

CASE 4049: Application of STANDARD  
OIL CO. OF TEXAS FOR AN EXCEPTION  
TO R-3221, AS AMENDED, LEA COUNTY.

- case Number

4049

Application  
Transcripts.

Small Exhibits

ETC.

dearnley-meier



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

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
February 19, 1969  
REGULAR HEARING

-----  
IN THE MATTER OF: )

Application of Standard )  
Oil Company of Texas for )  
an exception to Order No. )  
R-3221, as amended, Lea )  
County, New Mexico. )  
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Case No. 4049

BEFORE: A. L. Porter, Jr., Secretary, Director  
Alex J. Armijo, Land Commissioner  
George Hatch, Counsel

TRANSCRIPT OF HEARING

MR. PORTER: Case No. 4049.

MR. HATCH: Case No. 4049, application of Standard Oil Company of Texas for an exception to Order No. R-3221, as amended, Lea County, New Mexico.

The Commission has received a letter from the applicant requesting that the case be dismissed.

MR. PORTER: If there is no objection, Case 4049 will be dismissed.

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

I, SAMUEL MORTELETTE, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil 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.

  
COURT REPORTER



## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

February 24, 1969

GOVERNOR  
DAVID F. CARGO  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER

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

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

Re: Case No. 4049  
Order No. R-3680  
Applicant:  
Standard Oil Company of Texas

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Aztec OCC \_\_\_\_\_

Other \_\_\_\_\_

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. 4049  
Order No. R-3680

APPLICATION OF STANDARD OIL COMPANY  
OF TEXAS FOR AN EXCEPTION TO ORDER  
NO. R-3221, AS AMENDED, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 8:30 a.m. on February 19, 1969, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 24th day of February, 1969, the Commission, a quorum being present, having considered the record, and being fully advised in the premises,

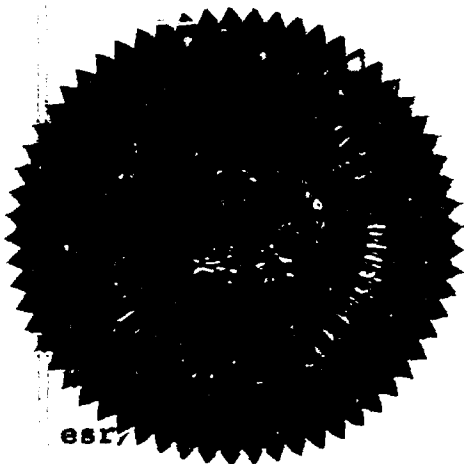
FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 4049 is hereby dismissed.

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



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*David F. Cargo*  
DAVID F. CARGO, Chairman

*Alex J. Armiijo*  
ALEX J. ARMILJO, Member

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



# STANDARD OIL COMPANY OF TEXAS

A DIVISION OF CHEVRON OIL COMPANY  
P. O. BOX 1249 HOUSTON TEXAS 77001

February 14, 1969

Case 4049, To be Heard Feb. 19, 1969  
Application of Standard Oil Company  
of Texas for Exception to Order  
R-3221 for an Unlined Pit in NE/4,  
Section 5, T-24-S, R-38-E,  
Lea County, New Mexico

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.  
Secretary-Director

Gentlemen:

Standard Oil Company of Texas hereby requests that the captioned application be dismissed.

The basis of our application was that produced water volumes are very small (approximately 2 BPD/40 acre tract) and that the nearest fresh water was about five miles distant, based on the U. S. Geological Survey Ground-Water Report 6. We have now learned that, since the USGS report was compiled, additional fresh water wells have been completed only about two miles from the pit location, in a direction which could conceivably place those fresh water wells in jeopardy. The R. M. Evans Estate, operators of the fresh water wells, have indicated that they would much prefer for the salt water to be disposed of by subsurface means. We have already applied for administrative approval of subsurface disposal of this water down the annulus of one of the producing wells.

Very truly yours,

*John J. Cameron*  
Paul Hull  
for Supervising Proration Engineer

JTC:mkf

cc: R. M. Evans Estate  
First National Bank, Midland, Texas, Trustee  
Attention: Mr. Bob Noah

Mr. Jason Kellahin  
P. O. Box 1769, Santa Fe, New Mexico 87501

1969 FEB 17 AM 8



DOCKET: REGULAR HEARING - WEDNESDAY - FEBRUARY 19, 1969

OIL CONSERVATION COMMISSION - 8:30 A. M. - MORGAN HALL, STATE LAND OFFICE  
BUILDING, SANTA FE, NEW MEXICO

- ALLOWABLE: (1) Consideration of the oil allowable for March, 1969;
- (2) Consideration of the allowable production of gas for March, 1969, from thirteen prorated pools in Lea, Eddy, and Roosevelt Counties, New Mexico; consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico.

CASE 3834: (Reopened):

In the matter of Case No. 3834 being reopened pursuant to the provisions of Order No. R-3479, which order suspended for a period of one year beginning August 1, 1968, certain portions of Rules 14 (A) and 15 (A) of the General Rules and Regulations for the prorated gas pools of Northwest New Mexico, promulgated by Order No. R-1670, as amended. All interested parties may appear and show why said Order No. R-3479 should or should not be rescinded.

CASE 3996 (Continued from the January 15, 1969, Regular Hearing)

Application of Martin Yates, III, for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's Cordie King Well No. 1 located in Unit L of Section 22, Township 23 South, Range 26 East, Kark Canyon (Delaware) Pool, Eddy County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in an unlined surface pit located in the aforesaid quarter-quarter section.

CASE 4026 (Continued from the January 15, 1969, Regular Hearing)

Application to Fred Pool Drilling 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, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's leases located in Sections 8 and 9, Township 25 South, Range 30 East, Corral Canyon-Delaware Pool, Eddy

(Case 4026 continued)

County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in three unlined surface pits located in the SW/4 NW/4 and the SE/4 SE/4 of said Section 8, and the SW/4 SW/4 of said Section 9.

CASE 4027: (Continued from the January 15, 1969, Regular Hearing)  
Application of MacDonald Oil Corporation for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's Sinclair Parke Well No. 1 located in Unit F of Section 22, Township 17 South, Range 30 East, Jackson Abo Pool, Eddy County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in an unlined surface pit located in the aforesaid Unit F.

CASE 4046: Application of Texaco, Inc., for an exception to Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's New Mexico State CR Lease located in Section 32, Township 19 South, Range 32 East, Lusk Field, Lea County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in an unlined surface pit located in Unit F of said Section 32. In the alternative, applicant seeks the extension of that area excepted from the provisions of Order (3) of said Order No. R-3221 by Order No. R-3221-B to include the aforesaid Section 32.

CASE 4047: Application of Larry C. Squires for an exception to Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas on the surface ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would authorize the applicant to dispose of produced salt water into three natural salt lakes located in Lea County, New Mexico, as follows:

{Continued Case 4047:}

Laguna Plata, sometimes referred to as Laguna Grande located in Sections 2, 3, 9, 10, and 11, Township 20 South, Range 32 East;

Laguna Gatuna, sometimes referred to as Salt Lake, located in Sections 7, 17, 18, 19, and 20, Township 20 South, Range 33 East;

Laguna Tonto, located in Sections 32 and 33, Township 19 South, Range 33 East, and Section 4, Township 20 South, Range 33 East.

CASE 4048: Application of C. W. Trainer for an exception to Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's leases located in Section 24, Township 19 South, Range 33 East and in Sections 19, 20, 29, 30, Township 19 South, Range 34 East, undesignated Queen pool, Lea County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells completed on said leases in unlined surface pits on said leases.

CASE 3993: (De Novo)

Application of Coastal States Gas Producing Company for the creation of a new pool and for special pool rules, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks the creation of a new Pennsylvanian oil pool to be designated the North Baum-Upper Pennsylvanian Pool comprising the following-described lands:

TOWNSHIP 13 SOUTH, RANGE 33 EAST, Lea County, N.Mex.  
Section 19: E/2  
Section 20: NW/4 and S/2  
Section 21: SW/4

and for the promulgation of temporary special rules therefor, including a provision for 160-acre spacing and proration units and the assignment of 80-acre allowables.

Applicant further seeks the contraction of the Lazy J-Pennsylvanian Pool by the deletion from said pool of the E/2 of Section 20 and the W/2 of Section 21, both in the aforesaid Township and Range.

(Case 3993 continued)

Upon application of Max W. Coll, II, this case will be heard De Novo under the provisions of Rule 1220.

CASE 4049: Application of Standard Oil Company of Texas for an exception to Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January, 1969. Said exception would be for the applicant's wells located in Section 5, Township 24 South, Range 38 East, and in Section 32, Township 23 South, Range 38 East, Stateline-Ellenburger Pool, Lea County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in an unlined surface pit located in the NE/4 of said Section 5.

CASE 4050: Application of Texaco Inc. for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for the applicant's T. W. Heflin Federal Well No. 1 located in Unit O of Section 24, Township 23 South, Range 31 East, Cotton Draw Brushy Canyon Pool, Eddy County, New Mexico. Applicant seeks authority to continue to dispose of produced salt water in an unlined pit located in said Unit O.

CASE 4051: Southeastern nomenclature case calling for an order for the creation, extension, and contraction of certain pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico:

(a) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Revelation-Delaware Pool comprising the following:

TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM  
Section 18: NW/4 SE/4

Further, for the assignment of approximately 18,120 barrels of oil discovery allowable to the discovery well Marathon

(Case 4051 continued)

Oil Company's Miller Ranch Unit Well No. 1, located in Unit J of said Section 18.

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for San Andres Production and designated as the West Sawyer-San Andres Pool comprising the following:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM  
Section 33: SW/4 SW/4

Further, for the assignment of approximately 24,720 barrels of oil discovery allowable to the discovery well Coastal States Gas Producing Company's Santa Fe Well No. 1, located in Unit M of said Section 33.

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Cisco production and designated as the Fordinkus-Cisco Gas Pool. The discovery well is Charles B. Read's Anderson State Well 1 Y, located in Unit G of Section 14, Township 18 South, Range 24 East. Said pool should comprise:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM  
Section 14: E/2

(d) Create a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Midway-Devonian Pool. The discovery well is Union Oil Company of California's Midway State Well No. 1, located in Unit F of Section 12, Township 17 South, Range 36 East, NMPM. Said pool should comprise:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM  
Section 12: NW/4

(e) Create a new pool in Chaves County, New Mexico, classified as a gas pool for Grayburg-San Andres production and designated as the Sams Ranch Grayburg-San Andres Gas Pool. The discovery well is Midwest Oil Corporation Federal A No. 1 located in Unit L of Section 10, Township 14 South, Range 28 East, NMPM. Said pool should comprise:

TOWNSHIP 14 SOUTH, RANGE 28 EAST, NMPM  
Section 10: SW/4  
Section 15: NW/4

(f) Contract the Inbe Permo-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM  
Section 15: S/2, NE/4, and E/2 NW/4

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

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM  
Section 15: All

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

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM  
Section 31: NE/4

TOWNSHIP 14 SOUTH, RANGE 32 EAST, NMPM  
Section 1: SE/4

(i) Extend the East Benson-Yates Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM  
Section 18: N/2 SW/4

(j) Extend the East Bluitt-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 38 EAST, NMPM  
Section 18: SW/4

(k) Extend the Bluitt-Wolfcamp Gas Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 37 EAST, NMPM  
Section 32: E/2

(l) Extend the Cato-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM  
Section 5: SW/4

(m) Extend the West Henshaw-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM  
Section 4: Lot 8

(n) Extend the North Indian Hills-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM  
Section 8: All  
Section 16: All  
Section 17: All

(o) Extend the Lazy J-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM  
Section 19: NE/4  
Section 20: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM  
Section 19: All

(q) Extend the Quail-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM  
Section 11: E/2

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

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM  
Section 13: S/2 SE/4  
Section 24: NW/4 NE/4

(s) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
Section 24: SE/4

(t) Extend the vertical limits of the North Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include all of the Upper Pennsylvanian formation in the interval from 9554 feet to 9814 feet on the log of the Coastal States Federal "20" Well No. 2, located in Unit N of Section 20, Township 13 South, Range 33 East, NMPM.



BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF STANDARD OIL COMPANY  
OF TEXAS FOR AN EXCEPTION TO THE  
PROVISIONS OF ORDER R-3221, AS  
AMENDED, LEA COUNTY, NEW MEXICO

*Page 4049*

A P P L I C A T I O N

Comes now STANDARD OIL COMPANY OF TEXAS and applies to the Oil Conservation Commission of New Mexico for an exception to the provisions of Oil Conservation Commission Order No. R-3221, as amended, to permit the continued disposal of produced water in unlined surface pits in the Stateline Ellenburger Pool, Lea County, New Mexico, and in support thereof would show the Commission:

1. Applicant is the operator of three wells in the Stateline Ellenburger Pool, producing limited quantities of water with the oil production.
2. Applicant is presently disposing of produced water in an unlined surface pit located in the NE $\frac{1}{4}$  of Section 5, Township 24 South, Range 38 East, N.M.P.M., Lea County, New Mexico.
3. At the present time approximately 11 barrels of water per day are being disposed of in the pit, and there has been no significant increase in water production from the applicant's wells during recent years.
4. There is no fresh water produced in the vicinity of the applicant's disposal pit, and no fresh water underlies the area of said pit, which could be contaminated by continued use of the surface pit for water disposal.

WHEREFORE, applicant prays that this application be set for hearing before the Commission or the Commission's duly

*J-10-69*

appointed examiner, and that after notice and hearing as provided by law, the Commission enter its order granting an exception to the provisions of Commission Order No. R-3221, as amended.

Respectfully submitted,

STANDARD OIL COMPANY OF TEXAS

BY: J. J. Kellahin  
KELLAHIN & FOX  
P. O. BOX 1769  
SANTA FE, NEW MEXICO  
ATTORNEYS FOR APPLICANT

DRAFT

GMH/esr

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE No. 4049

Order No. R-3680

APPLICATION OF STANDARD OIL COMPANY  
OF TEXAS FOR AN EXCEPTION TO ORDER  
NO. R-3221, AS AMENDED, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 8:30 a.m. on February 19, 1969, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this \_\_\_\_\_ day of February, 1969, the Commission, a quorum being present, having considered the record, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 4049 is hereby dismissed.

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