

CASE 5950: JOE DON COOK FOR AN
EXCEPTION TO ORDER NO. R-3221,
EDDY COUNTY, NEW MEXICO

Case Number
5950

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
8 June 1977

IN THE MATTER OF:

Application of Joe Don Cook for an ex-
ception to Order R-3221, Eddy County,
New Mexico. CASE
5950

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

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Santa Fe, New Mexico

For the Applicant:

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1 MR. NUTTER: We'll call Case Number 5950.

2 MS. TESCHENDORF: Case 5950. Application of Joe

3 Don Cook for an exception to Order R-3221, Eddy County, New

4 Mexico.

5 MR. KELLAHIN: Tom Kellahin of Kellahin and Fox,

6 Santa Fe, New Mexico, appearing on behalf of the applicant,

7 and I have three witnesses to be sworn.

8 (THEREUPON, the witnesses were duly sworn.)

9

10 JOE DON COOK

11 called as a witness, being first duly sworn upon his oath,

12 was examined and testified as follows:

13

14 DIRECT EXAMINATION

15 BY MR. KELLAHIN:

16 Q Would you please state your name and address?

17 A Joe Don Cook, Box 159, Roswell, New Mexico.

18 Q Mr. Cook, are you the operator of the well in

19 question in this particular application?

20 A Yes.

21 Q And you are also the applicant?

22 A Yes.

23 Q Let me show you what has been marked as Exhibit

24 Number One and ask you to identify it for me, please.

25 A This is a plat of the Shugart area identifying the

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1 subject well and the other exceptions to the Rule -- what's
2 that rule number?

3 Q If you'll identify the footage location for me
4 for the subject well?

5 A Okay, it's in Range 31 East -- or Township 19
6 South, 31 East, Section 2, Unit J of Section 2.

7 Q What's the spacing for this pool, do you know?

8 A 40 acres.

9 Q What are the other color codes on the exhibit,
10 Mr. Cook?

11 A We have a green color code -- are you still on
12 this plat?

13 Q Yes.

14 A With exception to Order R-3800, and the red
15 hatch marks, it's exception Order R-4015 of Section 2, Lots
16 4, southwest quarter northwest quarter.

17 Q The acreage to the north also involves wells that
18 have been approved for the disposal of produced salt water
19 into unlined evaporation pits, is that correct?

20 A Right.

21 Q All right.

22 MR. KELLAHIN: If the Examiner please, I present
23 you copies of those orders that have been previously entered
24 by the Commission.

25 Q (Mr. Kellahin continuing.) Now, Mr. Cook, could

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1 you tell me when this well was drilled?

2 A When it was completed?

3 Q No, when you commenced drilling the well?

4 A August, '75.

5 Q August, 1975.

6 A Completed February of '76.

7 Q What formation are you completed?

8 A The Queen, primarily, and we have some other zones

9 down there, the Premier and the -- whatever you want to call
10 them.

11 Q The well, currently, now, makes how many barrels
12 of oil a day?

13 A Well, I must explain. We have pulled the pump
14 up from the bottom to about the 35 -- 34 level, and we are
15 now pumping approximately 25 barrels of oil and 40 barrels of
16 water.

17 Q Is this well making any gas?

18 A Yes.

19 Q How much gas does it make?

20 A Well, we haven't got a reading on it since we've
21 pulled it out, but it's increased considerably. I think it
22 was making about a quarter of a million a month.

23 Q This would be casing head gas, right?

24 A Right.

25 Q I'd like to skip Exhibits Two and Two-A for this

1 particular witness and come back to it.

2 Mr. Cook, if you'll refer to what has been marked
3 as Exhibit Three and identify that for me, please?

4 A This is a topographical map including Section 2
5 of 19, 31, Eddy County, New Mexico, and it's showing the
6 subject -- or the acreage and it is showing the drainage
7 pattern from this acreage, that normally any water would
8 drain in the direction to the -- well, it would be the south-
9 west, and it has hatch marks showing which way the water
10 would run, and I think there's a letter.

11 Q All right, in connection with Exhibit Three,
12 would you now refer to Exhibit Four and tell me how Exhibit
13 Four was prepared and compiled?

14 A Dalton Kenchloe -- I retained Dalton Kenchloe to
15 give us a letter stating which way the water would flow and
16 he has looked at the log on a grounding shallow well, in fact,
17 he has the drilling logs of these wells, he's encompassed
18 this in his report, showing that there is no fresh water in
19 the area. And he also went into some economics in this.

20 Q Okay. Would you refer to Exhibit Number Six and
21 tell me how that was prepared?

22 A This is a water analysis of the water from the
23 well.

24 Q Who made that analysis for you?

25 A Western Company in Hobbs, New Mexico; their lab is

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1 in Hobbs, I think; possibly in Odessa. And this gives the
2 density, the iron, the calcium, the magnesium, the chloride,
3 and gives a breakdown of everything, hydrogen sulfide, and
4 what have you.

5 Q What's the date on that report?

6 A This was received in my office -- it's not dated,
7 is it -- oh, yeah, 6/5/77, date of sample.

8 Q All right. Would you refer to what has been
9 marked as Exhibit Number Seven and identify it; tell me what
10 this shows.

11 A Seven is a plat of the area showing the nearest
12 commercial place to dispose of any salt water.

13 Q What is the location of that place of disposal?

14 A It would be about -- it would be in 20 South, 22
15 East, Section 8. There's a disposal. It would be in road
16 miles, it would be about forty to forty-five miles from the
17 location.

18 Q I show you what has been marked as Exhibit Number
19 Eight and ask you to identify that.

20 A This is a bill from INW, Incorporated, they are a
21 transport company, and it shows -- the bill reflects that
22 they transported away 135 barrels of water and they spent
23 seven hours -- no, let's see, 270 barrels at Fifteen Cents
24 per barrel that they charged to put it in their trucking --
25 their whole bill is Two Hundred and Five Dollars and Nineteen

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1 Cents disposing of 270 barrels, which indicates a price per
2 barrel of a Dollar Thirty-one Cents per barrel to dispose of
3 this water.

4 Q If the Commission denies your application and
5 you're required to continue to truck the salt water produced,
6 what is the anticipated charge per barrel? Will that remain
7 Fifteen Cents?

8 A No, it goes up to Twenty-five Cents. Runnels
9 Disposal down here just in the last day or two has gone up
10 to Twenty-five Cents per barrel to dispose of the water.

11 Q If the Commission denies your application, Mr.
12 Cook, will it be economic for you to truck the produced
13 water to the nearest disposal system indicated on Exhibit
14 Number Seven?

15 A It will be a tremendous drain on the resources of
16 the well.

17 Q Do you have production figures for your well?

18 A Yes.

19 Q Could you supply those for me, please?

20 A Total?

21 Q No, sir, if you can break it down by a monthly
22 basis since completion.

23 A Our first production was May of '76, 1955 barrels.

24 Q Just a minute, May, 1976?

25 A Right.

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1 Q How many barrels?

2 A 1955.

3 Q Okay.

4 A June, 650; July, 625; August, 1256; September, 704;

5 October, 505; November, 975; December, 968; January of '77,

6 704; February, 232; March, 801; April, 724.

7 Q And what's the total there?

8 A For a total of 10,553 barrels.

9 Q What was the cost of drilling and completing the

10 well, do you remember?

11 A Around Two Hundred and Sixty Thousand Dollars.

12 Q Would you refer to what I have marked as Exhibit

13 Number Nine, that's the log, and I've given it to Mr. Nutter.

14 A What, the drilling log or electrical?

15 Q Electrical.

16 All right. Would you please refer now to what

17 has been marked as Exhibit Number Nine and identify this?

18 A This is a perforating color chart, is what it

19 really is.

20 Q All right.

21 A And run by Professor Atkins (sic).

22 Q This well was completed to a depth of what?

23 A At TD 4204.

24 Q Where were the perforations? Where are the per-

25 forations?

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1 A They're from 3481 to 3496; 3468 to 3482; 3456 to
2 3464; 3958 to 3967; 4132 to 4148.

3 Q What's the red interval marked on the bottom of
4 the log?

5 A That's perforations that I read to you.

6 Q What's the current completion of the well now?

7 A Well, we have -- we were pumping on the bottom of
8 the well, or just about on the bottom. We had our tubing in
9 the middle at around 4175. We have pulled the tubing and
10 rods out and put a packer at 3554.

11 Q Where is the packer again?

12 A 3554, and we are attempting to produce just this
13 Queen, this, I think it's 29 feet of Queen up here, in hopes
14 of possibly getting away from -- which we believe that some
15 of our water might have been coming from these lower zones.

16 Q The method of recompletion, then, is an attempt
17 on your part to reduce the volume of produced water?

18 A Right.

19 Q And how long has it been since you've recompleted
20 the well in this manner?

21 A Three days, so it really hasn't had a chance.

22 MR. KELLAHIN: That concludes my examination of
23 this witness, Mr. Nutter. I do available a witness that
24 examined records to determine the nearest location of fresh
25 water sources and the gentleman that drilled the well itself

1 is also present.

2

3

CROSS EXAMINATION

4 BY MR. NUTTER:

5 Q Mr. Cook, on your Exhibit Number Eight, I'm having
6 a little trouble following the invoice from INW. They say
7 135 barrel transport; they mean that that's the truck, I
8 guess?

9 A Yes, sir, at Twenty-two Forty an hour; this is
10 the first time I've seen it myself.

11 Q Now, in other words, it made two trips, is that
12 it?

13 A No, they --

14 Q If it's 135 barrel transport and they got rid of
15 270.

16 A Okay.

17 Q Where were they taking this water?

18 A Well, they just -- they told me that they put it
19 wherever they can. Sometimes they will take it into -- if it
20 has any oil on it some people will put it in a tank and buy
21 it and then try to salvage what oil is in it. Sometimes
22 they've just been able to put it on the roads, for helping
23 the road commissioner, and if that -- just wherever they can
24 do it the most economical, but for the most part they end up
25 taking it down to the disposal.

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Q I see, and they got rid of 270 barrels for you at a cost of Fifteen Cents per barrel.

A. Right, and that's gone up since this.

MR. DAVIS: Now, that's only the disposal price.

Q Right, and then the trucking is on top of that.

A. Right.

Q So then, if we have, if we have 270 barrels being disposed of at a cost of Two Hundred and Five Dollars, how do you get the price of a Dollar Thirty-one per barrel?

Well, I don't get a Dollar Thirty-one by dividing 270 into Two-On-Five. Okay, the division was backwards, then.

We're going to excuse Mr. Cook from the stand and he can take this exhibit and correct it while you're examining the other witnesses, then, Mr. Kellahin.

Go ahead and call your next witness, then, Mr. Kellahin.

MR. KELLAHIN: Call Mr. Dave Davis.

DAVE DAVIS

called as a witness, being duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Davis, would you please state your name, by

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1 whom you're employed and in what capacity?

2 A. G. D. Davis. I'm self-employed.

3 Q. What do you do for an occupation, Mr. Davis?

4 A. I drill oil wells, and gas.

5 Q. And did you drill this particular well in question?

6 A. Yes, sir.

7 Q. Where is your home office, Mr. Davis?

8 A. At Carlsbad; 405 Elgin.

9 Q. Have you previously testified before the Commission?

10 A. No, I haven't.

11 Q. How many wells would you estimate you've drilled
 12 in this particular area?

13 A. Around forty-three.

14 Q. By whom have you been employed in the drilling of
 15 wells? Who has retained you to drill wells?

16 A. Lately Hansen Oil Company, Joe Cook Oil, Dyco
 17 Petroleum of Tulsa, Yates Brothers of Artesia.

18 MR. KELLAHIN: If the Examiner please, we tender
 19 the witness as an expert driller.

20 MR. NUTTER: Yes, sir, he is qualified.

21 Q. (Mr. Kellahin continuing.) Mr. Davis, would you
 22 indicate to the Examiner when you commenced drilling on this
 23 well?

24 A. In August of '75.

25 Q. And when was the well completed?

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1 A In March of '76.

2 Q During the drilling of this well did you encounter
3 any fresh water zones?

4 A None whatsoever.

5 Q Are there any fresh water sources in this imme-
6 diate area, to your knowledge, Mr. Davis?

7 A Only a pipeline runs through this particular area.

8 Q There's no fresh water in the immediate ground
9 area?

10 A Not in twenty-five miles, that I know of.

11 MR. KELLAHIN: That concludes my examination of
12 this witness.

13
14 CROSS EXAMINATION

15 BY MR. NUTTER:

16 Q Mr. Davis, was the well drilled with rotary or
17 cable tool?

18 A Cable tool.

19 Q So with cable tool operations you should notice
20 water if you went through it?

21 A We kept pipe in the hole and most of the well was
22 drilled dry, so we had a pretty good check on it.

23 Q No artesian flow?

24 A We didn't -- no, sir, we didn't. We did have a
25 little brackish water around two hundred and fifty foot but

1 a cow wouldn't have come to it if we'd had an open pit. It
2 would turn your tools black. It's the only -- until we got
3 into these pays, which they developed a little water, looked
4 like. I don't thin a cow would bother it, either.

5 MR. NUTTER: Are there any further questions of
6 Mr. Davis?

7 MR. KELLAHIN: No, sir.

8 MR. NUTTER: He may be excused.

9
10 SHIRLEY RADD

11 called as a witness, being first duly sworn, was examined
12 and testified as follows:

13
14 DIRECT EXAMINATION

15 BY MR. KELLAHIN:

16 Q Please state your name, by whom you're employed,
17 and in what capacity?

18 A My name is Shirley Radd. I'm the owner and oper-
19 ator of Independent Business Services. Mr. Cook is one of
20 my clients.

21 Q Ms. Radd, I show you what has been marked as Ex-
22 hibit Number Two, and ask you if you can identify it, and if
23 so, what it contains?

24 A This is a plat that was compiled by me after con-
25 sulting the records of the State Engineer's Office in Roswell.

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1 It shows any well that has ever been drilled in the area.
 2 These are one-mile radius circles out from the subject well.

3 The blue are the domestic and stock wells that
 4 are presently producing. The red are abandoned wells of any
 5 type, and the green are wells that have been drilled strictly
 6 for drilling purposes.

7 Q Are you talking about fresh water wells?

8 A The fresh water, no, the drilling wells were not
 9 considered to be of use as fresh water.

10 Q From the subject well where is the nearest fresh
 11 water well?

12 A Three and a half miles, three and a half, three
 13 and a quarter miles to the east, slightly to the south, which
 14 is entirely off from where the drainage would be according
 15 to the geologist.

16 Q That's in Section 8, is it?

17 A Yes, Section 8.

18 Q It's on the McKay lease in Section 8?

19 A Yes, right there in the northeast quarter.

20 Q Okay. How was this plat prepared Mrs. Radd?

21 A I went through the records with Mr. Sherman Gallo-
 22 way, who is the State Engineer, and there is also an attached
 23 exhibit with this --

24 Q I show you Exhibit 2-A and ask you to identify
 25 it?

1 A Yes. These records were obtained from the State
2 Engineer's Office in Roswell and the plat was compiled from
3 them, and it's just further explanation of the plat.

4 Q I show you what has been marked as Exhibit Five
5 and ask you to identify that and explain what it contains?

6 A Yes. Last Saturday, June 4th, I consulted with
7 the foreman of Snyder Ranches, Incorporated, whose name is
8 Mr. Sam Bruton and there were several pipelines near the
9 subject well. He identified them as originating in Caprock
10 area, which is about twelve miles away from the subject well,
11 and said this was the only fresh water into the area for
12 the stock grazing on that land.

13 Q How do the ranches in the immediate area obtain
14 their domestic and stock water?

15 A From these lines that originate in the pastures.
16 The ranches grant right-of-ways to the lines, who belong to
17 the potash mines; in exchange, the potash mines let the
18 ranchers use the fresh water for stock.

19 Q Do you know where the nearest community is to the
20 subject well?

21 A Loco Hills.

22 Q And how far away is Loco Hills?

23 A Oh, twenty miles; between twenty and twenty-five
24 miles to the northwest.

25 Q Is there a community of Maljamar?

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1 A. Yes.

2 Q Where is Maljamar in relation to the subject well?

3 A. Maljamar is to the east, almost due east -- north,

4 okay, I'm sorry, it's north. It's close to the Caprock.

5 Q To your knowledge, do you know where the community

6 of Maljamar obtains its fresh water?

7 A No. I know where Loco Hills has to have theirs

8 piped in.

9 MR. KELLAHIN: I have no further questions of

10 this witness.

11

12 CROSS EXAMINATION

13 BY MR. NUTTER:

14 Q Ms. Radd, now you prepared this Exhibit Number --

15 MR. KELLAHIN: Two.

16 Q -- Two from the records of the State Engineer's

17 Office in Roswell, is that correct?

18 A Yes, sir.

19 Q And it shows the existing fresh water wells as

20 well as all abandoned wells. Now, there was a well approxi-

21 mately a mile to the north here?

22 A Yes. I have secondhand information that is an

23 abandoned well. According to the State Engineer it's been

24 abandoned and dry since 1971.

25 Q I see.

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1 A And at the time it only -- it never produced more
2 than twelve barrels a day, even at the time when it was pro-
3 ducing.

4 Q And of the existing and currently producing wells
5 that you were able to determine, this one over here in Sec-
6 tion 8 to the east is the nearest?

7 A Is the nearest, and the only other ones within
8 even five miles are those to the southwest, which I believe
9 are on the Lusk Ranch.

10 Q Now, when you stated that the wells that are marked
11 in green and were drilled for water for drilling purposes,
12 that they wouldn't be classified as fresh water wells, does
13 that mean that they did not produce fresh water or that you
14 just wouldn't call them fresh water wells?

15 A According to the State Engineer, they could or
16 could not; his records did not indicate whether they could
17 have been used for domestic stock use. His records only
18 indicate --

19 Q He didn't have an analysis of the water, then?

20 A Right, he did not have.

21 Q He was able to tell you there was a water well
22 drilled there and that it produced water?

23 A Yes, and for what purpose, it was for drilling,
24 but not of the quality of the water.

25 Q So it may or may not have been fresh water?

1 A True.

2 MR. NUTTER: Are there any further questions of
3 Ms. Radd?

4 She may be excused. Would you recall Mr. Cook,
5 please, Mr. Kellahin?

6 MR. KELLAHIN: Yes, sir. Mr. Cook.

7
8 JOE DON COOK

9 being recalled, and having been first sworn upon his oath,
10 was examined and testified as follows:

11
12 RECROSS EXAMINATION

13 BY MR. NUTTER:

14 Q Mr. Cook, you're acquainted with this area and
15 you've been out there, I'm sure. Are you acquainted with
16 the water well that's approximately a mile to the north on
17 Ms. Radd's Exhibit Number Two?

18 A Yes, sir, I am.

19 Q Is that well producing or nonproducing?

20 A No, it's been abandoned. Garyl Westall used to
21 have a homesite out there and he left in '71, or something.
22 He told me since that the waterflood had ruined the well,
23 the waterfloods in the area.

24 Q Then it's no longer a fresh water well and it's
25 abandoned?

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- 1 A. Right.
- 2 Q. Mr. Cook, I have your Exhibit Eight, which has
- 3 been revised.
- 4 A. Yes.
- 5 Q. Is yours revised also?
- 6 A. Yes.
- 7 Q. Now, would you go through the figures on Exhibit Eight
- 8 again?
- 9 A. Okay.
- 10 Q. Apparently the same -- the exhibit still shows
- 11 the same figures on Page Two, that 270 barrels of water were
- 12 disposed of and the total charge for disposal plus trucking
- 13 was Two Hundred Five Dollars and Nineteen Cents.
- 14 A. So that would make the price per barrel at Seventy-
- 15 six Cents instead of, as was said, a Dollar Thirty-one, I
- 16 think.
- 17 Q. And if you had to dispose of approximately forty
- 18 barrels per day or twelve hundred barrels per month, what
- 19 would be the total cost, then?
- 20 A. Nine Hundred and Twelve Dollars.
- 21 Q. For disposal.
- 22 MR. KELLAHIN: Presuming the existing rate of
- 23 Fifteen Cents a barrel.
- 24 Q. Yes.
- 25 MR. KELLAHIN: That rate has gone up.

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1 Q Well, I think you mentioned that another company
2 had gone up yesterday to Twenty-five Cents. Who was that
3 who went up to Twenty-five Cents?

4 A That was -- they just say disposal -- I don't know
5 if the disposal has a name or what; it's down at -- down at --
6 we described it, the location before, down here in 19, 32.

7 Q Well, is that where he was trucking it to that
8 disposal well --

9 A Right.

10 Q That you showed down at the bottom of your Exhibit
11 Number --

12 A Yes, sir.

13 Q -- Seven?

14 A Right.

15 Q Unless he's making some other disposition of it,
16 as you mentioned.

17 A Yes, he can sometimes make a --

18 Q And this well down here is where they charge
19 Twenty-five Cents a barrel now?

20 A Right, on Exhibit Seven.

21 MR. NUTTER: Are there any further questions of
22 Mr. Cook?

23 MR. KELLAHIN: Mr. Cook, were Exhibits One through
24 Nine compiled by you directly or compiled under your direction
25 and supervision?

1 A. Under my direction and supervision.

2 MR. KELLAHIN: In your opinion, Mr. Cook, will
3 the granting of this application be in the best interests of
4 conservation, the prevention of waste, and the protection of
5 correlative rights?

6 A. Yes, it would.

7 MR. KELLAHIN: We move the introduction of Exhibits
8 One through Nine.

9 MR. NUTTER: Joe Don Cook Exhibits One through
10 Nine will be admitted in evidence.

11 MR. KELLAHIN: That concludes my case.

12 MR. NUTTER: Mr. Kellahin, you've handed me copies
13 of Orders Numbers R-3800 and R-4015. These orders were
14 entered in cases 4169 and 4408, respectively. Would it be
15 your desire that the record in those cases be incorporated
16 in the record of this case?

17 MR. KELLAHIN: Yes, sir, I'd like to do that.

18 MR. NUTTER: Is there objection to the incorpor-
19 ation of the records in Cases 4169 and 4408 into the record
20 of Case Number 5950?

21 The case records will be incorporated. Doe any-
22 one have anything further in Case Number 5950?

23 We will take the case under advisement.

24 (Hearing concluded.)
25

sid morrish reporting service

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

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, 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.

Sally Walton Boyd
Sally Walton Boyd C. S. R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5950
heard by me on 6-8, 1977.

Examiner
New Mexico Oil Conservation Commission

sid morrish reporting service

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

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. 5950
Order No. R-5472

APPLICATION OF JOE DON COOK 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 8, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st day of June, 1977, 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, Joe Don Cook, is the owner and operator of the State Well No. 1, located in Unit J of Section 2, Township 19 South, Range 31 East, NMPM, Shugart Pool, Eddy County, New Mexico.
- (3) That Order (3) of Commission Order No. R-3221, as amended, prohibits in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, the disposal, subject to minor exceptions, of water produced in conjunction with the production of oil or gas, or both, on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any other place or in any manner which would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.
- (4) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.

-2-

Case No. 5950

Order No. R-5472

(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 J of said Section 2.

(7) That applicant's State Well No. 1 produces approximately 40 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 approval of the subject application will not cause waste nor impair correlative rights, and the applicant should be permitted to dispose of water produced from said State Well No. 1 in an unlined surface pit on said lease until further order of the Commission.

IT IS THEREFORE ORDERED:

(1) That the applicant, Joe Don Cook, 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 his State Well No. 1, located in Unit J of Section 2, Township 19 South, Range 31 East, NMPM, Shugart Pool, Eddy County, New Mexico, in an unlined surface pit located in Unit J of said Section 2.

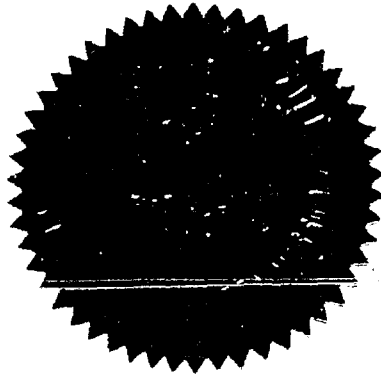
(2) That the Secretary-Director of the Commission may by administrative order rescind such authority whenever it reasonably appears to the Secretary-Director that such rescission would serve to protect fresh water supplies from contamination.

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

--3--

Case No. 5950
Order No. R-5472

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Phil R. Lucero

PHIL R. LUCERO, Chairman

Emery C. Arnold

EMERY C. ARNOLD, Member

Joe D. Ramsey

JOE D. RAMSEY, Member & Secretary

jr/

Sears

PAGE 1

R-3221 7/25/68

Covers 19-30 7 thru 36
20-30 all
20-31 all

Approved pits 19-31 1 in Sec 1
4 in Sec 2
2 in " 19
1 in " 24

Order #s

P 19-31 FGR R-6324
C# 6860

A 30-19-31 DGI R-4016
C# 44012

B 2-19-31 Col. West R-4015
C# 44012

R-3221 2-19-31 Cook R-5472
C# 59814

K-219-31 F.R. R-6093
C# 63744

L-1-19-31 J.D.C. R-6224
C# 67626

Well NE 24-19-31
B. H. L. Tenn. R-3276
C# 44445

C-2-19-31 M. J. R-3800
C# 4469

30+
T205 R3E
all except to R-3221

Sam Bruton, foreman for Snyder Ranches, Inc.

The water in those various pipelines all originates at the top of the Caprock most of it from Snyder and Scharbauer ranch property.

The lines are laid by the potash mines - several different ones -

In exchange for granting right-of-way for the pipe lines, the ranches are given permission to use the water FROM the lines for watering stock

There are several ranches involved

There are several different parallel lines involved

There is more than one mine involved

Saturday - June 4th - 3:15 p.m.

5

| | |
|-----------------------------|---------------|
| BEFORE EXAMINER NUTTER | |
| OIL CONSERVATION COMMISSION | |
| Co. 11 | EXHIBIT NO. 5 |
| CASE NO. | 5950 |

DALTON KINCHELOE

GEOLOGIST

PETRO BUILDING

622-7246 - 622-6216

ROSWELL, NEW MEXICO 88201

2 June 1977

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

| | |
|---------------------------|------|
| BEFORE EXAMINED BY MUTTER | |
| OR OTHER APPROVED PERSON | |
| Cook | 4 |
| CASE NO. | 5950 |

Re: Case No. 5950 - June 8, 1977

Gentlemen:

I have checked the records available concerning potable water in the vicinity of the center of Section 2, T-19-S, R-31-E, Eddy County, New Mexico. I am submitting copies of three drillers' logs on wells drilled as oil and gas tests located in sections 2, 3 and 12 which show that no fresh water was encountered in any of the tests drilled. These wells were drilled with cable tool equipment and had water-bearing zones been encountered I am sure they would have been reported.

Carper #1 W.S. Day - NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 3, T-19-S, R-31-E

Red bed from 120-709' and anhydrite and salt from 709-2371'. The first fluid reported was an oil show from 2675-95'. This well was completed 7 December 1938.

Carper Drilling Co. #1 Quillen - c NW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 12, T-19-S, R-31-E

Abandoned 5 July 1939 at a total depth of 2835' as a dry hole with no fluid reported. This well had 70' of caliche, sand and red beds at the surface with red beds from 70-775', the top of the anhydrite. The first salt was reported at 805'.

Me-Tex Supply Co. #1 State-2 - NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$
Section 2, T-19-S, R-31-E

Completed as an oil well on 18 September 1939 with shows of oil at 2710-12', water at 2882', oil at 2980-3000', oil at 3196', wayer at 3210' and 3240-60'. Two other oil shows were encountered at 3330-32' and 3640-70'. The well was completed with tubing 5' off bottom at 3680'.

Joe Don Cook #1 State
2110 FSL and 2310 FEL
Section 2, T-19-S, R-31-E

Completed as an oil well from the Grayburg on 13 April 1976.
The driller's log shows no fresh water above the top of the
salt (875').

Due to the extreme sandy surface at the location of the Joe
Don Cook #1 State well it is believed that any water put in
a surface pit will remain near the site of dumping and would
not travel over one-quarter ($\frac{1}{4}$) mile down the surface dip to
the southwest.

No damage to the environment would occur and in the interest
of conservation oil will be recovered which would be lost
should the well be plugged due to the economics of hauling
produced water from the location.

Since other operators in the section are disposing of water
in surface pits it would appear that it would be an undue
hardship on this applicant to require him to dispose of wa-
ter in any other manner.

Very truly yours,

Dalton Kincheloe

DALTON KINCHELOE
Geologist

DK

Enclosures: Drillers' Logs (3)

CARPER DRILLING COMPANY ET AL
No. 1 W. S. Day

NEW MEXICO
3-193-31E

NE NE NE Section 3-193-31E
Eddy County, New Mexico

Elevation: 3623'

Commenced: 8/7/38
Completed: 12/7/38

| FOOTAGE | FORMATION |
|---------|-----------|
|---------|-----------|

| | |
|---------------|---|
| 120 | Red beds |
| 709 | Red beds & shells |
| 775 | Red beds & anhydrite |
| 780 | Salt |
| 870 | Anhydrite |
| 1340 | Salt & anhydrite streaks |
| 2067 | Salt |
| 2070 | Broken salt |
| 2080 | Anhydrite |
| 2245 | Salt |
| 2259 | Salt & anhydrite |
| 2371 | Anhydrite |
| 2385 | Lime & anhydrite |
| 2425 | Anhydrite |
| 2435 | Gray lime |
| 2454 | Gray lime & anhydrite |
| 2504 | Anhydrite |
| 2532 | Anhydrite & brown shale |
| 2570 | Anhydrite, red beds & shale |
| 2593 | Lime & anhydrite |
| 2623 | Anhydrite & shale |
| 2652 | Gray lime |
| 2671 | Anhydrite & shale |
| 2675 | Sand & broken lime |
| 2728 | Sandy lime - Oil show 2675-95', 400' in 3 hrs. |
| 2738 | Lime & anhydrite |
| 2742 | Gray & white lime |
| 2747 | Sandy lime |
| 2751' - 2748' | Gray lime SLM. - TD. Swabbed 75 bbls. fluid per day 20% salt water. |

Casing record: 8 1/2" 900' 50 sacks.
7" 2635' 100 sacks.

CAMPER DRILLING COMPANY & G. E. QUILLIN ET AL
No. 1 Quillen

NEW MEXICO
12-193-31E

O NW NE Section 12-193-31E
Eddy County, New Mexico

Elevation: 3624'

Commenced: 1/12/39

Abandoned: 7/5/39

| FOOTAGE | FORMATION |
|---------|-----------|
|---------|-----------|

| | |
|-------------------|--------------------------|
| 70 | Caliche, sand & red beds |
| 770 | Red beds |
| 775 | Anhydrite |
| 800 | Anhydrite & red beds |
| 805 | Salt |
| 808 | Anhydrite |
| 917 | Salt |
| 925 | Slate |
| 948 | Anhydrite |
| 970 | Lime |
| 975 | Red beds & shale |
| 1135 | Anhydrite & salt |
| 1155 | Anhydrite |
| 1193 | Salt |
| 1213 | Anhydrite |
| 2172 | Salt |
| 2197 | White lime |
| 2235 | Salt & anhydrite |
| 2308 | Salt |
| 2364 | Salt & anhydrite |
| 2385 | Salt |
| 2411 | Anhydrite & lime |
| 2678 | Anhydrite |
| 2678' = 2717' SLH | |
| 2760 | Anhydrite & shale |
| 2785 | Anhydrite |
| 2835 | Lime & sandy lime - TD. |

Casing record: 8 5/8" 890' 125 sacks.

ME-TEK SUPPLY COMPANY
No. 1 State-2

NEW MEXICO
2-19S-31E

NW NW NW Section 2-19S-31E
Eddy County, New Mexico

Elevation: 3621'

Commenced: 5/4/39
Completed: 9/18/39

| FOOTAGE | FORMATION | | |
|---------------|--|---|---|
| 65 | Sand & caliche | 2870 | Lime |
| 110 | Red beds | 2882 | Sand - <u>Water</u> |
| 145 | Red sand | 2975 | Lime |
| 402 | Red sand & red beds | 2981 | Broken lime |
| 445 | Anhydrite | 3115 | Lime - <u>Oil show 2980-3000'</u> |
| 747 | Red beds | 3120 | Red beds |
| 900 | Anhydrite | 3152 | Lime |
| 920 | Salt | 3157 | Red beds |
| 965 | Anhydrite | 3163 | Lime |
| 995 | Red beds, salt & anhydrite | 3165 | Gray sandy lime |
| 1010 | Red beds | 3178 | Brown lime |
| 1070 | Red beds & salt | 3196 | Red sand - <u>Oil show</u> |
| 1175 | Salt & potash | 3210 | Red sand - <u>Water</u> |
| 1555 | Salt, anhydrite & potash | 3255 | Sandy lime |
| 1585 | Anhydrite & salt | 3272 | White lime - <u>Water increase</u> |
| 1650 | Salt & potash | 3310 | Lime <u>3240-60'</u> |
| 1665 | Anhydrite | 3330 | Gray lime |
| 2060 | Salt & potash | 3410 | Broken lime - <u>Slight oil show</u> |
| 2090 | Anhydrite | 3419 | Sandy lime <u>O.S. 3330-32'</u> |
| 2100 | Salt | 3449 | Red sand |
| 2155 | Salt & anhydrite | 3474 | Lime |
| 2195 | Salt | 3550 | Lime & sandy lime |
| 2210 | Red beds & shale | 3605 | Lime |
| 2265' = 2277' | SLM Salt & potash | 3610 | Lime & sandy lime |
| 2445 | Anhydrite | 3620 | Lime |
| 2460 | Brown lime | 3640 | Lime & sandy lime |
| 2485 | Anhydrite & brown shale | 3670 | Sandy - <u>Oil increase 3640-44'; Oil</u> |
| 2505 | Anhydrite | 3677 | Broken lime <u>sand 3643-70'</u> |
| 2518 | Red beds | 3685 | Lime - TD. |
| 2535 | Anhydrite | Casing record: 8" 774' set. 7" 2935' set. 5" 3275' set. 2" tubing 3680'. | |
| 2552 | Anhydrite & shale | | |
| 2594 | Anhydrite & red shale | | |
| 2625 | Anhydrite | | |
| 2645 | Anhydrite & red beds | | |
| 2668 | White lime | | |
| 2696 | Soft broken lime | | |
| 2710 | White lime | | |
| 2727 | Sand - <u>Slight oil show 2710-12'</u> | | |
| 2808 | Anhydrite & red beds | | |

W. C. Nutter
Company

WATER ANALYSIS

Operator Joe Don CookWell State #1

Field

Formation

Depth

County

Date Sampled 6-5-77Date Received 6-4-77Submitted by Raymond LewisWorked by Chuck Kelly

Other Description

chl. 6.5Cal. 9.0H. 10.5Bic 10

CHEMICAL DETERMINATIONS

Density 1.030 at 76% FpH 8.5Iron very faint TRACESHydrogen Sulfide Good TRACESodium and Potassium 12489 ppmBicarbonate 1220 ppmCalcium 3600 ppmSulfate 3000 ppmMagnesium 365 ppm

Phosphate

Chloride 26000 ppmas Sodium Chloride 42770 ppm

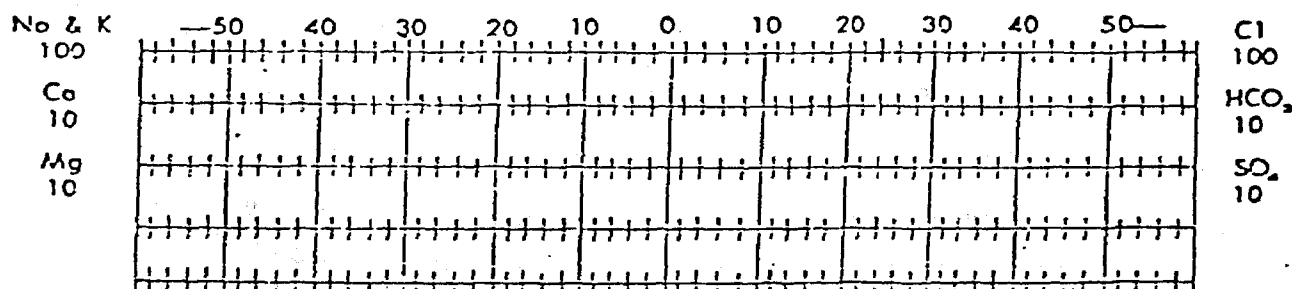
Remarks:

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

Cook EXHIBIT NO. 6CASE NO. 5950

for Stiff type plot (in meq./l.)



JDC

JOE DON COOK

/

OIL AND GAS PRODUCTION

/

PHONE 505 623-7096

2 June 1977

I/W Inc. Invoice No. 5889 (copies attached) bear out the following data indicative of economic alternative to open pit disposal of brine water in Section 2, T-19-S, R-31-E, Eddy County, New Mexico:

Price per barrel: ~~\$4.34585~~ .76

Times apx 1200 barrels per mo

Average monthly cost to haul water to nearest disposal system (Exhibit 4) \$ ~~1,120.00~~ 912.00

Amended

| | |
|---------------------------|---------------|
| BEFORE EXAMINER NUTTER | |
| OIL CONSERVATION DIVISION | |
| Cook | EXHIBIT NO. 8 |
| CASE NO. | 5950 |

8

ORDER NO. _____



ARTESIA, NEW MEXICO - 88210

Nº 5889

Date May 25, 1977

Invoice No.

To: Joe Don Cook
P. O. Box 159
Roswell, New Mexico 88201

LEASE State "J"

WELL NO. 1

Terms: Net 30 days

| DATE | TICKET NUMBER | DESCRIPTION OF WORK | RATES | AMOUNT |
|---------|------------------|---|-------|--|
| 5-19-77 | 44179 | Furnish equipment and labor to haul water to disposal. 135 Bbl Transport. 7 hrs. 270 Bbls water @ 15¢ per Bbl | 22.40 | 156.80 40.50 197.30 4% tax 7.89 \$205.19 |

- CASE 5950: Application of Joe Don Cook for an exception to Order No. R-3221, Eddy 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 produced salt water from his State Well No. 1, located in Unit J of Section 2, Township 19 South, Range 31 East, Shuart Pool, Eddy County, New Mexico, into an earthen evaporation pit in said Section 2.
- CASE 5951: Application of Odessa Natural Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 32, Township 24 North, Range 3 West, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost 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 5952: Application of Hudson & Hudson for unorthodox oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of 14 oil wells to be drilled at the following locations:
- 25 feet from the North and East lines of Units B, C, D, E, F, G, J, K, N, and O; and 25 feet from the North line and 330 feet from the East line of Units A, H, I, and P, all in Section 25, Township 17 South, Range 31 East, Maljamar Grayburg-San Andres Pool, Eddy County, New Mexico.
- CASE 5953: Application of Rice Engineering & Operating, Inc., for amendment of Order No. R-5384, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5384 to extend the injection interval in its Hobbs Salt Water Disposal Well No. 16 located in Unit P of Section 16, Township 19 South, Range 38 East, Lea County, New Mexico, to include the total open-hole section from 4176 feet to 10,008 feet.
- CASE 5954: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs and Chacra production in the wellbore of its Breech Well No. 368 located in Unit I of Section 23, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.
- CASE 5955: Application of Penroc Oil Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Foxie-Federal Well No. 2 to be drilled in the center of Unit O of Section 18, Township 20 South, Range 28 East, Eddy County, New Mexico, the E/2 of said Section 18 to be dedicated to the well.
- CASE 5956: Application of Continental Oil Company for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the E/2 NE/4, NW/4 NE/4, and NE/4 SE/4 of Section 27, Township 20 South, Range 38 East, Warren-Tubb Gas Pool, Lea County, New Mexico, to be dedicated to its Warren Unit Well No. 42 located in Unit I of said Section 27.
- CASE 5957: Application of Continental Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Otero-Chacra and South Blanco-Pictured Cliffs production in the wellbores of its AXI Apache "J" Wells Nos. 9 and 11, located in Units O and A, respectively, of Section 6, and Wells Nos. 10 and 12, located in Units A and K of Section 5, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 5958: Application of Continental Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gonzales-Mesaverde and Otero-Chacra production in the wellbores of its AXI Apache "J" Wells Nos. 18, 23, and 24 located in Units A, D, and P of Section 8; Nos. 19 and 22 in Units D and L of Section 6; Nos. 20 and 21, in Units C and I of Section 5; and No. 25 in Unit A of Section 7, all in Township 25 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 5959: In the matter of the application of the Oil Conservation Commission on its own motion to consider the creation, extension, and abolishment of certain pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico:
- a) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the North Cato-San Andres Pool. The discovery well is the Cleary Petroleum Corporation Federal "15" Well No. 1 located in Unit M of Section 15, Township 7 South, Range 30 East, NMPL. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 30 EAST, NMPL
Section 15: SW/4

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. 4169
Order No. R-3800

APPLICATION OF MASK, JENNINGS, KEOHANE,
AND WESTALL 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 July 9, 1969,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of July, 1969, 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 applicants, Mask, Jennings, Kechane, and
Westall, are the owners and operators of certain wells located
on their lease comprising the E/2 NW/4 and the NE/4 of Section 2,
Township 19 South, Range 31 East, NMPM, Shugart Pool, Eddy County,
New Mexico.

(3) That Order (3) of Commission Order No. R-3221, as amended,
prohibits in that area encompassed by Lea, Eddy, Chaves, and Roose-
velt 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

-2-
CASE No. 4169
Order No. R-3800

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 applicants seek an exception to the provisions of the aforesaid Order (3) to permit the disposal of salt water, produced by applicants' wells located on their lease comprising E/2 NW/4 and the NE/4 of the aforesaid Section 2, in an unlined surface pit located in Unit C of said Section 2.

(7) That the subject wells presently produce approximately 75 barrels of water per day.

(8) That there appears to be no shallow fresh water in the vicinity of the subject lease 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 applicants should be permitted to dispose of salt water produced by wells located on the applicants' lease comprising the E/2 NW/4 and the NE/4 of said Section 2 in the subject unlined surface pit.

IT IS THEREFORE ORDERED:

(1) That the applicants, Mask, Jennings, Keohane, and Westall, are hereby granted an exception to Order No. R-3221, as amended, to dispose of water produced in conjunction with the production of oil or gas, or both, by their wells located in the E/2 NW/4 and the NE/4 of Section 2, Township 19 South, Range 31

-3-

CASE No. 4169
Order No. R-3800

East, NMPM, Shugart Pool, Eddy County, New Mexico, in an unlined surface pit located in Unit C of said Section 2.

(2) That the Commission may by administrative order rescind such authority whenever it reasonably appears to the Commission that such rescission would serve to protect fresh water supplies from contamination.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

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

S E A L

csr/

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. 4408
Order No. R-4015

APPLICATION OF KEOHANE AND WESTALL
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 9:30 a.m. on August 19, 1970.
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st day of August, 1970, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Keohane and Westall, is the owner
and operator of a lease comprising Lot 4 and the SW/4 NW/4 of
Section 2, Township 19 South, Range 31 East, NMPM, Shugart Pool,
Eddy County, New Mexico.

(3) That Order (3) of Commission Order No. R-3221, as
amended, prohibits in that area encompassed by Lea, Eddy, Chaves,
and Roosevelt Counties, New Mexico, the disposal, subject to
minor exceptions of water produced in conjunction with the pro-
duction 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

CASH No. 4400
Order No. R-4015

which would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

(4) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.

(5) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.

(6) That the applicant seeks an exception to the provisions of the aforesaid Order (3) to permit the disposal of salt water produced by applicant's wells located or to be located on the above-described lease in an unlined surface pit located in said Lot 4.

(7) That there appears to be no shallow fresh water in the vicinity of the subject pit for which a present or reasonably foreseeable beneficial use is or will be made that would be impaired by contamination from the subject pit.

(8) That the applicant should be permitted to dispose of water produced by wells located or to be located on the above-described lease in an unlined surface pit located in the above-described Lot 4.

IT IS THEREFORE ORDERED:

(1) That the applicant, Keohane and Westall, 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 wells located or to be located on its lease comprising Lot 4 and the NW/4 NW/4 of Section 2, Township 19 South, Range 31 East, NMPN, Sanguart Pool, Eddy County, New Mexico, in an unlined surface pit located in said Lot 4.

(c) That the Director shall report to the Committee the results of his investigation and shall advise the Committee whenever he determines that the information furnished by such source does not relate to a bona fide bona fide supplier and container item.

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

DAVID F. CARGO, Chairman

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

S E A L

002/

JDC

JOE DON COOK / OIL AND GAS PRODUCTION / PHONE 505 623-7096

RECEIVED

Oil Conservation Commission

13 May 1977

Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 88201

Re: Request for Exception Hearing

Gentlemen:

Will you please place us on the next available docket
for a hearing for exception to your Order R-2231 on
the following property: 3221

T-19-S, R-31-E
Section 2
"J"

Eddy County
Joe Don Cook State #1
2310/E 2110/S

Please advise when we should appear for this hearing.

Sincerely,

Joe Don Cook
JOE DON COOK

JDC/s

P. O. BOX 159 / 805 NORTH RICHARDSON / ROSWELL, NEW MEXICO 88201

ROUGH DRAFT

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

dr/

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

CASE NO. 5950

Order No. R- 5472

APPLICATION OF JOE DON COOK

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 8,
19 77, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of June, 19 77, 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, Joe Don Cook, is
the owner and operator of the State Well No. 1,
located in Unit J of Section 2, Township 19 South,
Range 31 East, NMPN, Shugart Pool,
Eddy County, New Mexico.

(3) That Order (3) of Commission Order No. R-3221, as amended,
prohibits in that area encompassed by Lea, Eddy, Chaves, and
Roosevelt Counties, New Mexico, the disposal, subject to minor
exceptions, of water produced in conjunction with the production
of oil or gas, or both, on the surface of the ground, or in any
pit, pond, lake, depression, draw, streambed, or arroyo, or in
any watercourse, or in any other place or in any manner which
would constitute a hazard to any fresh water supplies and said
disposal has not previously been prohibited.

(4) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.

(5) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.

(6) That the applicant seeks 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 J of said Section 2.

(7) That applicant's State Well No. 1 produces approximately 40 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~~
~~Shugart~~ ~~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~~
~~Shugart~~ ~~Pool, permanent authority to~~
~~dispose of produced water from applicant's State Well No. 1~~
~~in an unlined surface pit on said lease should~~
~~be granted.~~

*→ waste nor impair correlative rights, and
approval of the subject application will not cause*

(11) That the applicant should be permitted to dispose of water produced from said State Well No. 1 in an unlined surface pit on said lease until *further order of the Commission.*

IT IS THEREFORE ORDERED:

(1) That the applicant, Joe Don Cook, 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 ~~xxx~~ his State Well No. 1, located in Unit J of Section 2, Township 19 South, Range 31 East, NMPM, Shugart Pool, Eddy County, New Mexico, in an unlined surface pit located in Unit J of said Section 2 ~~until _____, 19____~~.

(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 recission 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.