Case Number 456/

Application
Trascripts

Small Exhibits

ETC.

dearnley-meier reporting service, inc.

. P.O. BUX 1092 . PHONE 243-6491 . ALBUQUERQUE, NEW MEXICO

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

July 28, 1971

EXAMINER HEARING

IN THE MATTER OF:

Application of Great Plains Land)
Company for an exception to Order)
No. R-3221, as amended, Eddy)
County, New Mexico.

Case No. 4561

BEFORE: ELVIS A. UTZ, EXAMINER

TRANSCRIPT OF HEARING



MR. UTZ: Case 4561.

MR. HATCH: Case 4561. Application of Great Plains Land Company for an exception to Order Number R-3221, as : amended, Eddy County, New Mexico.

If the examiner please, This case was heard on June 30, but there had been a mistake in the advertising, but we went ahead and heard the case, the testimony concerning it, and I recommend that an order be issued on the basis of the evidence received June 30, 1971, if there is no objection today.

MR. UTZ: The mistaken advertising was that we advertised Range 30 instead of 31; is that correct?

MR. HATCH: Yes.

MR. UTZ: Are there any appearances or any objections? If there are no appearances in Case 4561, the record will stand as it was heard on June 30. We will write an order on that case.

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STATE OF NEW MEXICO) COUNTY OF BERNALILLO)

I, LINDA MALONE, 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.

I do hereby cortify that the Torccoing is i conflate record of the proceedings in the Assessment houselfte of Case No. 456/

New Kerico Oil Conservation Considerion

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209 SIMMS BLIXG. • P.O. EOX 1092 • PHONE 243-6691

SEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico June 30, 1971

EXAMINER HEARING

IN THE MATTER OF:

Application of Great Plains Land) Case No. 4561 Company for an exception to Order) No. R-3221, as amended, Eddy County, New Mexico.

BEFORE: Elvis A. Utz, Examiner.



TRANSCRIPT OF HEARING

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING
SANTA FE , NEW MEXICO

Hearing Date JUNE 30, 1971 TIME: 9 A.M.

NAME REPRESENTING LOCATION

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MR. UTZ: We will hear Case 4561, in order, and we will then hear 4564 and 4549. The last one will be the only remaining case, which is 4562.

Case 4561.

MR. HATCH: Application of Great Plains Land Company for an exception to Order No. R-3221, as amended, Eddy County, New Mexico.

MR. LOSEE: Mr. Examiner, I am A. J. Losee, Losee and Carson, Artesia, representing Great Plains. I have one witness, Mr. Lamb, and would ask that he be sworn at this time.

(Witness sworn.)

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

N. RAYMOND LAMB,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. LOSEE:

- Will you state your name, please?
- N. Raymond Lamb.
- Where do you live, Mr. Lamb?
- Artesia, New Mexico.
- What is your occupation? Q
- A Petroleum engineer.
- Have you previously testified before this Commission and

1		had your qualifications made a matter of record?
2	A	I have.
3		MR. LOSEE: Mr. Lamb's qualifications acceptable.
4	Mr.	Examiner?
5		MR. UTZ: Well, they made a mistake years ago if
6	they	aren't.
7	Q.	(By Mr. Losee) Are you acquainted with the application
. 8	; Ø	of Great Plains Land Company in this Case 4561?
9	A	Yes. I have examined the situation as to their applicati
10	Ö	In this application they seek an exception to Order R-
11		3221, requiring the disposal of produced water.
12	A	That is right, and request permission to dispose of
13		produced water in unlined pits.
14	Q	I hand you what's been marked Applicant's Exhibit No. 1
15	7	and ask you to state what is represented by this exhibit.
16	A	It is a plat of the area of the major part of the North
17		Shugart and the area outlined in the large area
18		outlined in red, which covers the area that I have examin
19		The small red forty-acre square is the acreage involved
20		in the application.
21	Ö	Now, there's one producing well on this forty-acre tract.
22	A	That's right. It's in the northwest quarter of the
23		northwest of Section 31, 18 South, 31 East.
24	Q	What formation is it producing?
25	A	It's producing from the Grayburg-San Andres.

1	0	Where is the pit located in which the water is
2	 -	produced water is proposed to be disposed of?
3	Ά	Well, the battery is about 200 feet from the well and
4		the small pit, which now exists, is some fifty-sixty
5		feet from the battery, south of the battery.
6	O	Do you know what amounts of water are presently being
7	}	produced from this well?
. · 8	A	I have photocopy of the April, 1971 statistical report,
. 9		which is Marked as Exhibit
10	Q	Four.
11	A	Four. It shows the allowable at 570 barrels pumping;
12		production, 541; amount of water produced, 210. It's
13		my understanding that this water is now being trucked for
. 14		disposal.
15	0	What efforts have you made, Mr. Lamb, to determine
16	e es	whether there is any fresh water located in the area of
17		this lease?
18	A	Well, I have made a personal examination of the area and
19		from past knowledge, various other reasons to be in the
20		area, I find no evidence of shallow water in the
21		immediate area.
22	Ω.	Now, is this a ranching area?
23	A	Yes, solely ranching.
24	Ö.	Have you had occasion to make inquiry of Mr. Henninghous
25		the district supervisor at the State Engineer's Office

1		in Roswell, concerning fresh water supplies in this area
2	A	Yes. Exhibit Two is a copy of a letter from Mr.
3		Henninghousen giving his interpretation of the presence
4		of fresh, shallow water in the area. He states that
5	· ·	there is water five miles south and one mile east of the
6		subject section and some six and a half miles south and
7	***	two miles west.
8		And, it should be noted that these are scattered
9		areas of water production and are isolated.
10.	O.	Does it point out in this letter the direction in which
11		the surface drainage is?
12	A	Yes. The drainage is to the southwest.
13	Q	What is the importance of the drainage to the southwest
14	en en en en	in connection with this application?
15	A	The area to the southwest is in the potash area, where
16	er in the second	the disposal of water from the potash mines is permitted
17		and there is not any known fresh water in the area.
18	Ö.	Do you have an opinion as to whether or not there is any
<u>10</u>		fresh water sand existing near this Great Plains Lease?
20	A	I know of none.
21	Ö	Please refer to what's been marked as Applicant's
22		Exhibit Three and explain what is shown by this exhibit
23	A	This is a portion of a topography sheet of the immediat
24	** ***	area. It shows the high area to be in the northwest

corner, with an elevation of about 3700 feet.

1 through 4.

elevation at the Great Plains location is approximately
3550 feet and on to the southwest the elevation decrease
to about 3550 or less, which supports the indication that
the drainage area is to the southwest.
Now, I notice a blue line running from northeast to
southwest. What is meant by this blue line?
This line is the approximate location of a potash water
supply line from the Caprock area to the potash mine and
along this line the ranchers have secured permission to
acquire stock water at various locations and there are
stock tanks along this line which supply the ranching
water in this area.
Do you have an opinion as to whether this application
will prevent waste and protect correlative rights?
It should prevent waste and give the operator a longer
life on his production.
You have already referred to Exhibit Four as being simpl
the Commission's records of production from this well.
That's correct.
With the exception of the Commission record and the
letter from Mr. Henninghousen, were the other exhibits
prepared by you or under your direction?
They were.
MR. LOSEE: We move the introduction of Applicant's

MR. UTZ: Without objection, Exhibits 1 through 4 will be entered into the record of this case.

MR. LOSEE: Mr. Examiner, we would ask that you take administrative notice of Case Numbers 4132, 4146, 4169 and 4180, in which exceptions to Order R-3221 were granted in this Shugart Field. Also, this is all of the direct examination.

But, I would like to move to amend the application to show that this subject well is located in Range 31 rather than Range 30 and, unfortunately, ask the Commission to republish it in the correct range.

MR. HATCH: The next one that can be advertised will be for the 28th of July.

MP. UTZ: This case will be readvertised, because of the advertising error in the paper, July 28th Examiner Hearing advertisement.

Questions of the witness? He may be excused. (Witness excused.)

MR. UTZ: Statements? The case will be taken under advisement.

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deathley-meier reporting service,

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STATE OF NEW MEXICO) ss COUNTY OF BERNALILLO)

I, BRENDA BURKS, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and said 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.

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New Mexico Oil Connervation Commission

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OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE 87501

July 28, 1971

GOVERNOR BRUCE KING CHAIRMAN

LAND COMMISSIONER ALEX J. ARMIJO MEMBER

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

	Re: Case No. 4561
fr. A. J. Losee	Order No. R-4165
Attorney at Law Post Office Box 239	Applicant:
Artesia, New Mexico 88210	Great Plains Land Company

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

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Copy of order also sent to:		1	X
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Aztec OCC	. •	81	•
Other	1		

BEFORE THE OIL CONSERVATION CONNIGSION 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. 4561 Order No. R-4165

APPLICATION OF GREAT PLAINS LAND COMPANY FOR AN EXCEPTION TO ONDER 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 June 30, 1971, at Santa Fe, New Mexico, before Examiner Elvis A. Uts.

ROW, on this 28th day of July, 1971, 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, Great Plains Land Company, is the owner and operator of the Fure-Federal Well Mc. 1, located in the MW/4 MW/4 of Section 31, Township 18 Couth, Range 31 East, MMPM, 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, Nddy, 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 watercourse, or in any other place or in any manner which would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

-2-CAS% NO. 4561 Order No. R-4165

- (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, Great Plains Land Company, seeks an exception to the provisions of the aforesaid Order (3) to permit the disposal of salt water produced by the well located in the MW/4 MW/4 of Section 31, Township 18 South, Mange 31 Mast, MMPM, Shugart Field, Eddy County, New Mexico, in an unlined surface pit located in the vicinity of said well.
- (7) That there appears to be no shallow fresh water in the vicinity of the above-described well for which a present or reasonably foreseeable beneficial use is or will be impaired by contamination from an unlined surface pit located in the vicinity of the subject well.
- (8) That the applicant, Great Plains Land Company, should be permitted to utilize an unlined surface pit for the disposal of salt water produced by the above-described well.

IT IS THEREFORE ORDERED:

(1) That the applicant, Great Plains Land Company, 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 Pure Federal Well Ho. 1 located in the NW/4 NM/4 of Section 31, Township 18 South, Range 31 East, NMPM, Shugart Field, Eddy County, New Nexico, in an unlined surface pit located in the vicinity of said well.

-3-CASE NO. 4560 Order No. R-4165

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

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

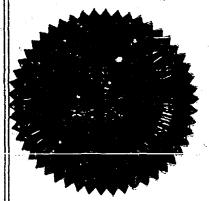
> STATE OF MEN MEXICO OIL CONSERVATION CONSISSION

BRUCE KING, Chairman

ALEX J. AMELO, Member

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

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DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 28, 1971

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 4539: (Continued from the June 30, 1971 Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Doanbuy Lease & Company, Inc., and all other interested persons to appear and show cause why its rollowing described wells in Section 27, Township 14 South, Range 33 East, Saunders Pool, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commissionapproved plugging program.

Atlantic State AC-1 Well No. 1 Unit N Well No. 2 Atlantic State AC-2 Unit M Well No. 3 Atlantic State AC-2 Unit O Atlantic State AC-3 Well No. 4 Unit L Atlantic State AC-3 Well No. 5 Unit J Atlantic State AC-4 Well No. 6 Unit P Atlantic State AC-4 Well No. 7 Unit I

CASE 4558: (Continued from the June 30, 1971, Examiner Hearing)

Application of Midwest Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Little Inbe (Bough "C") Unit Area comprising 2,240 acres, more or less, of state lands in Sections 10, 11, 14 and 15 of Township 10 South, Range 33 East, Inbe Permo-Pennsylvanian Pool, Lea County, New Mexico.

CASE 4559: (Continued from the June 30, 1971, Examiner Hearing)

Application of Midwest Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a water-flood project in its Little Inbe (Bough "C") Unit Area, Inbe Permo-Pennsylvanian Pool, Lea County, New Mexico, by the injection of water through three wells located in Sections 11 and 14 of Township 10 South, Range 33 East, Lea County, New Mexico.

CASE 4563: (Continued from the June 30, 1971, Examiner Hearing)

Application of Corinne Grace for special gas-oil ratio limitation and pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce her State Well No. 1 located in Unit A of Section 1, Township 15 South, Range 29 East, Double L-Queen Pool, Chaves County, New Mexico, with no gas-oil ratio limitation, strip the liquids, and institute a pressure maintenance project by the injection of all said gas back into the producing formation through her State Well No. 2 located in Unit B of said Section 1. Applicant further seeks to transfer an oil allowable from said Well No. 2 to said Well No. 1.

CASE 4561:

(Continued and readvertised from the June 30, 1971, Examiner Hearing)

Application of Great Plains Land 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, to dispose of water produced by its well located in the NW/4 NW/4 of Section 31, Township 18 South, Range 31 East, Shugart Field, Eddy County, New Mexico.

CASE 4570:

Application of Shenandoah Oil Corporation for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the interval from 1760 feet to 1840 feet by injection down the annulus of its Read & Stevens "M" Federal Well No. 1 located in Unit K of Section 28, Township 6 South, Range 27 East, Haystack-Cisco Gas Pool, Chaves County, New Mexico.

CASE 4571:

Application of Read & Stevens for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the special rules and regulations governing the Buffalo Valley-Pennsylvanian Gas Pool to permit the drilling of a well at an unorthodox gas well location 990 feet from the South and West lines of Section 5, Township 15 South, Range 28 East, Chaves County, New Mexico, the S/2 of said Section 5 to be dedicated to the well.

Examiner Hearing - July 28, 1971

Docket No. 16-71

- CASE 4572: Application of Franklin, Aston & Fair, Inc., for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the "B" zone of the Slaughter section of the San Andres formation in its Cook State Well No. 1 located in Unit L of Section 32, Township 7 South, Range 36 East, Todd-San Andres Field, Roosevelt County, New Mexico.
- CASE 4573: Application of Tenneco Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Sand Springs South Unit Area comprising 2536 acres, more or less, of state Lands in Township 11 South, Ranges 34 and 35 East, Lea County, New Mexico.
- CASE 4574: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Tenneco Oil Company to appear and show cause why it should not take immediate action to repair the production casing in its Bolack "B" Well No. 5 located in Unit J of Section 31, Township 27 North, Range 8 West, Basin-Dakota Pool, San Juan County, New Mexico.
- CASE 4569: (Continued from the July 14, 1971, Examiner Hearing Application of Barber Oil, Inc., for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing oil well at an unorthodox location 1326 feet from the South line and 5 feet from the West line of Section 13, Township 20 South, Range 28 East, as an infill well in its waterflood project in the Russell (Yates) Pool, Eddy County, New Mexico.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 30, 1971

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 4352: (Reopened) (Continued from April 14, April 28, and May 19, 1971, Examiner Hearings)

In the matter of Case 4352 being reopened by the Oil Conservation Commission upon its own motion to give all interested persons an opportunity to appear and present evidence to whether the Double L-Queen and Suble-Queen Pools, Chaves County, New Mexico, are in fact separate reservoirs or one common reservoir. Further, in the event it is found that the two pools comprise one common reservoir, the Commission will consider the adoption of special rules and regulations to provide for the classification of oil and gas wells, spacing and well location requirements for oil and gas wells, and an allocation formula for withdrawals from the gas wells and oil wells.

CASE 4539: (Continued from the May 19, 1971, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Doanbuy Lease & Company, Inc., and all other interested persons to appear and show cause why its following described wells in Section 27, Township 14 South, Range 33 East, Saunders Pool, Lea County, New Mexico, should not be plugged and abandoned, in accordance with a Commission-approved plugging program:

Atlantic	State	AC.		1	Well No. 1	Unit N
Atlantic	State	AC	_	2	Well No. 2	Unit M
Atlantic	State	AC	_	2	Well No. 3	Unit O
Atlantic	State	AC	-	3	Well No. 4	Unit L
Atlantic	State	AC	-	3	Well No. 5	Unit J
Atlantic	State	AC	_	4	Well No. 6	Unit P
Atlantic	State	AC		4	Well No. 7	Unit I

CASE 4556: Application of Tenneco Oil Company for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled Pause, seeks authority to dispose of produced salt water into the Queen formation in the perforated interval from 3154 feet to 3159 feet in its USA-Reno Well No. 1 located in Unit L of Section 3, Township 15 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico.

- CASE 4557: Application of Continental Oil Company
 for transfer of allowable, Lea County, New Mexico.
 Applicant, in the above-styled cause, seeks authority to
 transfer allowable across the boundaries of the participating
 area and the leases outside said area but within the Maljamar
 Cooperative Area, MCA Unit Area, Maljamar Grayburg-San Andres
 Pool, Lea County, New Mexico.
- CASE 4535: (Continued from the April 28, and the May 19:1971, Examiner Hearings)

Application of Continental Oil Company for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Monument-Tubb and Weir Drinkard oil production in the well-bore of its SEMU Well No. 70, located in Unit I of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico.

- CASE 4558: Application of Midwest Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Little Inbe (Bough "C") Unit Area comprising 2,240 agres, more or less, of state lands in AD Sections 10, 11, 14 and 15 of Township 10 South, Range 33 East, Inbe Permo-Pennsylvanian Pool, Lea County, New Mexico.
- CASE 4559: Application of Midwest Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Little Inbe (Bough "C") Unit Area, Inbe Permo-Pennsylvanian Pool, Lea County, New Mexico, by the injection of water through three wells located in Sections 11 and 14 of Township 10 South, Range 33 East, Lea County, New Mexico.
- CASE 4560: Application of Rijan Oil Company, Inc. for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot pressure maintenance project in the Slick Rock-Dakota Pool by the injection of water into the Dakota formation through its Rijan Wells Nos. 10, 12, and 14 located, respectively, in Units F, L and K of Section 31, Township 30 North, Range 16 West, San Juan County, New Mexico.
- CASE 4561: Application of Great Plains Land Company for an exception to Order No. R-3221, as amended, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seek an exception to

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(Case 4561 continued)

Order No. R-3221, as amended, to dispose of water produced by its well located in the NW/4 NW/4 of Section 31, Township 18 South, Range 30 East, Shugart Field, Eddy County, New Mexico.

CASE 4562:

Application of Texas Oil and Gas Corporation, for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the special rules and regulations governing the Indian Basin-Upper Pennsylvanian Gas Pool to permit the drilling of a well at an unorthodox gas well location 990 feet from the North and West lines of Section 22, Township 22 South, Range 23 East, Eddy County, New Mexico.

CASE 4563:

Application of Corinne Grace for special gas-oil ratio limitation and pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce her State Well No. 1 located in Unit A of Section 1, Township 15 South, Range 29 East, Double L-Queen Pool, Chaves County, New Mexico, with no gas-oil ratio limitation, strip the liquids, and institute a pressure maintenance project by the injection of all said gas back into the producing formation through her State Well No. 2 located in Unit B of said Section 1. Applicant further seeks to transfer an oil allowable from said Well No. 2 to said Well No. 1.

CASE 4564:

Application of Penroc Oil Corporation 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 oil proration unit comparising the SW/4 NE/4 and NW/4 SE/4 of Section 33, Township 18 South, Range 38 East, Hobbs-Drinkard Pool, Lea County, New Mexico, to be dedicated to its Conoco-State Well No. 1 located 1980 feet from the North line and 2130 feet from the East line of said Section 33.

CASE 4549: (Continued from the June 16,1971, Examiner Hearing)

Application of Tom L. Ingram for unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for his Light Well No. 1 located 1980 feet from the South line and 660 feet from the East line of Section 15, Township 8 South, Range 37 East, Bluitt-San Andres Associated Pool, Roosevelt County, New Mexico, the S/2 of said Section 15 to be dedicated to the well.

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STATE OF NEW MEXICO

STATE ENGINEER OFFICE ROSWELL

S. E. REYNOLDS STATE ENGINEER ADDRESS CORRESPONDENCE TO:
P. C. BOX 1717
ROSWELL, NEW MEXICO

June 28, 1971

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

Dear Sirs!

This letter is in response to a request by Mr. Raymond Lamb concerning fresh water supplies in the vicinity of Section 31, Township 18 South, Range 31 East, N.M.P.M., in the northeastern part of Eddy County, New Mexico.

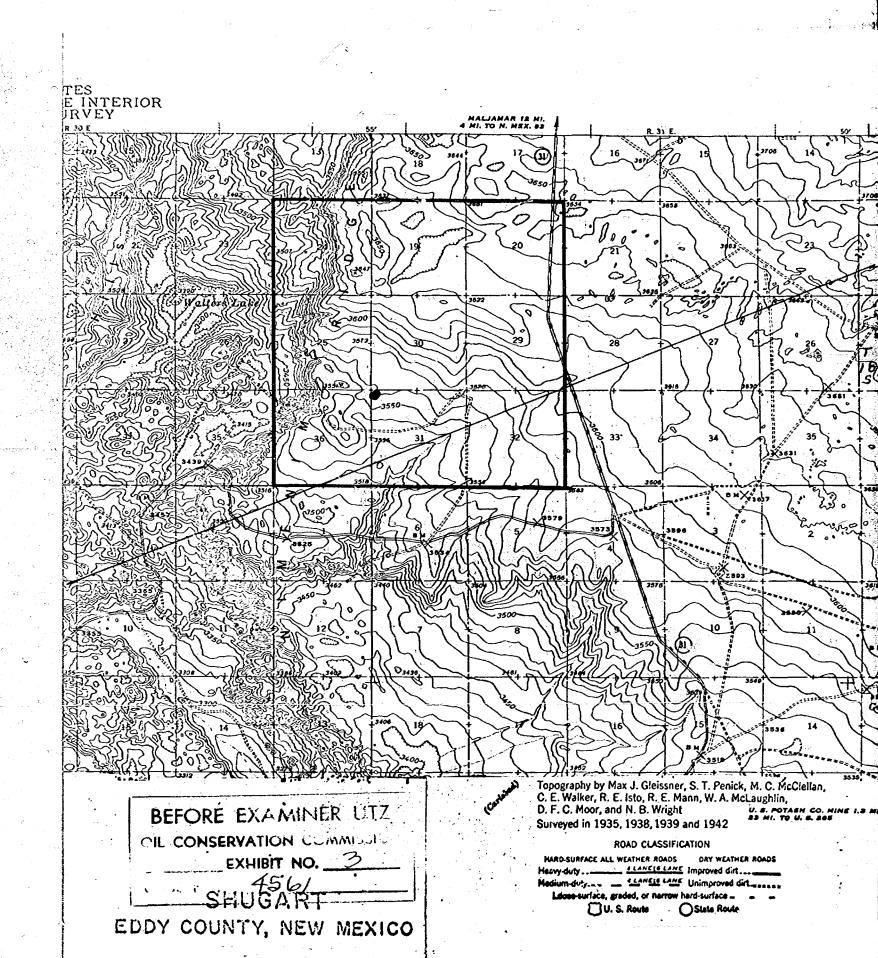
The records of the State Engineer Office do not reflect any fresh shallow water supplies in the area nor do they reflect that such shallow water supplies do not exist. The closest fresh water wells which have been noted in fairly comprehensive field checks of the area are those at the headquarters of the "Lusk" ranch in Sections 28 and 29, Township 19 South, Range 31 East, some live miles south and one mile east of the subject section, and shallow wells in the Clayton basin area in Sections 2 and 3, Township 20 South, Range 30 East, six and one-half miles south and two miles west of the subject section. It appears that surface drainage from Section 31, Township 18 South, Range 31 East, N.M.P.M., is directed towards the south and west.

Very truly yours,

Fred H. Hennighausen District II Supervisor

FHH*ji cc: Mr. A. J. Losee /

BEFORE EXAMINER	UTZ
OIL CONSERVATION COMM	
EXHIBIT NO	
CASE NO. 4561	



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STATE OF NEW MEXECO

STATE ENGINEER OFFICE

ROSWELL

ADDRESS CORRESPONDENCE TO:

P. O. BOX 1717 ROSWELL, NEW MEXICO 86201

S. E. REYNOLDS STATE ENGINEER

June 28, 1971

Drx care 456

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

Dear Sirs:

This letter is in response to a request by Mr. Raymond Lamb concerning fresh water supplies in the vicinity of Section 31, Township 18 South, Range 31 East, N.M.P.M., in the northeastern part of Eddy County, New Mexico.

The records of the State Engineer Office do not reflect any fresh shallow water supplies in the area nor do they reflect that such shallow water supplies do not exist. The closest fresh water wells which have been noted in fairly comprehensive field checks of the area are those at the headquarters of the "Lusk" ranch in Sections 28 and 29, Township 19 South, Range 31 East, some five miles south and one mile east of the subject section, and shallow wells in the Clayton basin area in Sections 2 and 3, Township 20 South, Range 30 East, six and one-half miles south and two miles west of the subject section. It appears that surface drainage from Section 31, Township 18 South, Range 31 East, N.M.P.M., is directed towards the south and west.

Very truly yours,

District II Supervisor

FHH*j1 cc: Mr. A. J. Losee

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LAW OFFICES

A. J. LOSEE

CARPER BUILDING - P. O. DRAWER 239 ARTESIA, NEW MEXICO 88210

10 June 1971

AREA CODE BOB 746-3508

Care 45-61

Mr. George Hatch, Attorney Oil Conservation Commission P. O. Box 2008 Santa Fe, New Mexico 87501

Dear Mr. Hatch:

JOEL M. CARSON

Enclosed herewith, you will please find three copies of the application of Great Plains Land Company for an exception to Order No. R-3221, as amended, Eddy County, New Mexico.

It is my understanding that this matter has been set for hearing before an examiner in Santa Fe, on June 30, 1971.

Very truly yours,

LOSEE & CARSON

AJL:jw Enclosures

Mr. A. L. Byrd Vice President, Production Great Plains Land Company 2500 Republic National Bank Tower Dallas, Texas 75201 w/enclosure

DOCKET MAKED

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
GREAT PLAINS LAND COMPANY FOR AN :
EXCEPTION TO ORDER NO. R-3221, AS :
AMENDED, OF THE OIL CONSERVATION :
COMMISSION :

Case No. 456/

APPLICATION

COMES GREAT PLAINS LAND COMPANY by its attorney,
A. J. Losee, and states:

- 1. Applicant is the operator of a well in the NW/4
 NW/4 Section 31, Township 18 South, Range 36 East, N.M.P.M.,
 Eddy County, New Mexico, currently producing approximately
 18 barrels of oil per day and 10 barrels of water per day.
- 2. Applicant requests an exception to Order No. R-3221, as amended, of the Oil Conservation Commission of New Mexico (the "Commission"), so that it may dispose of produced water from this well into an unlined surface pit on this lease.
- 3. The granting of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant prays:

- A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.
- B. That applicant be granted an exception to Order
 No. R-3221, as amended, of the Commission to permit the disposal of produced water from its well in the Shugart Pool into
 an unlined surface pit.

C. And for such other relief as may be just in the premises.

GREAT PLAINS LAND COMPANY

A. J. Losee P. O. Drawer 239 Artesia, New Mexico

Attorney for Applicant

DRAFT

GMH/dr

Hold order enter 28,1997

Hold order or July 28,1997

VATION COMMISSION

NEW MEXICO

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:

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	•	CASE No.	4561
4. (数分)	ž — į	Order No.	R-4165
APPLICATION OF GREAT		C	The state of the s
COMPANY FOR AN EXCE			
ORDER NO. R-3221, AS		$\langle i \rangle \wedge i \rangle = \mathcal{O} / \mathcal{O}$	
EDDY COUNTY NEW MEX	sico.)	11/0	
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	ORDER OF THE COMMI	<u> </u>	e de la companya de l

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 30 1971, at Santa Fe, New Mexico, before Examiner Elvis A. Utz

NCW, on this _____day of ____July ___, 1971, 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, Great Plains Land Company, is the the least Hebrel Well No. 1.

 owner and operator of a well located in the NW/4 NW/4 of Section 31,

 Township 18 South, Range 30 East, NMPM, Shugart Field, Eddy County,

 New Mexico.

-2-CASE NO. 4560 Order No. R-

- (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 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, Great Plains Land Company, seeks an exception to the provisions of the aforesaid Order (3) to

-3-CASE NO. 4560 Order No. R-

permit the disposal of salt water produced by well located in the NW/4 NW/4 of Section 31, Township 18 South, Range 20 East, NMPM, Shugart Field, Eddy County, New Mexico, in unlined surface pit located in the vicinity of said well.

- surface pit located in the vicinity of said well.

 (7) That there appears to be no water in the vicinity of the above-described well for which a present or reasonably foreseeable beneficial use is or will be impaired by contamination from an unlined surface pit located in the vicinity of the subject well.
- (8) That the applicant, Great Plains Land Company, should be permitted to utilize an unlined surface pit for the disposal of salt water produced by its well located on the above described section.

IT IS THEREFORE ORDERED:

(1) That the applicant, Great Plains Land Company, 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 well to located in the NW/4 NW/4 of Section 31, Township 18 South, Range 30 East, NMPM, Shugart Field, Eddy County, New Mexico, in an unlined surface pit located in the vicinity of said well.

CASE NO. 4560 Order No. R-

- 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.

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CASE 4562: Application of TEXAS OIL & GAS FOR AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY.