

Case Number

44/7

Application
Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
State Land Office Building
Santa Fe, New Mexico
September 2, 1970

EXAMINER HEARING

IN THE MATTER OF:

Application of J. Cleo Thompson
for an exception to Order No. R-3221,
as amended, Eddy County, New Mexico.

Case No. 4417

BEFORE: ELVIS A. UTZ, Examiner

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE

MR. HATCH: Case 4417. Application of J. Cleo Thompson 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 the applicant's Evans Wells Nos. 9 and 12 located, respectively, in Units G and B of Section 33, Township 16 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico. Applicant seeks authority to dispose of water produced by said wells in unlined surface pits located in the vicinity of said wells.

MR. KELLAHIN: Jason Kellahin of Kellahin and Fox, Santa Fe, appearing for the applicant. We have one witness I'd like to have sworn, please.

(Witness was sworn)

ORLANDO BRISCO,

the witness, having been first duly sworn upon his oath, according to law testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Brisco, what business are you engaged in?

A Well, I am an independent contractor and I look after Mr. Thompson's production in the Loco Hills area.

Q Where are you located?

A Loco Hills.

Q How long have you lived in Loco Hills?

A Thirty-three years.

Q In connection with your work as an independent contractor do you handle the Evans Wells Nos. 9 and 12 which are the subject matter of this hearing?

A I do.

Q Are you familiar with those wells?

A Yes, Sir.

Q Do you have occasion to visit the area in which they are located frequently?

A Yes, Sir.

Q Do you also service wells in the same area -- do you handle other wells in there?

A Yes, Sir.

Q So you are familiar then with all of the entire area surrounding the Evans Wells Nos. 9 and 12, is that correct?

A Yes, Sir.

Q You have been on the ground on numerous occasions, is that correct?

A Yes, Sir.

Q Now, referring to what has been marked as Exhibit No. 1, would you identify that exhibit, please?

A Well, this Evans No 9 well in this quarter section of

33 Northeast, quarter section 33 is the well in question --

Q They are the ones that are circled in red on the plat you are referring to as Exhibit 1, is that correct?

A Yes, Sir.

Q Then the red mark adjacent to those wells, what does that indicate?

A That is the tank battery.

Q Could you say where the tank battery is located in the quarter section?

A Well, it is directly in the center as far as north and south is concerned, but it is 100 feet west of the center.

Q And does that surface pit serve both the Evans 9 and 12 wells:

A It does.

Q How much water are those two wells producing at the present time?

A About 12 barrels a day.

Q Do you anticipate there will be any increase in the water production?

A Not in the near future I don't.

Q You say 12 barrels a day. Is that both wells or --

A In both wells.

Q Not 12 barrels apiece?

A No. Both wells.

Q Have you made an investigation of the area of those

wells to determine if there is any fresh water being either produced or available?

A Yes. There is none.

Q Have you gone on the ground and looked for wells?

A Windmills.

Q Windmills, tanks:

A Yes. There is none in that immediate area within several miles of there.

Q Now, on the right hand side of Exhibit No. 1 there appears to be a red check mark. What does that indicate?

A That is an earthen tank that belongs to a cattle company.

Q And that would be how far from your surface pit?

A Oh, approximately three miles.

Q The drainage from your surface pit runs in that direction?

A No, Sir.

Q Now, as I understand your testimony, you have been unable to find any wells of any kind. Do you know of any wells that were drilled in this area?

A Any water wells?

Q Yes, Sir. Water wells?

A Well, there was some water in that area that they tried to produce to use for water injection wells and it wasn't even fit for that.

Q Was it fit for livestock or any other purpose?

A It wasn't fit for livestock. There is no livestock water.

Q What is the character of the water you are producing from the Evans wells -- is it --

A It is just salt.

Q Is it usable for any purpose?

A No. No use.

Q Now, referring to what has been marked Exhibit No. 2, would you identify that exhibit, please?

A This is available ground water in this area.

Q And that is taken from the ground water report No. 3 published by the School of Mines, is that correct?

A Yes, Sir.

Q Does that indicate that there is any fresh water available in that area?

A None at all.

Q You think that correctly reflects the situation?

A I think it does.

Q In your opinion, would the continued use of the surface pit for water disposal as proposed by the applicant in this case cause any damage to any fresh water anywhere?

A None whatsoever.

Q In your opinion would it cause any damage to any producing wells or any other type of damage?

A No.

Q Surface damage?

A No.

Q To grass or other damage?

A No. None.

Q Was Exhibit 1 prepared by you?

A Yes, Sir.

Q And Exhibit 2 is a reproduction of a plat from a publication, is that correct?

A Yes, Sir.

MR. KELLAHIN: At this time I'd like to offer into evidence Exhibits 1 and 2.

MR. UTZ: Well, without objection Exhibits 1 and 2 will be accepted in the record of this case.

MR. KELLAHIN: That completes our testimony, Mr. Utz.

CROSS EXAMINATION

BY MR. UTZ:

Q I am trying to locate your lease on this ground water plat. It is 16 South 30, East Section 33?

MR. KELLAHIN: That is right.

MR. UTZ: I am having a little trouble finding the township boundaries.

MR. KELLAHIN: Examiner, please, I believe the 16 South is in the center of the township, so it would be on the dark line just above the well six sections down and then 30

East is in the center, so your 33 would be approximately in the center of the bottom of the township.

MR. UTZ: O. K.

THE WITNESS: This area right in there, the sandhills are high. There is no surface drainage at all. There has never been a surface drainage right in that area.

Q No windmills are shown on this at all, is there?

A There has been some windmills within about three or four miles of there and they have all been abandoned because the water wasn't fit for livestock. The High Lonesome Mill, approximately four miles from there, that hasn't been produced for three years, I guess, and that is about it.

Q Is the water salty or --

A The water is gippy and salty and cows won't drink it unless they are on starvation.

Q This earthen pit that you show on your exhibit in Section 1, is that used to collect surface water?

A Rain water. Yes, Sir. Our water doesn't drain in that direction at all.

Q How much oil are these two wells producing?

A 12 barrels a day, the two of them.

Q Oil?

A Oil and 12 barrels of water.

Q Fifty percent water cut then, right?

A 12 barrels water, 12 barrels oil.

Page 9

MR. UTZ: Any other questions of the witness?

You may be excused.

MR. KELLAHIN: I would like to point out that this application involves an area where previous exceptions have been granted and we feel one is justified in this case.

MR. UTZ: Any other statements?

The case will be taken under advisement.

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, Peter A. Lumia, 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 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
Peter A. Lumia, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Special Hearing of Case No. 4417 held by me on 9-20-78 at
[Signature] Secretary
New Mexico Oil Conservation Commission

I N D E X

WITNESS:

PAGE

ORLANDO BRISCO

Direct Examination by Mr. Kellahin

2

Cross Examination by Mr. Utz

7

EXHIBITS

MARKED

OFFERED AND
ADMITTED

Applicant's
Exhibits 1 and 2

7



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2086 - SANTA FE
87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

September 15, 1970

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

Re: Case No. 4417
Order No. R-4030
Applicant:
J. Cleo Thompson

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Aztec OCC

Other State Engineer Office

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 4417
Order No. R-4030

APPLICATION OF J. CLEO THOMPSON
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 September 2, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 15th day of September, 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, J. Cleo Thompson, is the owner and operator of the Evans Wells Nos. 9 and 12, located, respectively, in Units G and B of Section 33, Township 16 South, Range 30 East, NMPM, Square Lake 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

-2-

CASE No. 4417

Order No. R-4030

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 aforesaid Evans Wells Nos. 9 and 12 in an unlined surface pit located in the vicinity of said wells.

(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 said Wells Nos. 9 and 12 in an unlined surface pit located in the vicinity of said wells.

IT IS THEREFORE ORDERED:

(1) That the applicant, J. Cleo Thompson, 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 his Evans Wells Nos. 9 and 12, located, respectively, in Units G and B of Section 33, Township 16 South, Range 30 East, NMPM, Square Lake Pool, Eddy County, New Mexico, in an unlined surface pit located in the vicinity of said wells.

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

-3-

CASE No. 4417
Order No. R-4030

reasonably appears to the Secretary-Director that such rescission would serve to protect fresh water supplies from contamination.

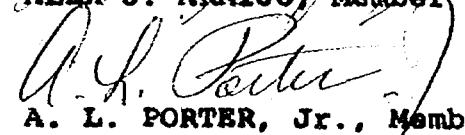
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

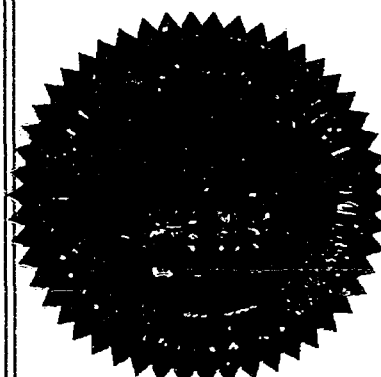
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


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



esr/

4417

Leand 9-2-70

Rec. 9-9-70

Grant Olo Thompson an exception
to R-3221- to dispose of SW produced
from his Evans #9 - 18 - 33 - 168 + 30E,
his Evans #12 B - 33 - 165 - 30E located
on his Evans lease consisting of NE 1/4-33.

Pit is located in Unit F of 33.

Shelby

Docket No. 20-70

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 2, 1970

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

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4415: Application of Depco, Inc. for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by injection into the Grayburg and San Andres formations through 6 wells located in Sections 27, 33 and 34, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico.

CASE 4416: Application of Robert L. Parker Trust for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a cooperative waterflood project in the Langlie-Mattix Pool on its George L. Erwin Lease by the injection of water through its Erwin Well No. 2 located in Unit L of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico.

CASE 4417: Application of J. Cleo Thompson 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 the applicant's Evans Wells Nos. 9 and 12 located, respectively, in Units A and B of Section 33, Township 16 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico. Applicant seeks authority to dispose of water produced by said wells in unlined surface pits located in the vicinity of said wells.

CASE 4418: Application of Texas Pacific Oil Company for amendment of Order No. R-3200, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3200, which order authorized the applicant to institute a waterflood project in the South Eunice Pool, Lea County, New Mexico, by the injection of water through six wells located in Sections 5, 8, and 9 of Township 22 South, Range 36 East. Applicant seeks authority to delete the six wells authorized in said Order R-3200 and substitute therefor six other wells located in said Sections 8 and 9.

CASE 4419: Application of Billings, Keyser and Kennedy for a non-standard gas proration unit, Eddy County, New Mexico. Applicant in the above-styled cause, seeks, in exception to Rule 104 B I, approval of a 320-acre non-standard gas proration unit comprising the NW/4 of Section 2 and Lots 1, 2 and 3 and the SE/4 NE/4 of Section 3, Township 22 South, Range 26 East, Eddy County, New Mexico, said unit to be dedicated to a wildcat gas well to be drilled in the NE/4 NE/4 of said Section 3.

CASE 4420: Application of Xplor Company for a dual completion, authority to gas-lift oil production, and to flare gas, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Cleveland Well No. 1 located in Unit G of Section 23, Township 12 South, Range 32 East, Lea County, New Mexico, in such a manner as to produce oil from the East Caprock-Devonian Pool through 2 3/8-inch tubing and gas from the Pennsylvanian formation within one mile of the East Caprock-Pennsylvanian Pool. Applicant further seeks authority to use a portion of said gas to gas-lift said oil production and to subsequently flare said gas in exception to Rule 404 of the Commission Rules and Regulations.

CASE 4421: Application of Phillips Petroleum Company for creation of a new oil pool, special pool rules therefor, and redesignation of the vertical limits of the Ranger Lake-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Bough section of the Pennsylvanian formation for its Phillips West Ranger Lake Unit Well No. 1 located in Unit C of Section 26, Township 12 South, Range 34 East, Lea County, New Mexico, and for the promulgation of special rules therefor including a provision for 80-acre spacing and proration units, with vertical limits of said pool to be the interval from sub-sea datum -5671 feet to -6016 feet as found in said Well No. 1. Applicant further seeks the contraction of the vertical limits of the Ranger Lake-Pennsylvanian Pool to that interval from sub-sea datum -6080 feet to -6230 feet as found in its West Ranger Lake Unit Tract 2 Well No. 1 located in Unit P of Section 23, said township and range.

CASE 4422: Application of Atlantic Richfield Company for amendment of Order No. R-3588, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3588, which order authorized the disposal of produced salt water into the Yates and Seven Rivers formation in the perforated

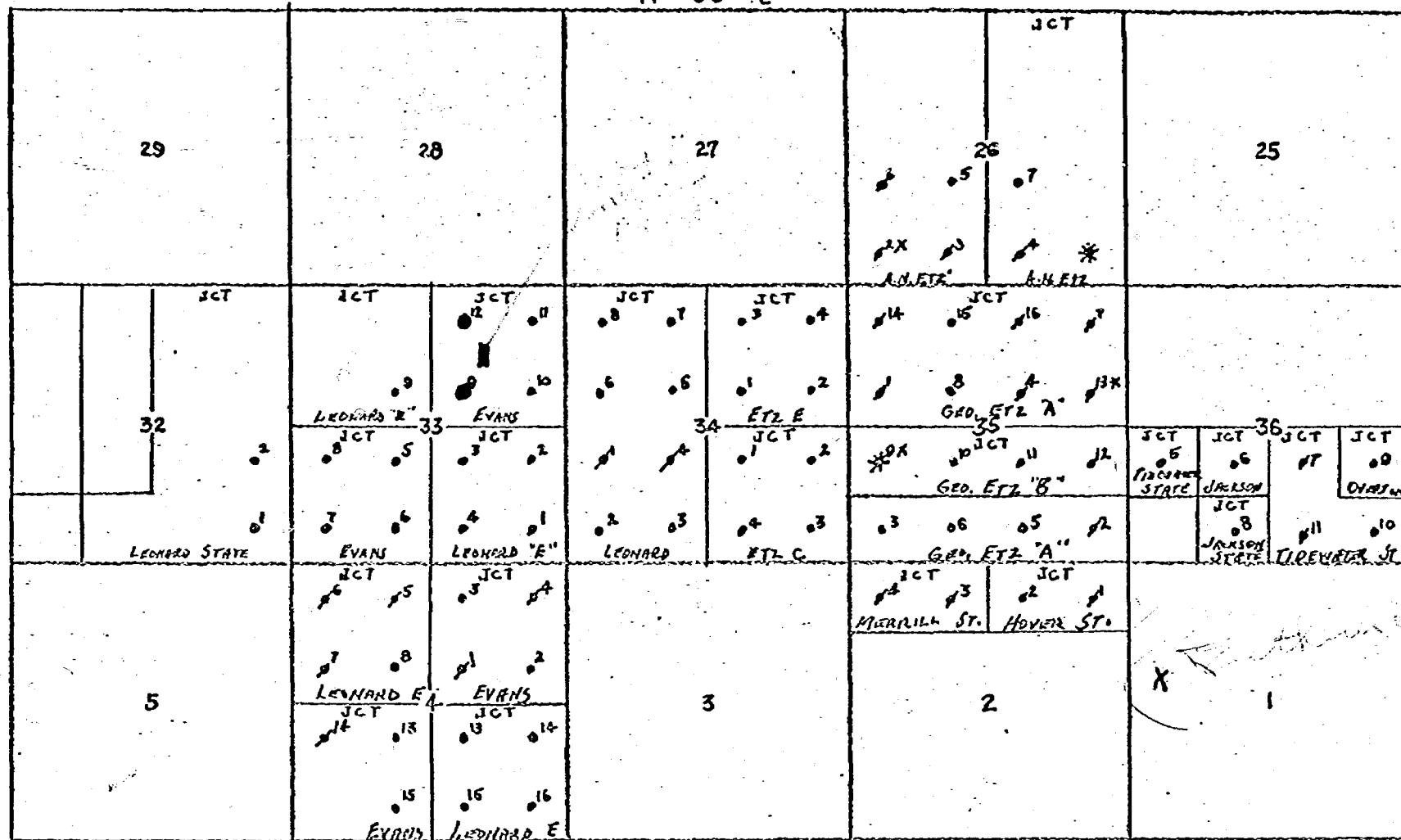
Case 4422 continued

and open-hole interval from 3110 feet to 3300 feet in the Sinclair ARC Federal Well No. 1 located in Unit O of Section 9, Township 20 South, Range 33 East, West Teas Pool, Lea County, New Mexico. Applicant now seeks authority to dispose into said zones in the interval from 3010 feet to 3300 feet.

CASE 4423: Application of Union Oil Company of California for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the San Andres formation underlying the N/2 NE/4 of Section 20, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico. Said acreage to be dedicated to a well to be drilled at an orthodox location in the NW/4 NE/4 of said Section 20. 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 4410: (Continued from the August 19, 1970 Examiner Hearing.) 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.

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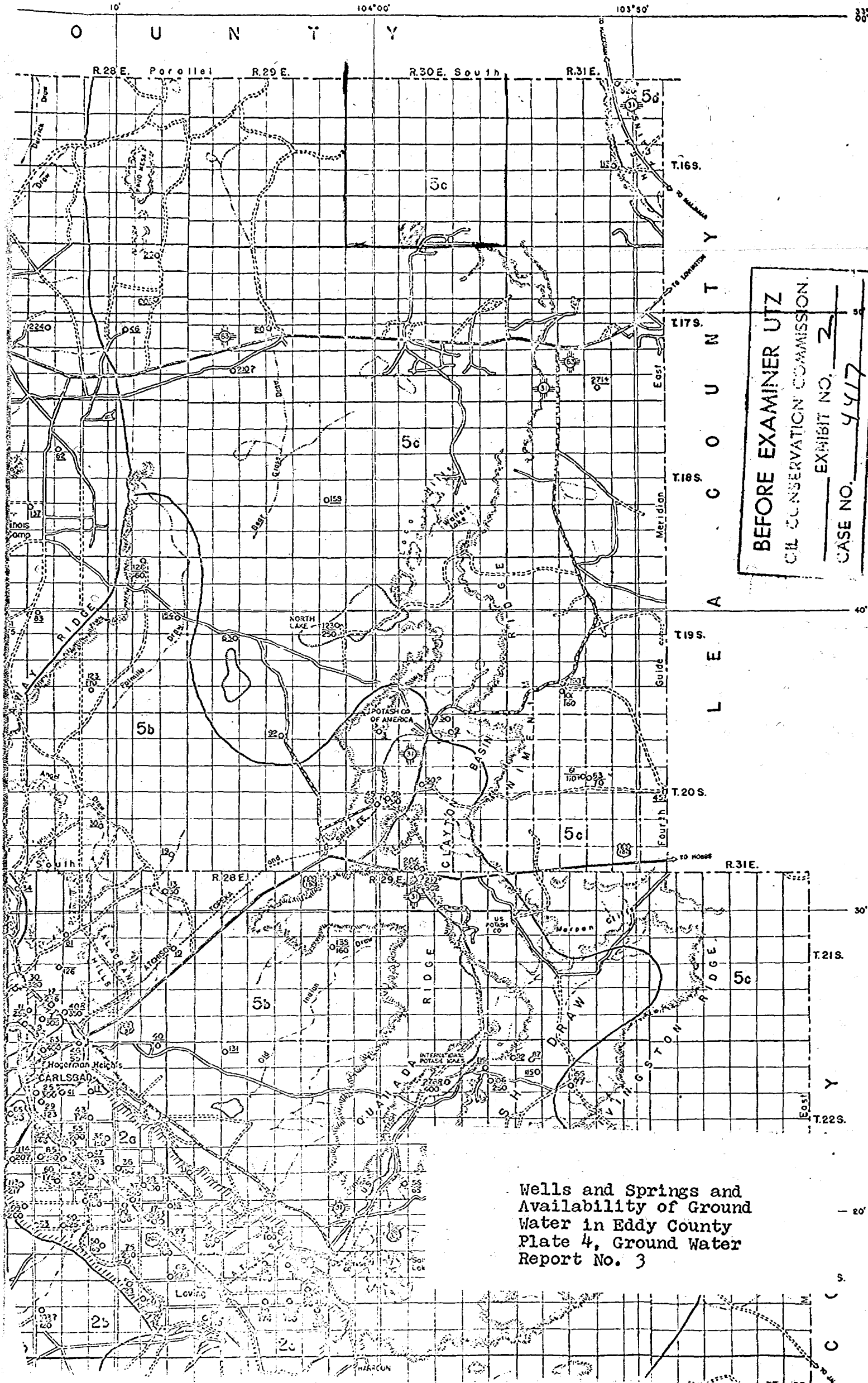


BEFORE EXAMINER UTZ
 CIL CONSERVATION COMMISSION
 EXHIBIT NO. 1
 CASE NO. 4417

J. Cleo THOMPSON
 SQUARE LAKE FIELD
 EDDY COUNTY, NEW MEXICO
 SCALE 2"=1 MILE

J.M.M.

GROUND WATER REPORT 3 PLATE 4



BEFORE EXAMINER UTZ

CIL CONSERVATION COMMISSION.

EXHIBIT NO. 2

CASE NO. 4417

Wells and Springs and
Availability of Ground
Water in Eddy County
Plate 4, Ground Water
Report No. 3

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

August 3, 1970

DOCKET MAILED

Date 8-21-70
Case 4417

Mr. J. Cleo Thompson
4500 Republic National Bank Tower
Dallas, Texas 75201

Re: Surface disposal of salt
water, Eddy County,
New Mexico

Dear Mr. Thompson:

As there is no provision for administrative approval
for the surface disposal of produced salt water, your
application of July 30, 1970, will be set for hearing
before an examiner on September 2, 1970.

As soon as a docket has been prepared, you will be
notified of the exact time and place to appear and pre-
sent your case.

Very truly yours,

GEORGE M. HATCH
ATTORNEY

GMH/ir

C
O
P
Y

J. CLEO THOMPSON & JAMES CLEO THOMPSON, JR.

OIL PRODUCERS
4500 REPUBLIC NATIONAL BANK TOWER
DALLAS, TEXAS 75201

July 30, 1970

70 AUG 3 13

RIVERSIDE 2-1991

New Mexico Oil Conservation Commission
Santa Fe, New Mexico 87501

Attention: Mr. Hatch

Dear Mr. Hatch:

Case 4417

The undersigned operates various wells in the Square Lake Field, Eddy County, New Mexico and two of the wells are making a small quantity of water and we respectfully request permission to flow the water into an earthen pit. These wells are in the sand dune area of the Square Lake Field and there is no usable water at any depth in this area that could be harmed by letting our salt water into an earthen pit.

For your further information, you are advised that the following is a description of the location of these wells:

Evans Well No. 9, Square Lake Field on a Federal Lease known as L.C. 063926, is located in Section 33, Township 16 South, Range 30 East, Eddy County, New Mexico.

Evans Wells No. 12, Square Lake Field on a Federal Lease known as L.C. 063926, is located in Section 33, Township 16 South, Range 30 East, Eddy County, New Mexico.

We respectfully request that we be granted an exemption in connection with the disposal of the salt water produced inasmuch as no injury could be done to any fresh water and that the terrain or area would not suffer any pollution or damage in permitting us to dispose of the water in an earthen pit.

If you require other or additional information, kindly advise us. If it is necessary for the matter to be set down for a hearing, kindly do so and advise us as to the date, time and location.

Yours very truly,

J. Cleo Thompson
J. Cleo Thompson

JCT:ep

cc: Mr. Orlando Briscoe
Box 165, Loco Hills, New Mexico 88255

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. 4417

Order No. R-4030

APPLICATION OF J. CLEO THOMPSON
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 September 2, 1970,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this _____ day of September, 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, J. Cleo Thompson, is the owner and
operator of the Evans Wells Nos. 9 and 12, located, respectively,
in Units G and B of Section 33, Township 16 South, Range 30 East,
NMPM, Square Lake 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 aforesaid Evans Wells Nos. 9 and 12 in ^{an} unlined surface pit located in the vicinity of said wells.

(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 said wells Nos. 9 and 12 in an unlined surface pit located in the vicinity of said wells.*

IT IS THEREFORE ORDERED:

(1) That the applicant, J. Cleo Thompson, 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 his Evans Wells Nos. 9 and 12, located, respectively, in Units G and B of Section 33, Township 16 South, Range 30 East, NMPM, Square Lake Pool, Eddy County, New Mexico, in ^{an} unlined surface pit located in the vicinity of said wells.

(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 hear hereinabove designated.

CASE 4418: Application of TEXAS
PACIFIC OIL COMPANY FOR AMENDMENT
OF ORDER R-3200, LEA COUNTY, N.M.