

CASE 5699: DALPORT OIL CORP. FOR  
AN EXCEPTION TO THE PROVISIONS OF  
ORDER NO. R-3221, CHAVES COUNTY

CASE NO.

5699

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

DALPORT OIL CORPORATION

1134 THE 600 BUILDING

CORPUS CHRISTI, TEXAS 78401

May 27, 1977

CODE 512-882-7863

Mr. Dick Stamets  
N.M.O.C.C.  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Case 5699, Order No. R-5236,  
Jones-Fed #3  
NE SW Sec. 22, 15S-29E

Dear Sir:

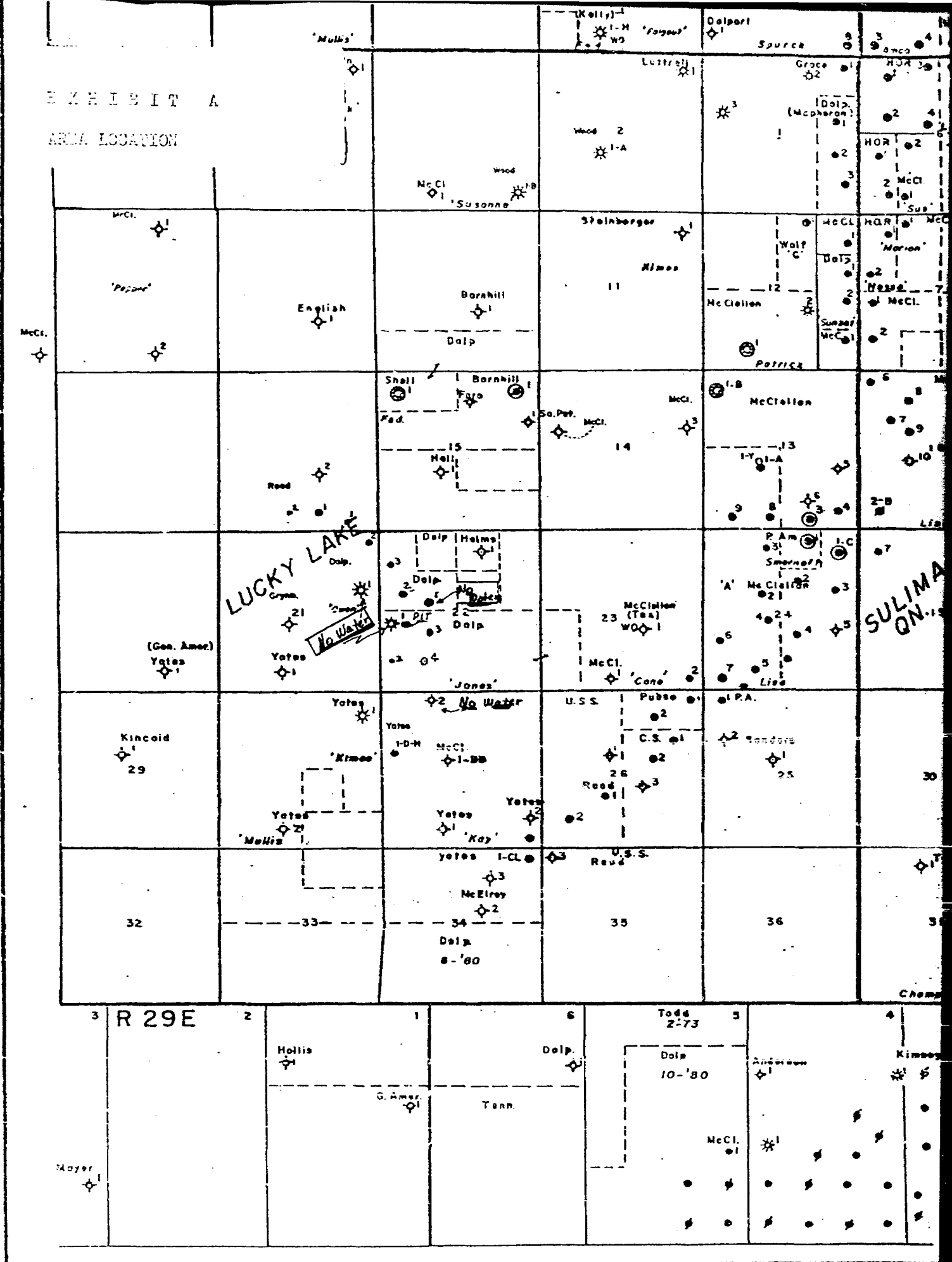
The above order authorized Dalport to dispose of water into an unlined surface pit in the NW SW Sec. 22, 15S-29E until August 1, 1977. We are now using a 210 bbl. fiberglass tank for storage of produced water and are periodically hauling it out by truck. Therefore, renewal of this order will be unnecessary on August 1, 1977.

Very truly yours,

  
Leon M. Lampert

LML:Hcw

### AREA LOCATION



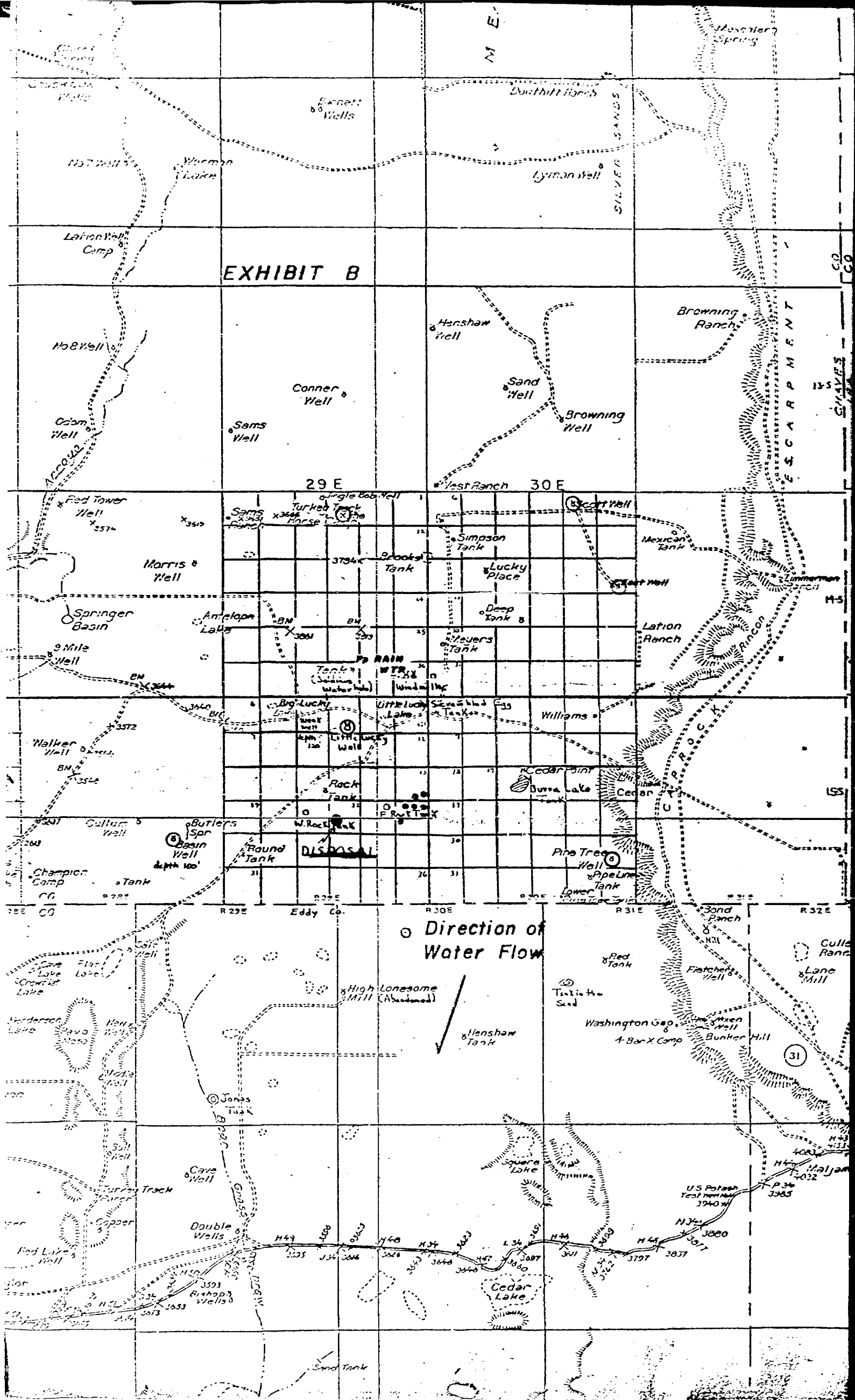
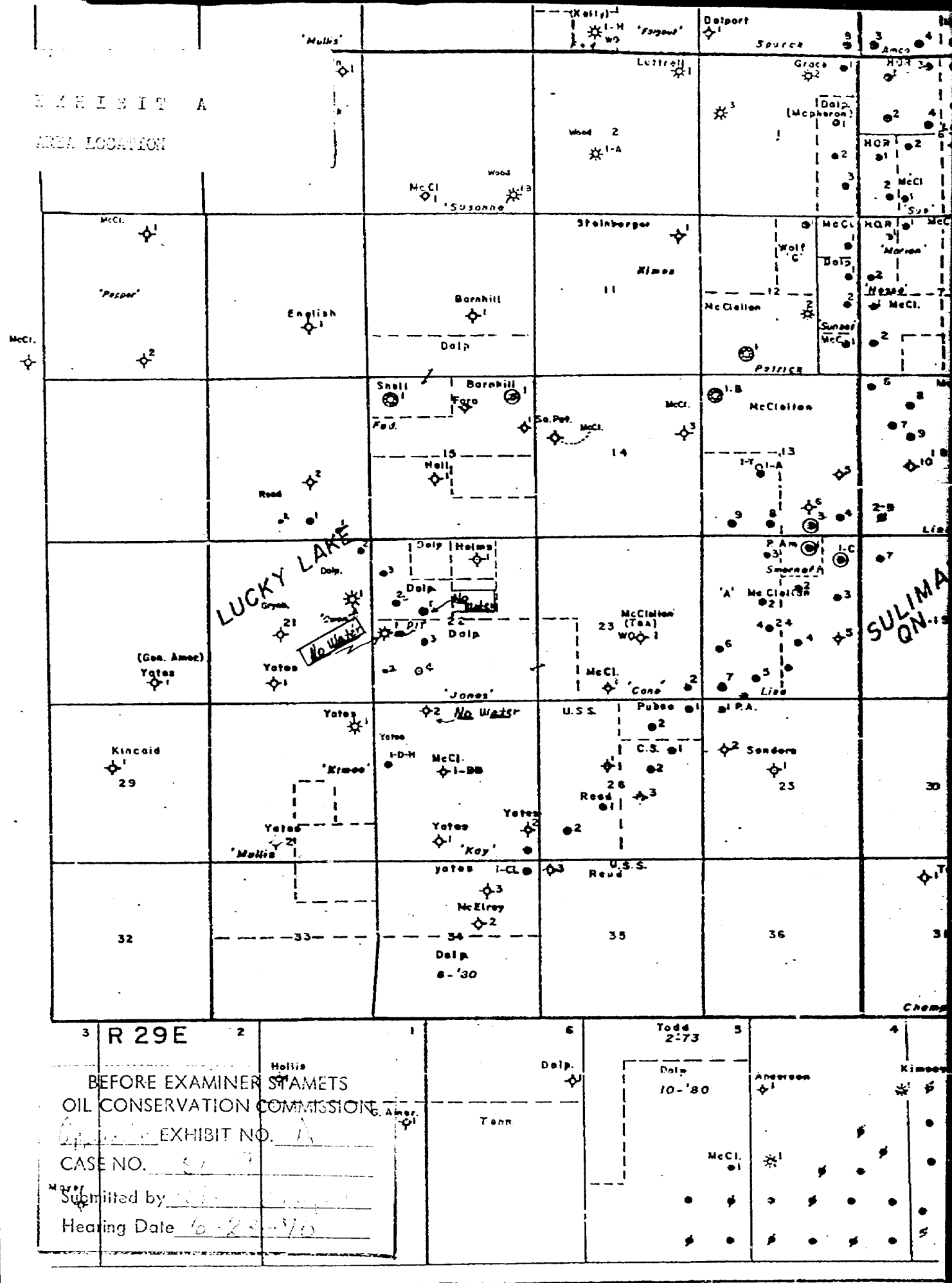


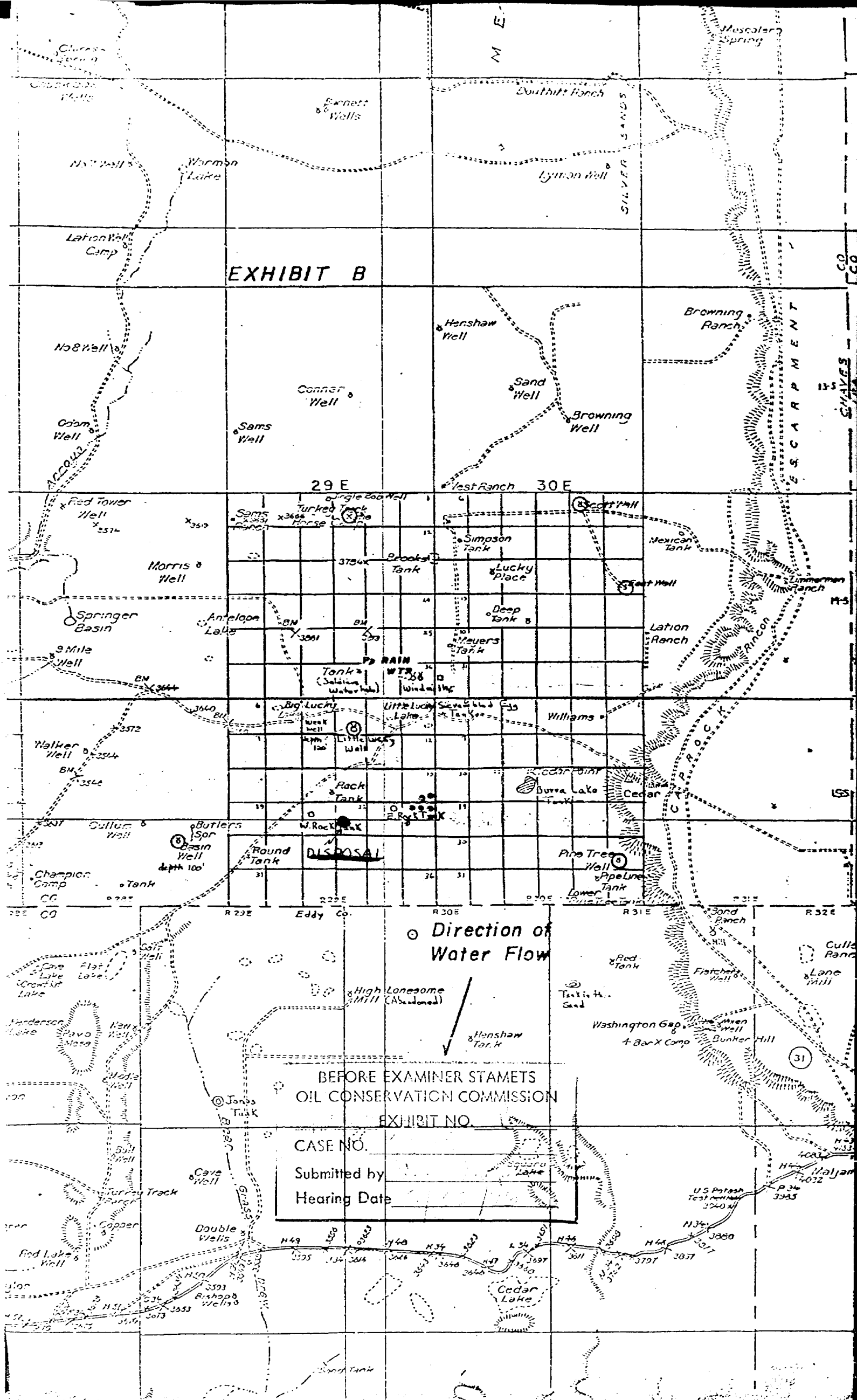
EXHIBIT B

Direction of  
Water Flow

# EXHIBIT A

## AREA LOCATION





Dockets Nos. 19-76 and 20-76 are tentatively set for hearing on July 7 and July 21, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 23, 1976

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

The following cases will be heard before Richard L. Stumetz, Examiner, or Daniel S. Hutter, Alternate Examiner:

CASE 5689: (Continued from June 9, 1976 Examiner Hearing)

Application of Dalport Oil Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jones Federal Well No. 4 to be drilled 993 feet from the South line and 1477 feet from the West line of Section 22, Township 15 South, Range 29 East, South Lucky Lake-Queen Pool, Chaves County, New Mexico.

CASE 4843: (Reopened) (Continued from June 9, 1976 Examiner Hearing)

In the matter of Case 4843 being reopened pursuant to the provisions of Order No. R-4435-A, which order extended the special pool rules for the Southeast Chaves Queen Gas Area, Chaves County, New Mexico, including a provision for 320-acre spacing and proration units for gas wells. All interested parties may appear and show cause why said Order No. R-4435 should not be rescinded.

CASE 5695: Application of Yates Petroleum Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its J Lazy J Well No. 13, to be drilled as the 5th well on the 40-acre tract, in the center of Unit G, of Section 22, Township 17 South, Range 25 East, Eagle Creek-San Andres Pool, Eddy County, New Mexico.

CASE 5696: Application of Yates Petroleum Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Eagle Creek-San Andres Pool by the injection of water into the San Andres formation through its J Lazy J Wells Nos. 3, 6, 9, and 11, all located in Unit G of Section 22, Township 17 South, Range 25 East, Eddy County, New Mexico.

CASE 5697: Application of Elk Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Northeast Kemnitz Unit Area comprising 3520 acres, more or less, of State land in Township 16 South, Range 34 East, Lea County, New Mexico.

CASE 5698: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle South Blanco-Pictorial Cliffs and Blanco Mesaverde gas production in the wellbore of its San Juan 23-7 Unit Well No. 82 located in Unit A of Section 4, Township 27 North, Range 7 West, Rio Arriba County, New Mexico.

CASE 5699: Application of Dalport Oil Corporation for an exception to the provisions of Order No. R-3221, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to dispose of, into earthen pits, produced salt water from its Jones-Federal Well No. 3 located in Unit E of Section 22, Township 15 South, Range 29 East, South Lucky Lake-Queen Pool, Chaves County, New Mexico.

CASE 5700: Application of Morris R. Antweil for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 24, Township 20 South, Range 27 East, Eddy County, New Mexico, to be dedicated to a proposed gas well to be drilled at an orthodox location in the S/2 of said Section 24. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

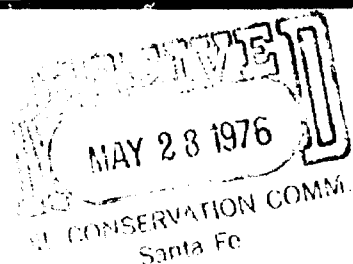
CASE 5701: Application of Arahco, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres, Abo and Paddock formations through the perforated interval from approximately 5245 feet to 5439 feet and the open-hole interval from approximately 8528 feet to 8900 feet in its State SWD Well No. 2, located in Unit F of Section 2, Township 17 South, Range 36 East, Lovington Field, Lea County, New Mexico.

CASE 5702: Application of Cities Service Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Tith Gas Pool and Brinkard Oil Pool production in the wellbore of its Brunson "B" Well No. 7 located in Unit N of Section 3, Township 22 South, Range 37 East, Lea County, New Mexico.



Case 5699

DALPORT OIL CORPORATION  
1134 THE 600 BUILDING  
CORPUS CHRISTI, TEXAS 78401



CODE 512-882-7863

May 25, 1976

Mr. Bill Carr  
NMOCC  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Dalport Oil Jones-Federal  
Lease, S $\frac{1}{2}$  Sec. 22, 15S-29E  
Chaves County, New Mexico

Dear Sir:

Dalport completed the #3 Jones-Federal, 1980' FS & 1650' FWL Sec. 22, 15S-29E on May 14, 1976 for 50 BOPD plus 21 bbls of load water. As the well is now producing 18 BSWPD we respectfully request an exception to R3221, and that the pit hearing be placed on June 23rd docket.

Very truly yours,

  
Leon M. Lampert

cc: Sim Christy IV  
P. O. Box 1180  
Roswell, New Mexico 88201

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:

5699  
CASE NO. ~~5612~~ ~~5669~~  
Order No. R-~~5154~~  
R-5236

APPLICATION OF DALPORT OIL CORPORATION  
FOR AN EXCEPTION TO ORDER NO. R-3221,  
AS AMENDED, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on ~~January 7~~ <sup>June 23</sup>, 1976,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this ~~14th~~ <sup>24th</sup> day of ~~January~~ <sup>June</sup>, 1976, 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, Dalport Oil Corporation, is the  
owner and operator of the ~~State C~~ Well, No. ~~000000~~ 3, located  
in Units ~~of the~~ <sup>Lake Queen Pool</sup> of Section 22, Township 15  
South, Range 29 East, NMPM, ~~Double L Queen Associated Pool, South Lake~~  
Chaves 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 as an exception to the provisions of the aforesaid Order (3) to permit the disposal of salt water produced by applicant's above-described wells into an unlined surface pit located in Unit ~~of~~ of said Section ~~22~~ 22.

(7) That applicant's <sup>Jones Federal No. 3</sup> Well ~~on said lease~~ produces approximately ~~10~~ <sup>17</sup> barrels of water per day.

(8) 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.

(9) That the nature of the reservoir of ~~the~~ said South Lucky Lake - Queen Pool is such that reinjection of produced water into said reservoir would result in greater ultimate recovery of oil and gas ~~therefrom~~ ~~said pool~~ thereby preventing waste.

(10) That to prevent the waste of oil and gas in ~~the~~ said South Lucky Lake - Queen Pool, a permanent authority to dispose of produced water from applicant's Jones Federal Well No 3 in an unlined surface pit on said lease should not be granted.

(11) That the applicant should be permitted to dispose of water produced from ~~the~~ said Jones Federal Well No. 3 in an unlined surface pit on said lease until August 1, 1977.

IT IS THEREFORE ORDERED:

(1) That the applicant, Dalport Oil Corporation, 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, from its ~~State~~ <sup>Public</sup> Wells Nos. ~~1, 2, and 3~~, located in Units ~~D, E, and I~~ <sup>D, E, and I</sup> respectively, of Section ~~22~~ <sup>22</sup> Township 15 South, Range ~~29~~ <sup>29</sup> East, ~~Double-I Queen~~ <sup>Double-I Queen</sup> ~~Associated Pool~~, Chaves County, New Mexico, in an unlined surface pit located in Unit ~~1~~ <sup>1</sup> of said Section ~~22~~ <sup>22</sup> *until August 1, 1977*

*lucky he he - Queen*

(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.



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. 5699  
Order No. R-5236

APPLICATION OF DALPORT OIL CORPORATION  
FOR AN EXCEPTION TO ORDER NO. R-3221,  
AS AMENDED, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 23, 1976,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th day of July, 1976, 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, Dalport Oil Corporation, is the  
owner and operator of the Jones Federal Well No. 3, located in  
Unit K of Section 22, Township 15 South, Range 29 East, NMPM,  
South Lucky Lake-Queen Pool, Chaves 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 as an exception to the provisions of the aforesaid Order (3) to permit the disposal of salt water produced by applicant's above-described well into an unlined surface pit located in Unit L of said Section 22.

(7) That applicant's Jones Federal Well No. 3 produces approximately 17 barrels of water per day.

(8) 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.

(9) That the nature of the reservoir of said South Lucky Lake-Queen Pool is such that reinjection of produced water into said reservoir would result in greater ultimate recovery of oil and gas therefrom thereby preventing waste.

(10) That to prevent the waste of oil and gas in said South Lucky Lake-Queen Pool, permanent authority to dispose of produced water from applicant's Jones Federal Well No. 3 in an unlined surface pit on said lease should not be granted.

(11) That the applicant should be permitted to dispose of water produced from said Jones Federal Well No. 3 in an unlined surface pit on said lease until August 1, 1977.

IT IS THEREFORE ORDERED:

(1) That the applicant, Dalport Oil Corporation, 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, from its Jones Federal Well No. 3, located in Unit K of Section 22, Township 15 South, Range 29 East, South Lucky Lake-Queen Pool, Chaves County, New Mexico, in an unlined surface pit located in Unit L of said Section 22, until August 1, 1977.

(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 the water supplies from contamination.

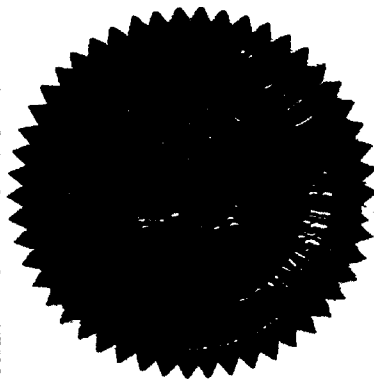
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-

Case No. 5699  
Order No. R-5236

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

A handwritten signature in cursive script, likely belonging to Emery C. Arnold.

EMERY C. ARNOLD, Member

A handwritten signature in cursive script, likely belonging to Joe D. Ramey.

JOE D. RAMEY, Member & Secretary

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
June 23, 1976

EXAMINER HEARING

-----  
IN THE MATTER OF: )  
 )  
Application of Dalport Oil Corporation ) CASE  
for an exception to the provisions of ) 5699  
Order No. R-3221, Chaves County, )  
New Mexico. )  
-----

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil	William F. Carr, Esq.
Conservation Commission:	Legal Counsel for the Commission
	State Land Office Building
	Santa Fe, New Mexico
For the Applicant:	Sim B. Christy, IV, Esq.
	JENNINGS, CHRISTY & COPPLE
	Attorneys at Law
	P. O. Box 1180
	Roswell, New Mexico

sid morrish reporting service  
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

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I N D E X

Page

LEON LAMPERT

Direct Examination by Mr. Christy

3

Cross Examination by Mr. Stamets

7

EXHIBIT INDEX

Page

Applicant's Exhibit A, Map

10

Applicant's Exhibit B, Map

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Phone (505) 982-2112

1 MR. STAMETS: At this time we will take Case 5699  
2 out of order.

3 MR. CARR: Case 5699, application of Dalport Oil  
4 Corporation for an exception to the provisions of Order No.  
5 R-3221, Chaves County, New Mexico.

6 MR. CHRISTY: Sim Christy, Jennings, Christy and  
7 Copple for the applicant. We have one witness, Mr. Lampert.

8 MR. STAMETS: The record will reflect that this is  
9 the same witness, previously sworn and he is still sworn in  
10 this case.

11  
12 LEON LAMPERT

13 called as a witness, having been previously sworn, was  
14 examined and testified as follows:

15  
16 DIRECT EXAMINATION

17 BY MR. CHRISTY:

18 Q And you advised us of your name, et cetera, and  
19 your qualifications in the prior hearing did you not?

20 A Yes.

21 Q Are you familiar with what is sought in the applica-  
22 tion in Case 5699?

23 A Yes, sir, this is the same area that is an  
24 unorthodox in --

25 Q Case 5689?

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*General Court Reporting Service*  
 825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
 Phone (505) 982-9212

1 A. Right.

2 Q. The same area?

3 A. The same lease. Exhibit A --

4 Q. Excuse me, Exhibit A.

5 A. All right.

6 (THEREUPON, a discussion was held off  
 7 the record.)

8 Q. (Mr. Christy continuing.) Now, you started to  
 9 refer to Exhibit A?

10 A. Yes, sir, on this Jones Lease we were not making  
 11 any water until we drilled our No. 3 Jones in the northeast  
 12 of the southwest about two months ago. That well tested  
 13 twenty-nine barrels of oil and seventeen barrels of water per  
 14 day. Now, that's the one that was slightly low.

15 We would like to obtain an exception to this No  
 16 Pit Order and build a pit right up there by the No. 1 which  
 17 is where the battery is to take care of this seventeen barrels  
 18 of salt water a day which will decrease like I mentioned  
 19 earlier. As the oil decreases the water will decrease with  
 20 it.

21 Q. You mean the production of oil?

22 A. As the production of oil decreases the production  
 23 of water will decrease.

24 Q. So, you don't envisage you will ever be above the  
 25 present seventeen barrels?

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Phone (505) 982-9212

1 A Except when we drill this No. 4 Well, if when we  
2 drill it we might make some water there but at the most we  
3 will probably be putting forty or fifty barrels of water a  
4 day into that pit at a maximum.

5 Q One of the concerns, of course, is contamination  
6 of fresh water, I would like to have you discuss that  
7 question a minute for the Examiner and refer to Exhibit B,  
8 please?

9 A Well, let me stay on Exhibit One. You will notice  
10 underlined in red there is some "No Water" places there in  
11 Exhibit A, in Section 22 there in southeast of the northwest,  
12 that's the Dalport No. 1 Todd Hunter. We drilled that with  
13 cable tools and there was no fresh water in that well.

14 We drilled in the northwest of the southwest, in  
15 the Jones Well, we drilled it with cable tools and there was  
16 no water in that well, no shallow water in that well.

17 Dalport had an interest, a dry hole interest in  
18 the section just to the south in the McClellan No. 2 and there  
19 was no water encountered in that well.

20 So, what this exhibit is showing is that there is  
21 no fresh water present in an area surrounding this proposed  
22 pit.

23 Q What is the directional flow of surface water?

24 A That's on Exhibit B. The normal direction of  
25 underground flow is to the south and Exhibit B shows the

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1 location of pumping water wells in yellow in this vicinity,  
2 ranch water, and the closest one is to the north of our  
3 proposed tank, two-and-a-half or so miles, the Little Lucky  
4 Lake Well. There is one off to the west about four miles at  
5 a depth of a hundred feet.

6 Like I say, the direction of the water is to the  
7 south so that any water that is put into our pit, if it is  
8 going underground it will be going southward. There are no  
9 tanks, no water supply or aquifers to the south at all. There  
10 would be just no damage to any kind of surface water in the  
11 area.

12 Q Is there anything else that you think should be of  
13 interest to the Examiner in connection with this case?

14 A Let's see, of course, in talking to the ranchers,  
15 we have had these hearings before about these pits and the  
16 water quality in there is poor. There are more wells further  
17 up north as shown by those double circles you can see on  
18 Exhibit B. The one on the right side of the map, that  
19 Pine Tree double circle, is a mistake, that is just an  
20 earthen tank, that is not a pumping well. It was on one of  
21 my older maps and hadn't been taken off. That's just an  
22 earthen tank there.

23 So, just basically disposal of water into the  
24 earthen pit wouldn't harm any kind of water or environment.

25 Q And you would like to amend Exhibit B to delete the

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 Phone (505) 982-9212

1 reference to the well and leave the reference to the tank  
 2 over there on the pipeline?

3 A. This Pine Tree Well, one reason I didn't color  
 4 it yellow, all it is is an earthen tank.

5 Q. But you do want to amend Exhibit B to make that  
 6 correction?

7 A. Yes, right.

8 Q. Do you have anything else?

9 A. No, sir, I believe that is all.

10 MR. CHRISTY: That's all for the applicant. Excuse  
 11 me.

12 Q. (Mr. Christy continuing.) Were Exhibits A and  
 13 B prepared by you or under your direct supervision?

14 A. Yes.

15 MR. CHRISTY: That's all for the applicant.

16

17 CROSS EXAMINATION

18 BY MR. STAMETS:

19 Q. Have you notified the owners of these two water  
 20 wells of your application today?

21 A. No, sir, it is the Vogle Ranch that owns all of  
 22 that. I have talked to him in the past and he has been very  
 23 helpful in the past but I have not notified him about this  
 24 request. He is the one that has provided me with all of the  
 25 information about these wells but we are disposing of other

1 water in the area and there just has never been any problem.

2 Q Let's see, you mentioned some other surface disposal  
3 that you have in there on Exhibit B, could you locate that,  
4 please?

5 A It's 30 East, 15 South, 30 East, Section 25, right  
6 there by the Cap, there is this Pine Tree Well there on the  
7 right.

8 Q Uh-huh.

9 A All right, at the last hearing we had for our  
10 State C pit, a few miles from there, I thought that was a  
11 water well but I found out just --

12 Q No, I think you misunderstood my question. I  
13 believe you already have authority to dispose of water on  
14 the surface in other localities in this area, where are those  
15 pits?

16 A Oh, I see what you mean. Well, first of all, going  
17 back to Exhibit A, there is a pit just north of the one that  
18 we are proposing, that's on the Todd Hunter Lease, between  
19 the 1 and 2 Todd Hunter, there's an earlier pit right there,  
20 just immediately north of the word "pit" and it's taking care  
21 of five or six barrels a day.

22 And, let's see, elsewhere on this Exhibit A there  
23 is -- well, of course, McClellan may have -- McClellan does  
24 have some disposals systems there in the Sulimar but we would  
25 have to go to Exhibit B and in Section 16 of 15, 30, it's pretty

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1 hard to read this map but it would be right there where it  
2 says "Cedar Point". There are some wells right in there and  
3 there is a disposal pit right there in the southwest quarter of  
4 16. This is our State C Lease.

5 So, there is a disposal pit there in the southwest  
6 of 16. There's one, come up farther north, in 14, 30 in  
7 Section 31. There is a disposal pit about -- well, there's  
8 a little square, do you see the little square there in the  
9 west half of 31, there is a disposal pit there.

10 Now, those are the ones that Dalport owns and then,  
11 of course, Exxon or someone else may have some others but we  
12 have three or four in the area.

13 Q Is it possible that sometime this little pool will  
14 be water flooded and this water can return to the ground?

15 A Uh-huh. Definitely. I think every oil well in  
16 that country will eventually be water flooded and there is  
17 no reason why it shouldn't be.

18 Q How far off is that?

19 A Well, luckily in the Luc'y Lake area we don't have  
20 one operator in there so if we ever get started it wouldn't  
21 take too long in the next foreseeable three years or something  
22 like that.

23 Q If your application were denied might it be sooner?

24 A It's possible. Well, it's still primary development  
25 in there and we wouldn't initiate water flood proceedings until

1 a more gradual decline had been noted in some of these wells.  
2 There is still more drilling to be done in there. Yates, in  
3 fact, is drilling just south of that Jones Lease. They are  
4 drilling right now, so, there is still somemore drilling to  
5 be done.

6 But to answer your question, I would say within the  
7 next three or four years there will be a waterflood in there.

8 Q At the location of your proposed disposal pit, which  
9 way does the land surface slope?

10 A Let's see, at that pit, let me think about the tank,  
11 it would be to the south, to the south or southwesterly.

12 MR. STAMETS: Any other questions of the witness?  
13 He may be excused.

14 (THEREUPON, the witness was excused.)

15 MR. CHRISTY: As amended by the witness, we would  
16 now offer Applicant's Exhibits A and B.

17 MR. STAMETS: Exhibits A and B will be admitted.

18 (THEREUPON, Applicant's Exhibits A and  
19 B were admitted into evidence.)

20 MR. CHRISTY: That is all for the applicant.


21 MR. STAMETS: Anything further in this case? The  
22 case will be taken under advisement.

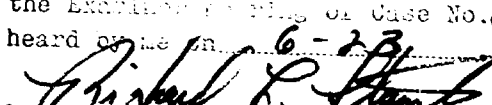
**sid morrish reporting service**

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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,  
do hereby certify that the foregoing and attached Transcript  
of Hearing before the New Mexico Oil Conservation Commission  
was reported by me, and the same is a true and correct record  
of the said proceedings to the best of my knowledge, skill and  
ability.

  
Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examination of Case No. 5698,  
heard on 6-23-1956.  
  
Richard R. Hunt, Examiner  
New Mexico Oil Conservation Commission

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