

Case Number
4561

Application

Transcripts

Small Exhibits

E T C.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DISPOSITIONS, 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

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

1 MR. UTZ: Case 4561.

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

5 If the examiner please, This case was heard on June
6 30, but there had been a mistake in the advertising, but we
7 went ahead and heard the case, the testimony concerning it,
8 and I recommend that an order be issued on the basis of the
9 evidence received June 30, 1971, if there is no objection
10 today.

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

13 MR. HATCH: Yes.

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

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dearnley-meier reporting service

1 STATE OF NEW MEXICO)
 2)
 3 COUNTY OF BERNALILLO)

4 I, LINDA MALONE, Court Reporter, do hereby certify that
 5 the foregoing and attached Transcript of Hearing before the
 6 New Mexico Oil Conservation Commission was reported by me;
 7 and that the same is a true and correct record of the said
 8 proceedings, to the best of my knowledge, skill and ability.

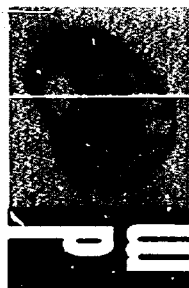
9 Linda Malone
 10 Court Reporter

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 22 I do hereby certify that the foregoing is
 23 a complete record of the proceedings in
 24 the Examiner hearing of Case No. 4561,
 25 heard by me on July 28, 1971.
Mike [Signature], Examiner
 New Mexico Oil Conservation Commission

dearnley-meier reporting service, inc.

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
June 30, 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

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

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

NAME	REPRESENTING	LOCATION
Ken Paterson	White Gelburt Kollar Kelly	Santa Fe
Joe A. Roney	N M O C C	Hobbs
Bob Christy	Dalport	Roswell
Jim M. Christy	Dalport	Dallas Tex
Jim Kram	U. S. G. S.	Artesia, N.M.
James E. Hinkle	Hinkle	Roswell
Lewis M. Williams	Tenneco	Midland, Tex
Jack M. M. Williams	Marathon Oil Co	Houston, Tex
Raymond W. Parker	Marathon Oil Co	Houston, Tex
Calvin E. Alton	Marathon Oil Co	Houston, Tex
Joe S. McClellan	McClellan	Roswell, N.M.
O. Hofer	Montgomery Fletcher	Santa Fe
Victor T. Lyon	Continental Oil Co	Hobbs
Monty J. Crist	Western States Prod Co	Midland
James Kellaher	Kellaher & Fox	Santa Fe
John J. Russell	Ingram	Roswell
Tom L. Ingram	Ingram	Roswell

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICOHearing Date JUNE 30, 1971TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
<i>J. Losee</i>	<i>Losee & Pearson</i>	<i>Artesia</i>
<i>Brent Watson</i>	<i>Texas Oil & Gas</i>	<i>Midland</i>
<i>Gregory Thompson</i>	<i>Texas Oil & Gas</i>	<i>Midland</i>
<i>Wm. J. Mikami</i>	<i>P.W. Byram & Co.</i>	<i>Santa Fe</i>
<i>Sterling J. Dallery</i>	<i>Penroc Oil Corp.</i>	<i>Midland</i>

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

4 Case 4561.

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

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

12 (Witness sworn.)

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

15 N. RAYMOND LAMB,

16 having been first duly sworn, testified as follows:

17 DIRECT EXAMINATION

18 BY MR. LOSEE:

19 Q Will you state your name, please?

20 A N. Raymond Lamb.

21 Q Where do you live, Mr. Lamb?

22 A Artesia, New Mexico.

23 Q What is your occupation?

24 A Petroleum engineer.

25 Q 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 of Great Plains Land Company in this Case 4561?

9 A Yes. I have examined the situation as to their application.

10 Q 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 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 examined.
19 The small red forty-acre square is the acreage involved
20 in the application.

21 Q 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 Q Where is the pit located in which the water is --
2 produced water is proposed to be disposed of?

3 A 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 Q 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 Q What efforts have you made, Mr. Lamb, to determine
16 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 Q Now, is this a ranching area?

23 A Yes, solely ranching.

24 Q Have you had occasion to make inquiry of Mr. Henninghausen,
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 Henninghausen 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 Q 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 in connection with this application?

15 A The area to the southwest is in the potash area, where
16 the disposal of water from the potash mines is permitted
17 and there is not any known fresh water in the area.

18 Q Do you have an opinion as to whether or not there is any
19 fresh water sand existing near this Great Plains Lease?

20 A I know of none.

21 Q 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 immediate
24 area. It shows the high area to be in the northwest
25 corner, with an elevation of about 3700 feet. The

1 elevation at the Great Plains location is approximately
2 3550 feet and on to the southwest the elevation decreases
3 to about 3550 or less, which supports the indication that
4 the drainage area is to the southwest.

5 Q Now, I notice a blue line running from northeast to
6 southwest. What is meant by this blue line?

7 A This line is the approximate location of a potash water
8 supply line from the Caprock area to the potash mine and
9 along this line the ranchers have secured permission to
10 acquire stock water at various locations and there are
11 stock tanks along this line which supply the ranching
12 water in this area.

13 Q Do you have an opinion as to whether this application
14 will prevent waste and protect correlative rights?

15 A It should prevent waste and give the operator a longer
16 life on his production.

17 Q You have already referred to Exhibit Four as being simply
18 the Commission's records of production from this well.

19 A That's correct.

20 Q With the exception of the Commission record and the
21 letter from Mr. Henninghausen, were the other exhibits
22 prepared by you or under your direction?

23 A They were.

24 MR. LOSEE: We move the introduction of Applicant's
25 1 through 4.

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

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

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

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

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

17 Questions of the witness? He may be excused.

18 (Witness excused.)

19 MR. UTZ: Statements? The case will be taken under
20 advisement.
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I N D E X

WITNESS

PAGE

N. RAYMOND LAMB

Direct Examination by Mr. Losee

2

E X H I B I T S

Applicant's 1 through 4

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1 STATE OF NEW MEXICO)
 2) ss
 3 COUNTY OF BERNALILLO)

4 I, BRENDA BURKS, Court Reporter in and for the County
 5 of Bernalillo, State of New Mexico, do hereby certify that
 6 the foregoing and said Transcript of Hearing before the
 7 New Mexico Oil Conservation Commission was reported by me;
 8 and that the same is a true and correct record of the said
 9 proceedings to the best of my knowledge, skill and ability.

10 Brenda Burks
 11 Court Reporter

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 22 I do hereby certify that the foregoing is
 23 a complete record of the proceedings in
 24 the hearing of case no. 4561,
 25 do hereby on 6-30-71.

John P. [Signature], Examiner
 New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

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

GOVERNOR
BRUCE KING
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

July 28, 1971

Mr. A. J. Losee
Attorney at Law
Post Office Box 239
Artesia, New Mexico 88210

Re: Case No. 4561

Order No. R-4165

Applicant:

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.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC **x**

Artesia OCC x

Aztec OCC

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 4561
Order No. R-4165

APPLICATION OF GREAT PLAINS LAND
COMPANY 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 June 30, 1971,
at Santa Fe, New Mexico, before Examiner Elvis A. Uta.

NOW, 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 Pure-Federal Well No. 1, located in
the NW/4 NW/4 of Section 31, Township 18 South, Range 31 East,
ENPM, Shugart Field, Eddy County, New Mexico.

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

CASE 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 NW/4 NW/4 of Section 31, Township 18 South, Range 31 East, NMPM, 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 No. 1 located in the NW/4 NW/4 of Section 31, Township 18 South, Range 31 East, NMPM, Shugart Field, Eddy County, New Mexico, 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 whenever it reasonably appears to the Secretary-Director that such rescission would serve to protect fresh water supplies from contamination.

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

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

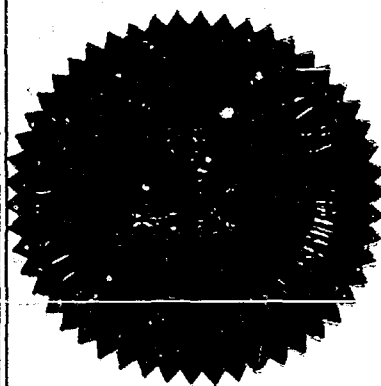
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Bruce King
BRUCE KING, Chairman

Alex J. Arriaga
ALEX J. ARRIAGA, Member

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

S E A L



dx/

Docket No. 16-71

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 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 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 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 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

-3-

- 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 No. 13-71

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 as 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 cause, 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 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: 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

(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.

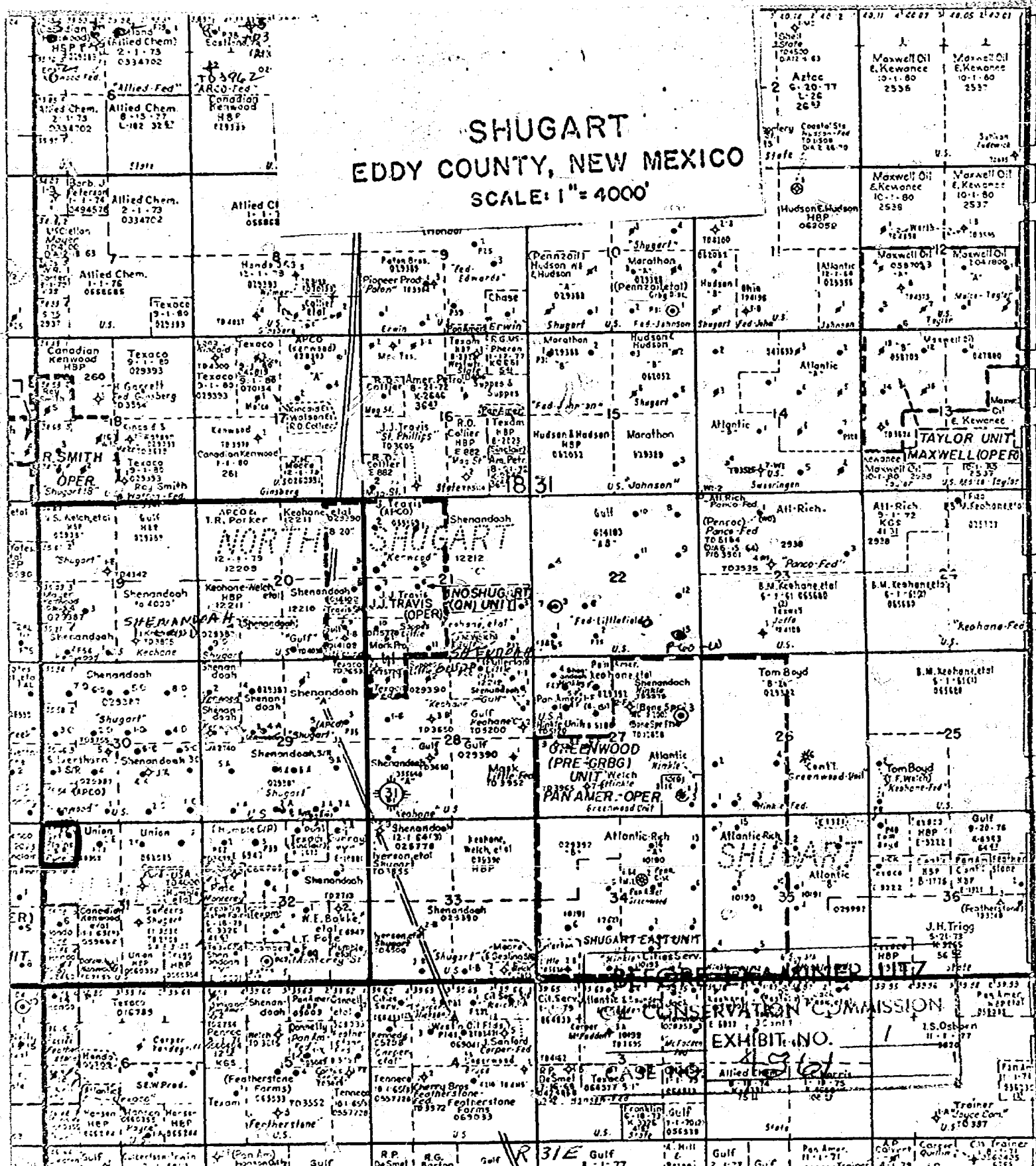
CASE 4563: Application of Corinne Grace for special gas-oil ratio limitation and pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce her State Well No. 1 located in Unit A of Section 1, Township 15 South, Range 29 East, Double L-Queen 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 comprising 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, Bluit-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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18
S





STATE OF NEW MEXICO

STATE ENGINEER OFFICE

ROS WELL

S. E. REYNOLDS
STATE ENGINEER

ADDRESS CORRESPONDENCE TO:
P. O. BOX 1717
ROS WELL, 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 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,

Fred H. Hennighausen
District II Supervisor

FHH*j1

cc: Mr. A. J. Losee ✓

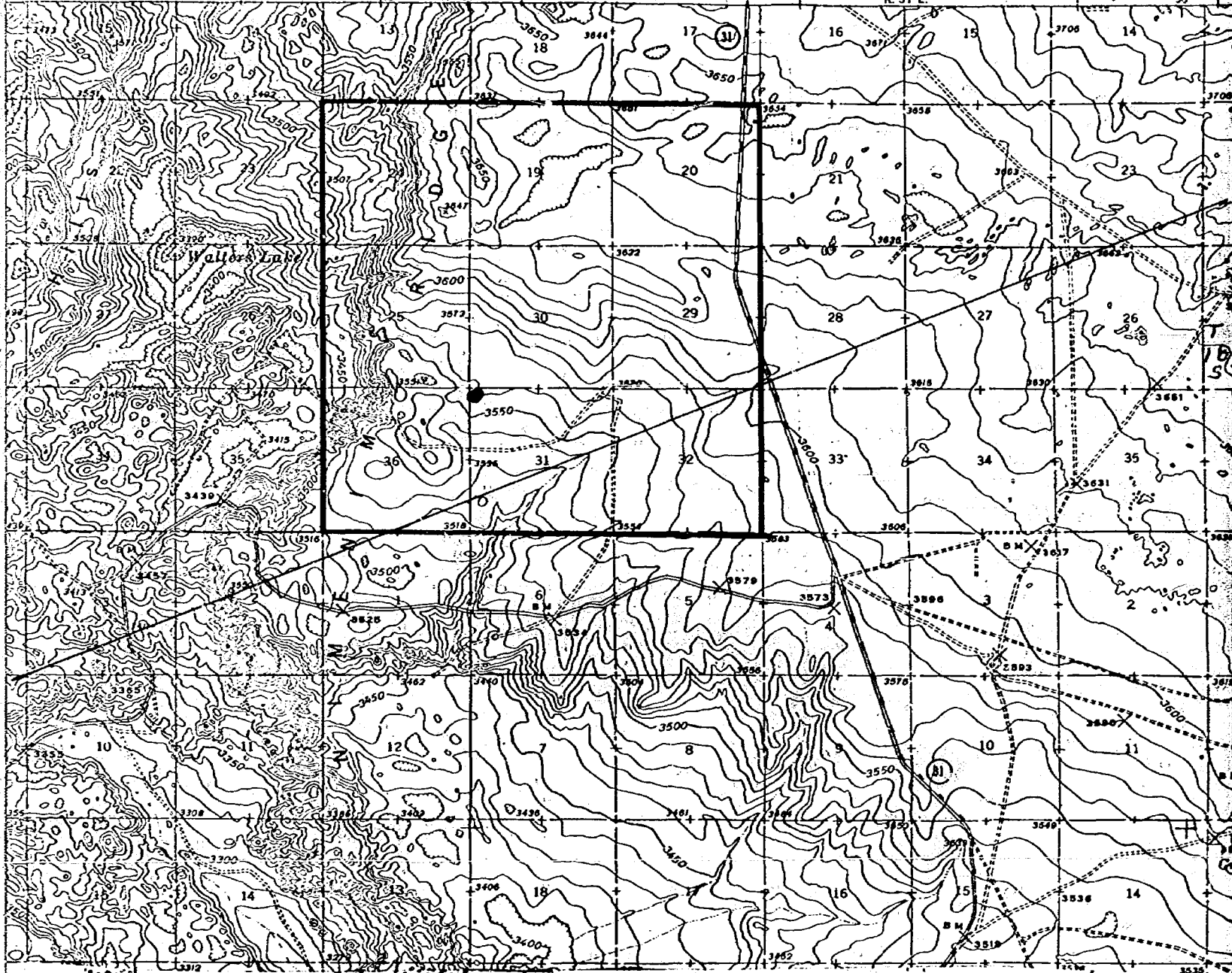
BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	2
CASE NO.	4561

TES
E INTERIOR
URVEY

R 30 E

MALJAMAR 12 MI.
4 MI. TO N. MEX. B2

R 31 E



BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

EXHIBIT NO. 3

4561
SHUGART

EDDY COUNTY, NEW MEXICO

Topography by Max J. Gleissner, S. T. Penick, M. C. McClellan,
C. E. Walker, R. E. Isto, R. E. Mann, W. A. McLaughlin,
D. F. C. Moor, and N. B. Wright
Surveyed in 1935, 1938, 1939 and 1942

U. S. POTASH CO. MINE 1.3 MI.
83 MI. TO U. S. B2

ROAD CLASSIFICATION

HARD-SURFACE ALL WEATHER ROADS DRY WEATHER ROADS
Heavy-duty... 2 LANE 2 LANE Improved dirt...
Medium-duty... 2 LANE 2 LANE Unimproved dirt...
Loose-surface, graded, or narrow hard-surface...
U. S. Route State Route

WELL	DESCRIPTION	M	OIL ALLOWABLE	OIL PRODUCTION	WATER PRODUCTION	GAS PRODUCTION	GAS DISPOSITION				DAYS	WELL	CUMULATIVE OIL O/P	OIL RUNS		ENDING OIL STORAGE	LAND CODES
							VOLUME	DISP	VOLUME	DISP	PROD	COUNT		VOLUME	DISP		
21	25 185 31E LEASE TOTAL	150P	87	175	17	61	*****	*****	*****	*****	30	2		212TNM		206	
COMPANY	1560	748	64	*****	*****	*****	*****	*****	*****	*****	30	7		598		640	
C AND K PETROLEUM INC				*****	*****	*****	*****	*****	*****	*****	30	4		457TNM		168	
MONTE REY STATE	180P	101	85	*****	*****	*****	*****	*****	*****	*****	30	4		457		168	
1N 322 185 31E	180P	154	85	*****	*****	*****	*****	*****	*****	*****	30	4		457		168	
20 322 185 31E	240P	101	85	*****	*****	*****	*****	*****	*****	*****	30	4		457		168	
3C 322 185 31E	180P	101	85	*****	*****	*****	*****	*****	*****	*****	30	4		457		168	
4E 322 185 31E	180P	101	85	*****	*****	*****	*****	*****	*****	*****	30	4		457		168	
COMPANY	780	405	796	*****	*****	*****	*****	*****	*****	*****	30	4		457		168	
GEORGE A. CHASE				*****	*****	*****	*****	*****	*****	*****	30	4		457		168	
ERMIN FEDERAL	90P	90	1	*****	*****	*****	*****	*****	*****	*****	30	4		457		168	
1P 9 185 31E				*****	*****	*****	*****	*****	*****	*****	30	4		457		168	
DONNELLY DRILLING COMPANY				*****	*****	*****	*****	*****	*****	*****	30	4		457		168	
Y 16 195 31E	30P	22	44	*****	*****	*****	*****	*****	*****	*****	30	4		176TNM		208	
FEATHERSTONE FEDERAL	120P	22	44	*****	*****	*****	*****	*****	*****	*****	30	4		185TNM		119	
1H 5 195 31E	120P	22	44	*****	*****	*****	*****	*****	*****	*****	30	4		361		327	
2A 5 195 31E	240	44	*****	*****	*****	*****	*****	*****	*****	*****	30	4					
COMPANY	270	44	*****	*****	*****	*****	*****	*****	*****	*****	30	4					
FEATHERSTONE FARMS, LTD.				*****	*****	*****	*****	*****	*****	*****	30	4					
FEATHERSTONE FEDERAL	31E			*****	*****	*****	*****	*****	*****	*****	30	4					
1J 4 195 31E				*****	*****	*****	*****	*****	*****	*****	30	4					
GREAT PLAINS LAND COMPANY				*****	*****	*****	*****	*****	*****	*****	30	4					
PURE ID 31 185 31E	570P	541	210	*****	*****	*****	*****	*****	*****	*****	30	4		698TNM		137	
GULF OIL CORPORATION				*****	*****	*****	*****	*****	*****	*****	30	4					
KEDWANE 21 185 31E	210P	89	80	*****	*****	*****	*****	*****	*****	*****	30	4					
LITTLEFIELD AB FEDERAL	270P	198	270	*****	*****	*****	*****	*****	*****	*****	30	4					
2N 222 185 31E	270P	198	270	*****	*****	*****	*****	*****	*****	*****	30	4					
4E 222 185 31E	720P	466	270	*****	*****	*****	*****	*****	*****	*****	30	4					
5K 222 185 31E	600P	555	270	*****	*****	*****	*****	*****	*****	*****	30	4					
7L 222 185 31E	1680P	119	380	*****	*****	*****	*****	*****	*****	*****	30	4					
8H 222 185 31E	1680P	106	380	*****	*****	*****	*****	*****	*****	*****	30	4					
10B 222 185 31E	1680P	106	380	*****	*****	*****	*****	*****	*****	*****	30	4					
11G 222 185 31E	1680P	106	380	*****	*****	*****	*****	*****	*****	*****	30	4					
12I 222 185 31E	1680P	106	380	*****	*****	*****	*****	*****	*****	*****	30	4					
13P 222 185 31E	1680P	106	380	*****	*****	*****	*****	*****	*****	*****	30	4					
COMPANY	9480	6171	4370	*****	*****	*****	*****	*****	*****	*****	30	4		6200TNM		852	
HANSON OIL CORPORATION				*****	*****	*****	*****	*****	*****	*****	30	4		6200		852	
GINSEBERG FEDERAL	90P	33	40	*****	*****	*****	*****	*****	*****	*****	30	4					
1D 225 185 30E	120P	45	40	*****	*****	*****	*****	*****	*****	*****	30	4					
2J 225 185 30E	990P	366	439	*****	*****	*****	*****	*****	*****	*****	30	4		640TNM		469	
3K 225 185 30E	990P	366	439	*****	*****	*****	*****	*****	*****	*****	30	4		640TNM		469	
4L 225 185 30E	990P	366	439	*****	*****	*****	*****	*****	*****	*****	30	4		640TNM		469	
COMPANY	2190	810	971	*****	*****	*****	*****	*****	*****	*****	30	4		640		242	
HODGES FEDERAL				*****	*****	*****	*****	*****	*****	*****	30	4				712	
1P 6 195 31E	60P	41	*****	*****	*****	*****	*****	*****	*****	*****	30	4					
COMPANY	2250	851	971	*****	*****	*****	*****	*****	*****	*****	30	4					

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 4
CASE NO. 456



STATE OF NEW MEXICO

STATE ENGINEER OFFICE

ROSWELL

S. E. REYNOLDS
STATE ENGINEER

ADDRESS CORRESPONDENCE TO:

P. O. BOX 1717
ROSWELL, NEW MEXICO
86201

June 28, 1971

Case 4561

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.

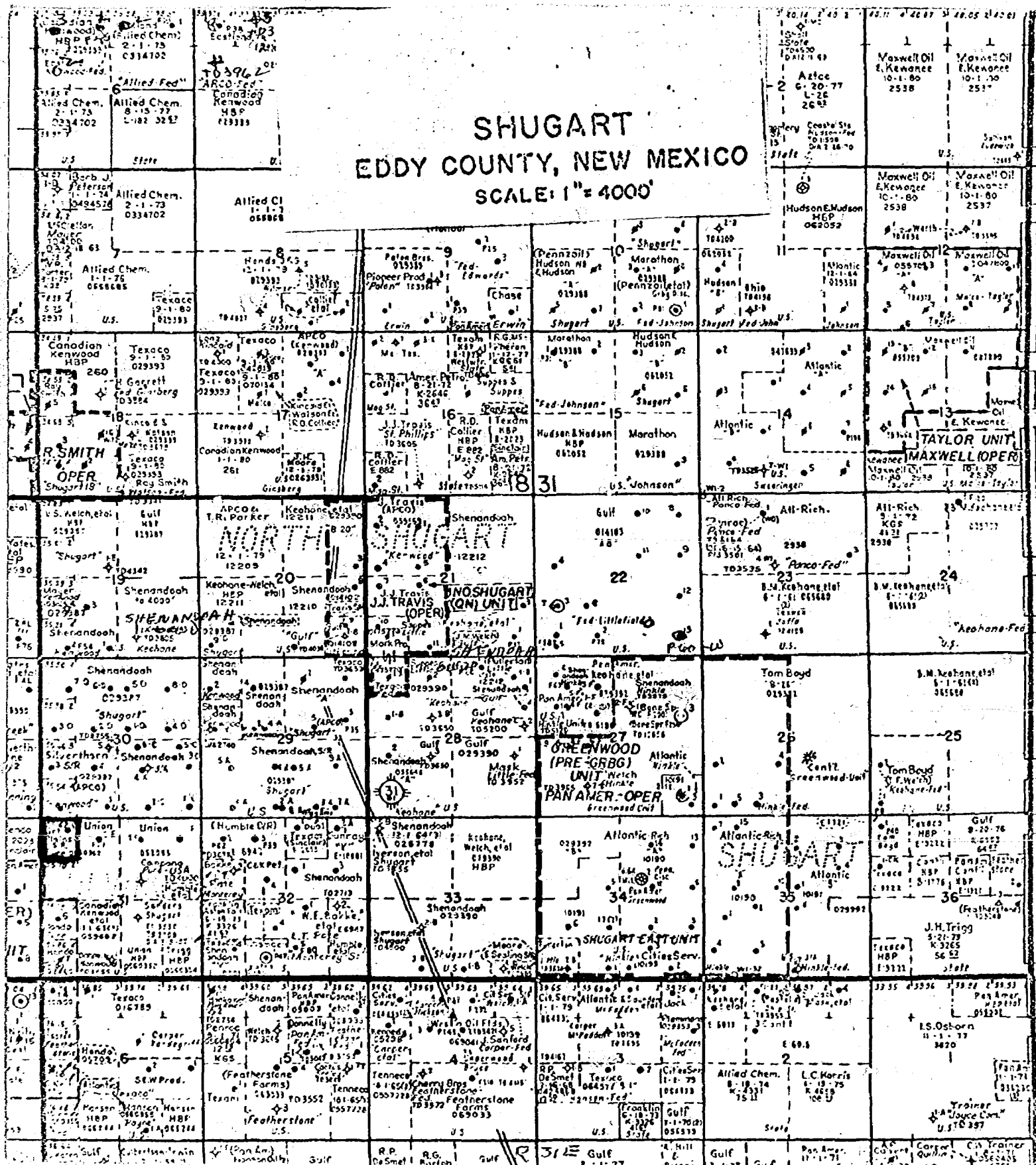
Very truly yours,

Frederick H. Hennighausen
Frederick H. Hennighausen
District II Supervisor

FHH*j1

cc: Mr. A. J. Losee

SHUGART
EDDY COUNTY, NEW MEXICO
SCALE: 1" = 4000'



JOEL M. CARSON

LAW OFFICES
A. J. LOSEE
CARPER BUILDING - P. O. DRAWER 239
ARTESIA, NEW MEXICO 88210

AREA CODE 505
746-3508

10 June 1971

71 JUN 14 AM 8 21

Case 4561
[Signature]

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

Dear Mr. Hatch:

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

[Signature]
A. J. Losee

AJL:jw
Enclosures

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

DOCKET MAILED

DOCKET MAILED

Date 7-16-71

Date 6-15-71

71 JUN 14 AM 8 20

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.

4561

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 30 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 dis-
posal 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

By: 

A. J. Losee

P. O. Drawer 239

Artesia, New Mexico

Attorney for Applicant

DRAFT

GMH/dr

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. 4561

Order No. R-4165

APPLICATION OF GREAT PLAINS LAND
COMPANY 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 June 30, 1971,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, 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
owner and operator of ^{the Pure School Well No. 1,} ~~a well~~ located in the NW/4 NW/4 of Section 31,
Township 18 South, Range ^{3/}~~20~~ East, NMPM, Shugart Field, Eddy County,
New Mexico.

*Had order until case
is called on July 28, 1971
as it must be rescheduled
JH*

(initials)

SMH

(signature)

(signature)

(signature)
7-2-71

-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 ^{the} well located in the NW/4 NW/4 of Section 31, Township 18 South, Range ~~30~~³¹ East, NMPM, 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} ~~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 No. 1} ~~well~~ located in the NW/4 NW/4 of Section 31, Township 18 South, Range ~~30~~³¹ East, NMPM, Shugart Field, Eddy County, New Mexico, in an unlined surface pit located in the vicinity of said well.

-4-

CASE NO. 4560

Order No. R-

(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 4561

Heard 6-30-71

Rec. 7-1-71

Grant Great Plains an exception
to R-3221 to dispose of produced
water from this Pure Oil lease
~~that~~ NW NW 31-18-31E.

Hold for Readmittance 7-28-71
due to Rge being ~~30~~ ³¹ ~~days~~

[Signature]

app. of G. Plains Land Co.
for exception no. 3221 -
one well in NW/4 Sec 31
T18S - 30E

June 30, 1971

Shugart area -
Eddy -

Jerry Lasse

Case 4561

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