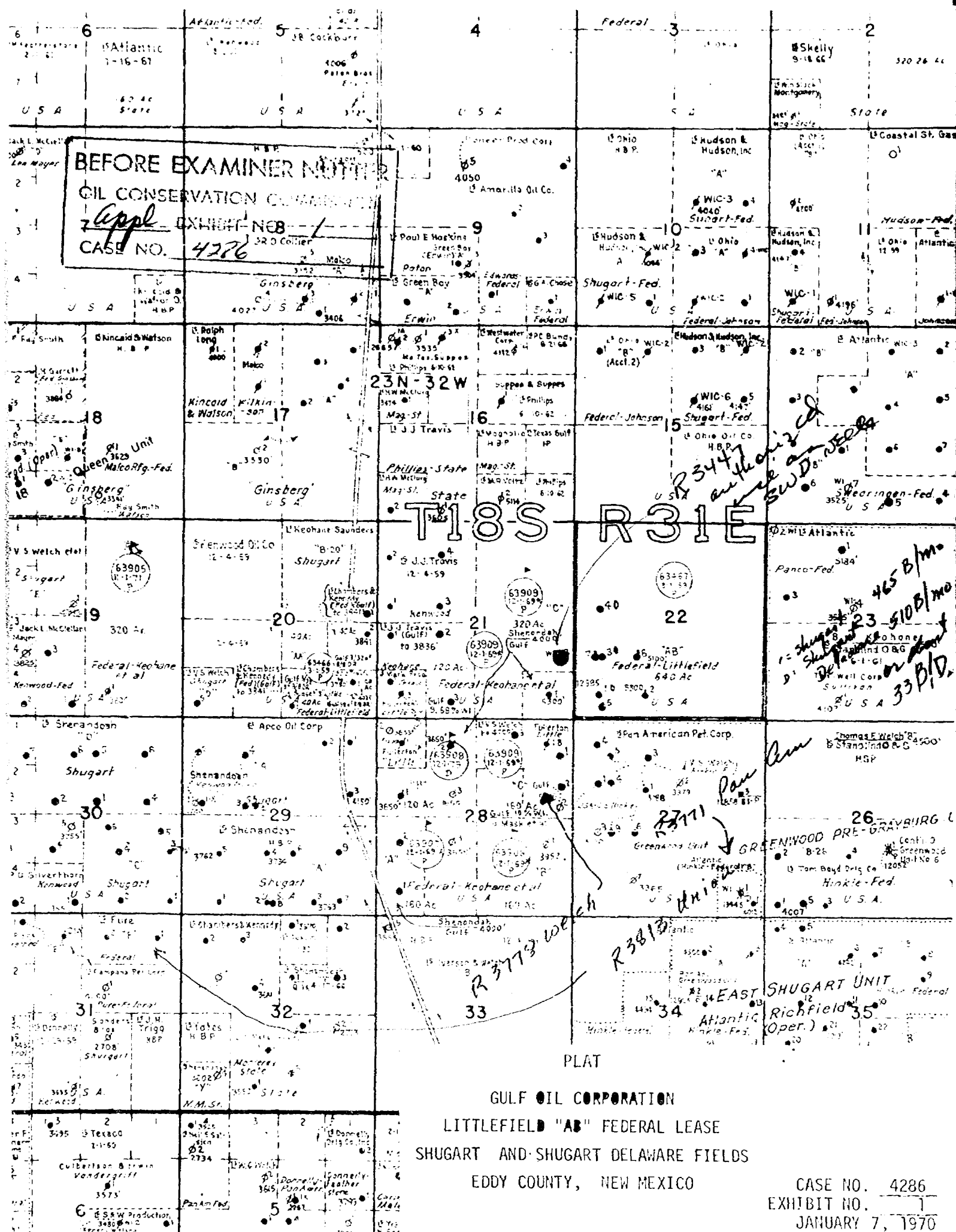
CASE 3993: (Reopened)

In the matter of Case No. 3993 being reopened pursuant to the provisions of Order No. R-3644, which order established 160-acre spacing units for the North Baum-Upper Pennsylvanian Pool, Lea County, New Mexico, for a one-year period. All interested parties may appear and show cause why said pool should not be developed on less than 160-acre units and why the proportional factor of 4.77 assigned to the pool should or should not be retained.

CASE 4202: (Reopened)

In the matter of Case 4202 being reopened at the request of the applicant, Mobil Oil Corporation. Applicant, in the original hearing of this case, sought permission to institute a water-flood project in the Langlie Mattix Queen Unit Area, Langlie-Mattix Pool, by the injection of water into the Queen sand formation through 17 injection wells at orthodox and unorthodox locations in Sections 10, 11, 14, 15, 22, and 23, Township 25 South, Range 37 East, Lea County, New Mexico. The Commission, by Order No. R-3823, authorized the applicant to inject water through 16 wells and denied the applicant authority to inject water through the proposed injection Well No. 14 to be drilled 660 feet from the North line and 1220 feet from the West line of said Section 14. Applicant seeks authority to now complete said Well No. 14 as a water injection well, alleging that negotiations for the acquisition or inclusion of acreage offsetting said Well No. 14 have not been successful, that failure to inject water through the well will result in the loss of approximately 200,000 barrels of oil, and that said injection will not violate the correlative rights of the offset operators.

- CASE 4291: Application of Atlantic Richfield 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 Yates formation in the perforated and open-hole interval from 2892 feet to 3164 feet in its W. B. Hanagan Well No. 4 located 2173 feet from the South and West lines of Section 12, Township 25 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.
- CASE 4292: Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the consolidation of two existing non-standard gas proration units into one 320-acre non-standard unit comprising the S/2 N/2 and the SE/4 of Section 1, Township 22 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its Lockhart B-1 Wells Nos. 4 and 6, located in Units G and P, respectively, of said Section 1. Applicant further seeks authority to produce the allowable assigned to said unit from either of the aforesaid wells in any proportion.
- CASE 4778: (Continued from the December 17th Examiner Hearing and will be dismissed).
Application of Anne Burnett Windfohr, dba Windfohr Oil Company, 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 Gissler B Wells Nos. 11 and 12, located, respectively, in Units J and I of Section 23, Township 17 South, Range 30 East, Jackson-Abo Pool, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by said wells in unlined surface pits in the vicinity of said wells.
- CASE 4279: (Continued from the December 17th Examiner Hearing and will be dismissed).
Application of Anne Burnett Windfohr, dba Windfohr Oil Company, 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 Gissler B Well No. 4 located in Unit B of Section 8, 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 in the vicinity of said well.



DEC 5 1969

Gulf Oil Company - U.S.

EXPLORATION AND PRODUCTION DEPARTMENT
ROSWELL DISTRICT

T. W. Kidd
DISTRICT MANAGER
M. I. Taylor
DISTRICT PRODUCTION
MANAGER
P. E. Wyche
DISTRICT EXPLORATION
MANAGER
H. A. Rankin
DISTRICT SERVICES MANAGER

P. O. Drawer 1938
Roswell, New Mexico 88201

December 4, 1969

Case 4286

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

Re: Application of Gulf Oil Corporation for
an Exception to the Salt Water Disposal
Order R-3221 as Amended, Eddy County,
New Mexico

Gentlemen:

Gulf Oil Corporation respectfully requests an Examiner
Hearing to consider its request for approval to dispose of produced
water into unlined surface pits as an exception to Order No. R-3221
as amended.

The produced water in the amount of approximately 30
barrels per day, is from applicant's Littlefield "AB" Federal Lease,
Shugart and Shugart Delaware Pools, Section 22, T-18S, R-31E, Eddy
County, New Mexico, with the surface pits located in the center of
Section 22.

Respectfully submitted,

GULF OIL CORPORATION

M. I. Taylor
M. I. Taylor

JHH:sz

cc: New Mexico Oil Conservation Commission
Post Office Drawer DD
Artesia, New Mexico 88210



A DIVISION OF GULF OIL CORPORATION

DOCKET NO. 1969

Date 12-24-69

DRAFT

GMH/esr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

GMH

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

CASE No. 4286

Order No. R-3909

2/1/70

APPLICATION OF GULF OIL CORPORATION
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 January 7, 19670,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of January, 19670, 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, Gulf Oil Corporation, is the owner
of
and operator/certain wells on its Littlefield "AB" Federal Lease
comprising all of
~~located in~~ Section 22, Township 18 South, Range 31 East, NMPM,
Shugr 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 said Littlefield "AB" Federal Lease in ^{two} unlined surface pits located ^{near the center of} ~~in~~ said Section 22.

(7) *that the subject wells presently produce approximately 3 3/4 barrels of water per day.*

(8) *That there appears to be no shallow fresh water in the vicinity of the subject lease for 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 its Littlefield "AB" Federal Lease comprising all of said Section 22 in the subject unlined surface pits.*

Ordered:

- (1) That the Applicant, Gulf Oil Corporation, is hereby granted an exception to Order No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil & gas, or both, by ~~its~~ wells located on its Littlefield "A B" Federal Lease comprising all of Section 22, Township 18 South, Range 31 East, NM PM, Hugart Field, Eddy County, New Mexico, in two enclosed surface pits located near the center of said Section 22.

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

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

Done at

CASE 4287: Appli. of CONTINENTAL
FOR A WATERFLOOD EXPANSION &
UNORTHODOX INJECTION WELL LOC.