

CASE 4400: Application of DAVID C.
COLLIER FOR AN EXCEPTION TO ORDER
NO. R-3221, AS AMENDED, EDDY COUNT

Case Number

4400

Application
Transcripts.

Small Exhibits

ETC.

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

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



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 19, 1970

EXAMINER HEARING

IN THE MATTER OF:

Application of David S. Collier
for an exception to Order No. R-3221,
as amended, Eddy County, New Mexico

Case No. 4400

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

Case No. 4400

MR. HATCH: This is the application of David S. Collier for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. The applicant 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, Chavez, and Roosevelt counties, New Mexico. Said exception would be for applicants southern Federal lease in Units A, C, E, G, I, K and M of Section 30, Township No. 19 South, Range 31 East, North Hackberry Yates - Seven River's Pool, Eddy County, New Mexico.

MR. COLLIER: I represent myself.

MR. HATCH: Mr. Collier, would you stand and be sworn, please:

MR. COLLIER: Yes.

DAVID COLLIER

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

MR. COLLIER: I have two exhibits. (Two exhibits marked. One and two, respectively).

WITNESS: I'd like to point out that I purchased this property located in Section 30 that is marked in yellow there which are the locations of Seven wells. It is known as the Southern Federal lease located in Section 30, 19 South, 31 East, Eddy County. We are producing about sixteen barrels of oil and

thirty barrels of water there from these seven wells and the crosshatched area indicates the proximity of the area that is exempt by Order No. 3221 B. The larger topographical map indicates two things, I believe; the drainage of the area toward the salt area, as mentioned in your Conservation Commission bulletin of the 25th day of July, 1968 and your nomenclature on that, you refer to it as the Nastraw and Clayton Basin. The surface area of this lease, as indicated by the topographical map, will indicate that the drainage is high and away from any of the fresh water in the area.

There is a windmill at the Lusk Ranch and that is indicated there on the -- it would be to the southeast, which is considerably -- they are considerably higher than we are over on our -- in our production area.

Since there has been a number of exceptions granted in this area, we felt justified in making this request to the Commission and we feel that if we should be allowed an exception to the No Pit order that we would be promoting conservation by the fact that we would be allowed to produce some additional oil.

I really have nothing else to add unless the Commission would have some questions that I might be able to answer.

MR. NUTTER: Mr. Collier, inspection of this Exhibit No. 2 here, this topographic map, would indicate that there is a bench mark over in the neighborhood of the Lusk ranch where you have said there is a windmill and the bench mark elevation

is 3442. Then your well in Section 30 would be right close to the contour running through that section of 3450 which would indicate that it would only be about eight foot lower than the Lusk ranch, but wouldn't the contour lines in between the Lusk ranch and your lease indicate that there may be a ridge running along through there?

A Yes, there is a ridge through there. Which well do you refer to, sir?

Q Well, you will notice on your -- you better refer to Exhibit No. 2 Mr. Collier -- you notice there at the Lusk ranch there is a bench mark with the elevation given at 3442.

A Yes.

Q Then over in Section 30 where your number 3 would be in unit I of Section 30 there is a contour line of 3450 running through there.

A Yes.

Q That would indicate that is only eight feet higher or lower than the Lusk ranch.

A This is true. There is a ridge there. Now, our disposal area would be over in the northeast 40 there about where we have a ridge marking. We are down in the low corner there. It would be about 3409.

Q Well, it would appear that the contours for your general area here would be sloping in a manner such as so that your lease would be on the southeast flange of a slope

which is sloping down into the Clayton Basin, is that correct?

A Yes, sir. That is correct.

Q So if there would be any drainage of waters from disposal pits in your area, it should be in the direction of the Clayton Basin rather than back towards the Lusk ranch then.

A Yes, sir.

Q There apparently is another bench mark immediately southeast of your number 3 which would be on the line between Section 29 and 32 and elevation there is given as 3474.

A Yes, sir. This is probably the high point.

Q This would be on that high ridge which runs in between the Lusk ranch and your lease?

A Yes, sir.

Q That would indicate that point would be twenty-four feet higher than the 3450 line running through well No. 3.

A Yes.

Q And is this Lusk ranch windmill the nearest windmill to this disposal area?

A Yes, sir.

Q Where would your pits be, Mr. Collier?

A In the northeast. It is actually in the northeast forty and it is located near the west line of the northeast forty.

Q In other words, that is No. 1 well up there in the northeast northeast?

A Yes.

Q So the pit would be west of the No. 1 well?

A It is actually southwest.

Q Southwest of it in the same forty?

A Yes, sir.

Q Or Unit A of Section 30.

Any further questions from Mr. Collier?

You may be excused. Do you have anything further,
Mr. Collier?

(Witness excused)

MR. COLLIER: No, sir. Thank you.

MR. NUTTER: Does anyone have anything they wish
to offer in case 4400?

We will take the case under advisement.

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, Peter A. Lumia, Court Reporter, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Commission was reported by me and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Peter A. Lumia
 Court Reporter

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing on Case No. 4400,
 heard by me on 8/19, 1970.
Peter A. Lumia, 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 25, 1970

Mr. David C. Collier
Star Route East
Artesia, New Mexico 88210

Re: Case No. 4400
Order No. R-4016
Applicant:
David C. Collier

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

Aztac 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. 4400
Order No. R-4016

APPLICATION OF DAVID C. COLLIER
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 9:30 a.m. on August 19, 1970,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of August, 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, David C. Collier, is the owner and
operator of the Southern Federal Lease in Units A, C, E, G, I, K,
and M of Section 30, Township 19 South, Range 31 East, NMPM,
North Hackberry Yates-Seven Rivers Pool, Eddy County, New Mexico.

(3) That Order (3) of Commission Order No. R-3221, as
amended, prohibits in that area encompassed by Lea, Eddy, Chaves,
and Roosevelt Counties, New Mexico, the disposal, subject to minor
exceptions of water produced in conjunction with the production
of oil or gas, or both, on the surface of the ground, or in any
pit, pond, lake, depression, draw, streambed, or arroyo, or in
any watercourse, or in any other place or in any manner which
would constitute a hazard to any fresh water supplies and said
disposal has not previously been prohibited.

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CASE No. 4400
Order No. R-4016

(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 Southern Federal Lease in Units A, C, E, G, I, K, and M of said Section 30 in an unlined surface pit located in said Unit A.

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

(8) That the applicant should be permitted to dispose of water produced by applicant's wells located on the above-described lease in an unlined surface pit located in said Unit A.

IT IS THEREFORE ORDERED:

(1) That the applicant, David C. Collier, is hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil or gas, or both, by its wells located on its Southern Federal Lease in Units A, C, E, G, I, K, and M of Section 30, Township 19 South, Range 31 East, NMPM, North Hackberry Yates-Seven Rivers Pool, Eddy County, New Mexico, in an unlined surface pit located in said Unit A.

(2) That the Secretary-Director of the Commission may by administrative order rescind such authority whenever it

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CASE No. 4400
Order No. R-4016

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 P. CARGO, Chairman


ALEX J. ARMILLO, Member


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



esr/

Docket No. 19-70

DOCKET: REGULAR HEARING - WEDNESDAY - AUGUST 19, 1970

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

- ALLOWABLE:
- (1) Consideration of the oil allowable for September and October, 1970;
 - (2) Consideration of the allowable production of gas for September, 1970 from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico. Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, September, 1970.

THE FOLLOWING CASES WILL BE HEARD BEFORE DANIEL S. NUTTER, EXAMINER, OR ELVIS A. UTZ, ALTERNATE EXAMINER, IN THE OIL CONSERVATION COMMISSION CONFERENCE ROOM ON THE SECOND FLOOR OF SAID BUILDING AT 9:30 a.m.

CASE 4414: Southeastern New Mexico nomenclature case calling for an order for the creation and extension of certain pools in Lea, Chaves, and Eddy Counties, New Mexico:

- (a) Create a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Town-send-Morrow Gas Pool. The discovery well is the Avance Oil & Gas Company State ETA No. 2 located in Unit I of Section 8, Township 16 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
SECTION 8: SE/4

- (b) Extend the Allison-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM
SECTION 12: S/2

- (c) Extend the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM
SECTION 36: NW/4

- (d) Extend the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
SECTION 24: E/2 NE/4

- (e) Extend the EK Yates-Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
SECTION 19: SE/4
SECTION 20: SW/4

- (f) Extend the Hobbs-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
SECTION 19: S/2

- (g) Extend the Indian Basin-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 23 EAST, NMPM
SECTION 21: N/2 and N/2 N/2 N/2 S/2

- (h) Extend the Paduca-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 31 EAST, NMPM
SECTION 1: W/2
SECTION 12: W/2

- (i) Extend the Springs-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM
SECTION 3: Lots 1, 2, 7, 8, 9, 10,
15 and 16

- (j) Extend the Sulimar-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM
SECTION 26: SW/4 NE/4

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(k) Extend the Tres Papalotes-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
SECTION 33: NW/4

(l) Extend the Northwest Vacuum-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
SECTION 5: SW/4

CASE 4413: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to permit Stanley Leonard Jones dba Francisca Corporation and all other interested parties to appear and show cause why the Francisca Corporation Beeman Well No. 1 located 1980 feet from the South and West lines of Section 2, Township 24 South, Range 28 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 4172: (Reopened)

In the matter of Case No. 4172 being reopened pursuant to the provisions of Order No. R-3816, which order established 80-acre spacing units for the Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico. All interested parties may appear and show cause why the said pool should not be developed on 40-acre spacing units.

CASE 4399: Application of Pan American Petroleum Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle in the wellbore production from the Blinebry, Tubb, and Drinkard Oil Pools in its Southland Royalty "A" Well No. 8 located in Unit O of Section 4, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 4400: Application of David C. Collier 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 Southern Federal Lease in Units A, C, E, G, I, K, and M of Section 30, Township 19 South, Range 31 East, North Hackberry Yates-Seven Rivers Pool, Eddy County, New Mexico.

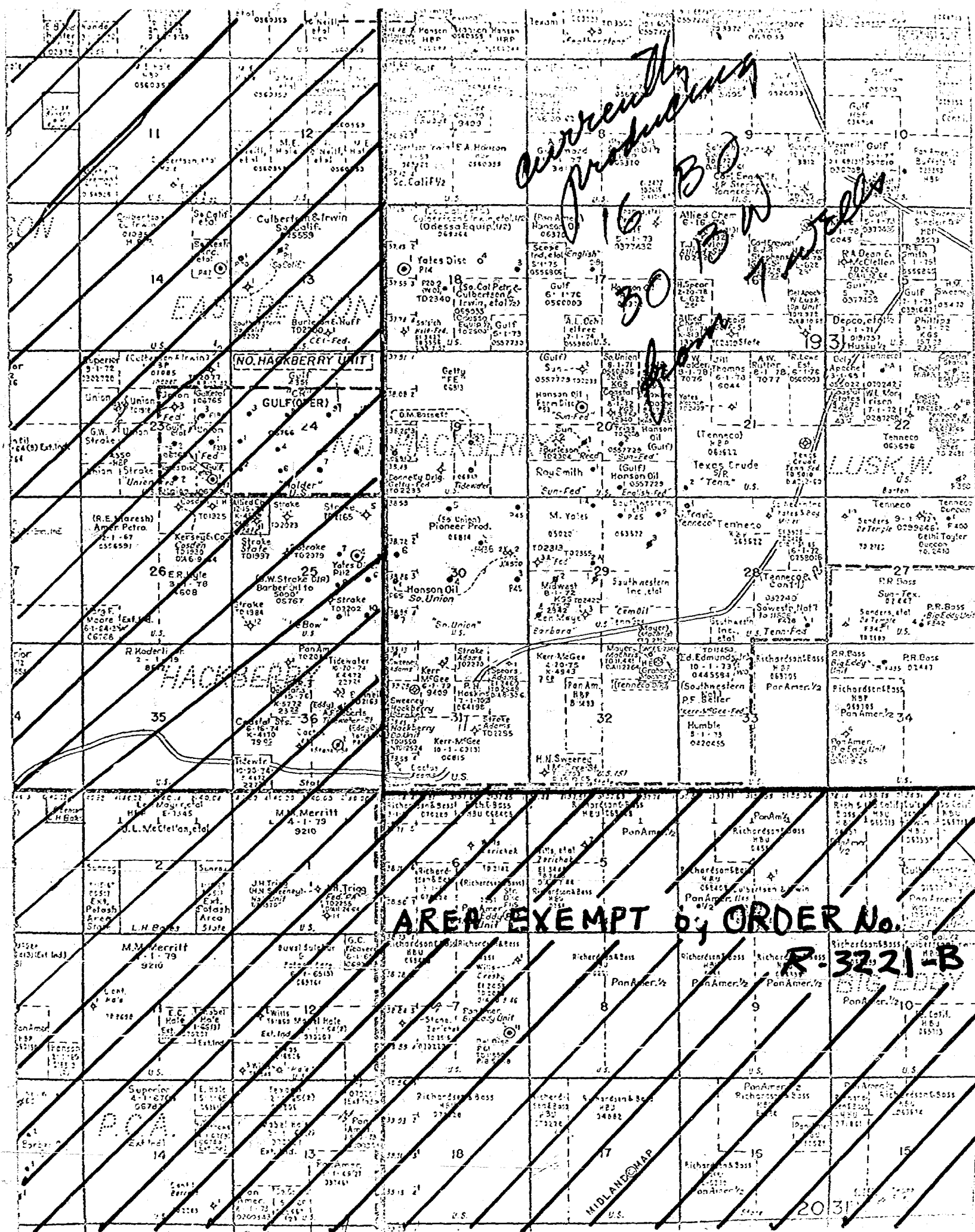
- CASE 4401: Application of Read and Stevens, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen, San Andres, Glorieta, and Delaware formations in the open-hole interval between the 8 5/8 inch casing shoe at 3998 feet and the top of the cement at 6109 feet in its Getty State "B.G." Well No. 1 located in Unit K of Section 12, Township 19 South, Range 34 East, Quail-Queen Pool, Lea County, New Mexico.
- CASE 4402: Application of Reserve Oil and Gas Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Cooper-Jal Unit Area comprising 2581 acres, more or less, of Federal and fee lands in Township 24 South, Ranges 36 and 37 East, Lea County, New Mexico.
- CASE 4403: Application of Reserve Oil and Gas Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by water injection through 26 wells into the Lower Seven-Rivers and Queen formations underlying its Cooper-Jal Unit Area, Langlie-Mattix Pool, Lea County, New Mexico.
- CASE 4404: Application of Reserve Oil and Gas Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by water injection through 23 wells into the Tansill, Yates, and Upper and Middle Seven-Rivers formations underlying its Cooper-Jal Unit Area, Jalmat Pool, Lea County, New Mexico.
- CASE 4405: Application of Reserve Oil and Gas Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the South Langlie-Jal Unit Area comprising 1080 acres, more or less, of fee lands in Township 25 South, Range 37 East, Lea County, New Mexico.
- CASE 4406: Application of Reserve Oil and Gas Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by water injection through 13 wells into the Seven Rivers and Queen formations underlying its South Langlie-Jal Unit Area, Langlie-Mattix Oil Pool, Lea County, New Mexico.
- CASE 4407: Application of Tenneco Oil Company for an unorthodox oil well location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox Dakota oil well location 1980 feet from the South and East lines of Section 13, Township 17 North, Range 9 West, Hospah Field, McKinley County, New Mexico, said location being closer than 330 feet to an inner boundary line.

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- CASE 4408: Application of Keohane and Westall for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicants, in the above-styled cause, seek 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 applicants' State Well No. 1, located in Unit D of Section 2, Township 19 South, Range 31 East, Shugart Pool, Eddy County, New Mexico.
- CASE 4409: Application of Anadarko Production Company for two waterflood expansions, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of its Federal Q Waterflood Project by the conversion to water injection of three additional wells in Units J, L, and P of Section 3, Township 17 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico. Applicant further seeks the expansion of the Stallworth Oil and Gas Company Parke Waterflood Project by the conversion to water injection of one additional well in Unit H of said Section 3.
- CASE 4410: Application of Major, Giebel & Forster for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the SE/4 of Section 28, Township 25 South, Range 37 East, Crosby-Devonian Pool, Lea County, New Mexico, said acreage to be dedicated to a well to be drilled in said quarter section. Also, to be considered will be the cost 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 4411: Application of Continental Oil Company for an exception to Rule 104 C I, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104 C I of the Commission Rules and Regulations to permit the completion within 660 feet of another producing well in the same formation of its State H-35 Well No. 10 located 2030 feet from the North line and 1780 feet from the East line of Section 35, Township 17 South, Range 34 East, Vacuum Pool, Lea County, New Mexico.
- CASE 4412: Application of Continental Oil Company for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project by the injection of water into the Yates and Seven Rivers formations through two wells on its McCallister "A" lease in Section 24, Township 26 South, Range 36 East, Scarborough Yates-Seven Rivers Pool, Lea County, New Mexico.



Dave Collier Supply Co.

• General Oil Field Equipment •

DAVE COLLIER, OWNER RES. PHONE 746-4208

BUSINESS PHONE 746-9211

STAR ROUTE EAST - 4 MILES ON LOVINGTON HIGHWAY
ARTESIA, NEW MEXICO 88210

July 24, 1970

New Mexico Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Case 4400

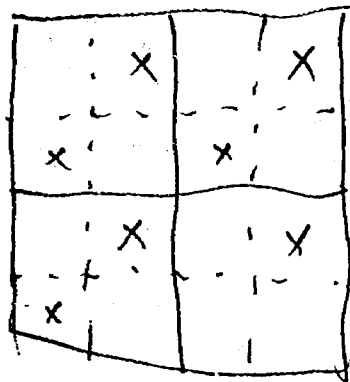
Dear Sir:

Would you please set a hearing for an exception to order No. R-3221 to allow the disposal of the produced water in an unlined pit on my Southern Federal lease located NE/4 NE/4, NE/4 NW/4, SW/4 NE/4, SW/4 NW/4, NE/4 SW/4, NE/4 SE/4, SW/4 SW/4 of Section 30-T19S-R31E, Eddy County, New Mexico. This lease is operated under the name of David C. Collier.

Yours truly,

David C. Collier
David C. Collier

DCC:d11



DOCKET MAILED

Date 8-6-70

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. 4400

Order No. R- 4016

APPLICATION OF DAVID C. COLLIER
FOR AN EXCEPTION TO ORDER NO. R-3221,
AS AMENDED, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

9:30

This cause came on for hearing at 9 a.m. on August 19, 1970,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of August, 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, David C. Collier, is the owner and
operator of the Southern Federal Lease in Units A, C, E, G, I, K,
and M of Section 30, Township 19 South, Range 31 East, NMPM,
North Hackberry/Yates-Seven Rivers Pool, Eddy County, New Mexico.

(3) That Order (3) of Commission Order No. R-3221, as
amended, prohibits in that area encompassed by Lea, Eddy, Chaves,
and Roosevelt Counties, New Mexico, the disposal, subject to minor
exceptions of water produced in conjunction with the production
of oil or gas, or both, on the surface of the ground, or in any
pit, pond, lake, depression, draw, streambed, or arroyo, or in

any watercourse, or in any other place or in any manner which would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

(4) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.

(5) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.

(6) That the applicant seeks an exception to the provisions of the aforesaid Order (3) to permit the disposal of salt water produced by applicant's wells located on its Southern Federal Lease in Units A, C, E, G, I, K, and M of said Section 30 in an unlined surface pits located said Unit A.

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

(8) *That the applicant should be permitted to dispose of water produced by applicant's wells located on the above-described lease in an unlined surface pit located in said Unit A.*

IT IS THEREFORE ORDERED:

(1) That the applicant, David C. Collier, is hereby granted an exception to Order (3) of Commission Order No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil or gas, or both, by its wells located on its Southern Federal Lease in Units A, C, E, G, I, K, and M of Section 30, Township 19 South, Range 31 East, NMPM, North Hackberry Yates-Seven Rivers Pool, Eddy County, New Mexico, in ^{an}unlined surface pit located in said Unit A.

(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.

CASE 4401: Application of READ
& STEVENS, INC. FOR SALT WATER
DISPOSAL, LEA COUNTY, NEW MEXICO.