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OCO EXHIBIT No. 10

CASE 129/09

19.15.2.1 ISSUING AGENCY: Energy, Minerals and Natural Resources Department, Oil Conservation Division.
[Recompiled 12/31/01]

19.15.2.2 SCOPE: These rules shall apply to the disposal of all oil and natural gas wastes generated within the Vulnerable Area whether such wastes are disposed of within or without said area. [Recompiled 12/31/01]

19.15.2.3 STATUTORY AUTHORITY: [RESERVED] [Recompiled 12/31/01]

19.15.2.4 DURATION: [RESERVED] [Recompiled 12/31/01]

19.15.2.5 EFFECTIVE DATE: [March 1, 1993] [Recompiled 12/31/01]

19.15.2.6 OBJECTIVE: [RESERVED] [Recompiled 12/31/01]

19.15.2.7 DEFINITIONS:

A. "Alluvium" includes detrital material which has been transported by water or other erosional forces and deposited at points along the flood plain of a watercourse. It is typically composed of sands, silts and gravels, exhibits high porosity and permeability and generally carries fresh water.

B. "Fresh water to be protected" includes the water in lakes and playas, the surface waters of all streams regardless of the quality of the water within any given reach, and all underground waters containing 10,000 milligrams per liter (mg/l) or less of total dissolved solids (TDS). The water in lakes and playas shall be protected from contamination even though it may contain more than 10,000 mg/l of TDS unless it can be shown that hydrologically connected fresh water will not be adversely affected.

C. "Oil and natural gas wastes" shall mean those wastes produced in conjunction with the production, refining, processing and transportation of crude oil and/or natural gas and commonly collected at field storage, processing or disposal facilities, and waste collected at gas processing plants, refineries and other processing or transportation facilities.

D. "Field, storage, processing or disposal facilities" include but are not limited to: separators, dehydrators, blowdown pits, workover pits, burn pits, lease tanks, commingled tank batteries, LACT units, community or lease salt water disposal systems, gathering and transmission line drip pits.

E. "Pits" are defined as below grade or surface excavations which receive any type of oil and gas waste as described above.

F. "Water Sources" shall mean wells, springs or other sources of fresh groundwater extraction or discharge. "Private, domestic water sources" shall mean those water sources which are used by less than five households for domestic or stock purposes.

[Recompiled 12/31/01]

19.15.2.8 PROHIBITIONS:

A. Disposal of oil and natural gas wastes produced within the vulnerable area onto the ground surface or into unlined pits is prohibited.

B. Current discharges of oil and natural gas wastes to unlined pits within the vulnerable area will be eliminated pursuant to the following schedule:

- (1) All discharges of oil and natural gas wastes to all unlined pits located in the areas defined as the original vulnerable area by Order R-7940 (1) (a, b and c) will be eliminated within one year of the effective date of this order.
- (2) All discharges of oil and natural gas wastes into unlined pits located in those areas included in the expanded vulnerable area as defined in this Order will be eliminated within two years of the effective date of this Order. The expanded area will include alluvial areas within fifty vertical feet of the following major tributaries of the respective river systems:
 - (a) San Juan River

Armenta canyon Benito canvon Bloomfield canyon

West Fork Bloomfield canyon Caballo canyon Cabresto canyon

Canon Bancos Canon Largo Carracas canyon

Chaco River/Chaco wash Chavez canyon Collidge canyon

Cottonwood canyon Creighton canyon Dain arroyo Eagle Nest wash Eul canyon Farmington glade Frances creek

Gallegos canyon Gobernador canyon

Green canyon Hare canyon Head canyon Horn canyon Kutz canyon La Fragua canyon

La Jara canyon

Laguna Seca draw Locke arrovo Malpais arroyo Mansfield canvon Manzanares canyon Many Devils wash Munoz canyon Negro Andy canyon Ojo Amarillo canyon

Potter canyon Pump canyon Rattlesnake wash Red wash Ruins canyon Salt Creek wash Shiprock wash Shumway arroyo Slane canyon Little Slane canyon

Stevens arroyo Stewart canyon

Sullivan canyon Tom Gale canyon Vaca canyon Valdez canyon Waughan arroyo Wright canyon

Unnamed arroyo in parts of Sections 21 and 22, Township 29 North, Range 12 West, known as the Lee Acres Landfill arroyo.

Animas River

Arch Rock canyon Barton arroyo Blancett arroyo Bohanan canyon Calloway canyon Cook arroyo Cox canyon Ditch canyon

Estes arroyo Flora Vista arroyo Hampton arroyo Hart canvon

La Plata river

Barker arroyo Conner arroyo

Cottonwood arroyo Coyne arroyo McDermott arroyo

Hood arroyo Johnson arroyo Jones arrovo Kiffen canyon Knowlton canyon Kochis arrovo

Miller canyon Rabbit arroyo Tucker canvon Williams arroyo Wyper arroyo

Murphy arroyo Pickering arroyo

Thompson arroyo

Two Cross arroyo

- (3) All discharges to unlined pits located in alluvial material within fifty vertical feet of all remaining tributaries to the San Juan, Animas and La Plata rivers wilt be eliminated within three years from the effective date of this order.
- A wellhead protection area to provide protection for springs and fresh water wells outside the original and expanded vulnerable areas is hereby established. All discharges to unlined pits within a radius of 200 feet of private, domestic water sources and 1,000 horizontal feet of all other water sources will be eliminated within two years from the effective date of this Order.

- D. Wellhead protection areas shall not include areas around water wells which are drilled after the effective date of this order if such water wells are located within 1000 feet of an existing source of oil or natural gas waste.
- E. For good cause shown, the director of the division may administratively allow an extension of the time schedule for elimination of discharges to unlined pits, as described above, for a period not to exceed two years.
- F. The transfer of fluids out of the vulnerable and expanded vulnerable areas and wellhead protection areas for disposal into unlined or unpermitted pits is prohibited unless specifically authorized by the director of the division [Recompiled 12/31/01]

19.15.2.9 SURFACE DISPOSAL FACILITIES TO BE APPROVED/REGISTERED:

- A. No oil and natural gas wastes may be disposed of or stored in below grade tanks or lined pits except after application to and approval by the division. The division director may administratively approve the use of lined pits and below grade tanks within the vulnerable area for disposal or storage of oil and natural gas wastes upon a proper showing that the tank or lined pit will be constructed and operated in such a manner as to safety contain the wastes to be placed therein and to detect leakage therefrom.
- B. All unlined pits outside the vulnerable areas and wellhead protection areas receiving greater than five (5) barrels of fluids per day will be registered with the oil conservation division (OCD) within one year of the effective date of this order.

 [Recompiled 12/31/01]
- 19.15.2.10 PIT CLOSURE: Applications or plans to close existing unlined pits in the vulnerable and expanded vulnerable areas and wellhead protection areas will be submitted to the OCD for approval not later than sixty (60) days after the final date scheduled for elimination of the discharge pursuant to Rule 3 [now 19.15.2.8 NMAC]. [Recompiled 12/31/01]

19.15.2.11 VARIANCES:

- A. Director of the OCD may administratively approve a variance to the discharge prohibition on a case by case basis if the discharger can demonstrate that:
 - (1) the discharge site is (sites are) not located in alluvium; or
- (2) the discharge quality is within Ground Water Standards established by the New Mexico water quality control commission (WQCC); or
- (3) no protectable ground water (as defined by the New Mexico state engineer) is present or if present, will not be adversely affected by the discharge; and
 - (4) the discharge is not located within a wellhead protection area.
- B. Such variance may be granted for multiple sites under a single application upon a demonstration by the applicant that the sites possess common characteristics that would justify the granting of the variance.
- C. Notice of request for variance for a specific discharge point will be sent by the operator to surface owners of record and occupants of permanent residences within 1\2 mile of the site for which the variance is sought. Notice shall be by certified mail, return receipt requested, or other means of service for which proof of delivery is available. Such persons will be given twenty (20) days from the date of delivery of notice to comment to the OCD on the request. In addition, the applicant must provide public notice, in a form approved by the division, by legal advertisement in a newspaper of general paid circulation published at least weekly within the county or counties in which the site(s) for which the variance is sought is (are) located.

[Recompiled 12/31/01]

19.15.2.12 IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION UPON ITS OWN MOTION TO CONSIDER AN ORDER PROHIBITING THE DISPOSAL OF OIL FIELD BRINES IN SURFACE PITS IN LEA, CHAVES, ROOSEVELT, EDDY COUNTIES, NEW MEXICO. ORDER OF THE COMMISSION BY THE COMMISSION: This cause came on for hearing at 9 a.m. on April 19, 1967, at Hobbs, New Mexico, before the oil conservation commission of New Mexico, hereinafter referred to as the "commission."

- A. NOW, on this 1st day of May, 1967, the commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 large amounts of water produced in conjunction with the production of oil or gas, or both, are being disposed of on the surface of the ground by means of unlined disposal pits located in Lea, Eddy, Chaves, and Roosevelt counties, New Mexico.
 - (3) That said produced water contains high concentrations of chlorides.
- (4) That fresh water supplies as designated by the state engineer exist in substantially all areas where there is surface pit disposal and in substantially all the area encompassed by Lea, Eddy, Chaves, and Roosevelt counties, New Mexico.
- (5) That the disposal 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, constitutes a hazard to existing fresh water supplies, as designated by the state engineer, in the vicinity of such disposal.
- (6) That in order to afford reasonable protection against contamination of fresh water supplies as designated by the state engineer, the disposal 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 will constitute a hazard to any fresh water supplies existing in Lea, Eddy, Chaves, and Roosevelt counties, New Mexico, should be prohibited in said counties.
- (7) That the testimony indicates that the volume of water produced in conjunction with the production of oil or gas, or both, from the North Bagley-Upper Pennsylvanian, North Bagley-Middle Pennsylvanian, North Bagley-Lower Pennsylvanian, North Bagley-Wolfcamp, and Northeast Bagley-Wolfcamp pools, Lea county, New Mexico, and being disposed of into unlined pits is so great as to constitute an imminent threat to fresh water supplies designated by the state engineer and the surface disposal of said water should, therefore, be prohibited after October 31, 1967, in the area encompassed by Lea, Eddy, Chaves, and Roosevelt counties, New Mexico.
- (8) That large amounts of water are produced in conjunction with the production of oil from active waterflood projects and active water pressure maintenance projects.
 - (9) That one or more injection wells are present in each waterflood project.
- (10) That in order to afford reasonable protection against contamination of fresh water supplies designated by the state engineer, the surface disposal of water produced in conjunction with the production of oil from active waterflood projects and active water pressure maintenance projects should be prohibited after December 31, 1967, in the area encompassed by Lea, Eddy, Chaves, and Roosevelt counties, New Mexico.
- (11) That complete prohibition of surface disposal in Lea, Eddy, Chaves, and Roosevelt counties, New Mexico, of water produced in conjunction with the production of oil or gas, or both, should be accomplished by December 31, 1968, unless specifically exempted.
- (12) That the surface disposal in pits of not more than one barrel per day for each developed 40-acre tract served by said pits, but limited to a maximum of 16 barrels per day, is so insignificant as to present little hazard to fresh water supplies and should be allowed in order to prevent waste caused by the premature abandonment of wells.
- (13) That in order to prevent waste caused by the drowning out of oil or gas wells or burdensome delay or expenses, the district supervisor of the appropriate district office of the commission should be empowered to authorize temporary disposal in surface pits for a period not to exceed 30 days for such contingencies as injection system failures and evaluation of wildcat wells.

B. IT IS THEREFORE ORDERED:

(1) That effective November 1, 1967, the disposal of water produced in conjunction with the production of oil or gas, or both, from the North Bagley-Upper Pennsylvanian, North Bagley-Middle Pennsylvanian, North Bagley-Lower Pennsylvanian, North Bagley-Wolfcamp, and Northeast Bagley-Wolfcamp pools, Lea county, New Mexico, or within one mile thereof, 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 will constitute a hazard to any fresh water supplies, is hereby prohibited in that area encompassed by Lea, Eddy, Chaves, and Roosevelt counties, New Mexico.

- (2) That effective January 1, 1968, the disposal of water produced in conjunction with the production of oil from any waterflood project or water pressure maintenance project 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 will constitute a hazard to any fresh water supplies is hereby prohibited in that area encompassed by Lea, Eddy, Chaves, and Roosevelt counties, New Mexico.
- (3) That effective January 1, 1969, the disposal 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 will constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited by Orders Nos. (1) or (2) above, or by Order No. R-1224-A, or by Order No. R-2526, or by Order No. R-2788, or by Order No. R-3164, is hereby prohibited in that area encompassed by Lea, Eddy, Chaves, and Roosevelt counties, New Mexico.
- (4) That in those areas subject to the provisions of Orders Nos. (1) and (3) above, surface pits may be utilized for the disposal of a maximum of one barrel of produced water per day for each developed 40-acre tract served by said pits, provided however, that in no event shall said surface pit disposal exceed 16 barrels per day, and provided further, that this authorization shall not apply to those areas affected by Orders Nos. R-1224-A, R-2526, R-2788, or R-3164.
- (5) That nothing contained in this order shall be construed as prohibiting the disposal of water produced in conjunction with the production of oil or gas, or both, in impervious lined pits presently in use, provided said pits were inspected and approved by a commission representative prior to use, and for so long as said pits are properly maintained to ensure their continued imperviousness.
- (6) That each unlined pit used for the disposal of water produced in conjunction with the production of oil or gas, or both, and not servicing a well exempt under the provisions of Order No. (4) above shall be filled, leveled, and compacted within six months after its use for the disposal of produced water is prohibited or by November 1, 1967, whichever date is later.
- (7) That nothing contained in this order shall be construed as prohibiting the use and maintenance of mud pits or burn pits.
- (8) That the district supervisor of the approporate district office of the commission is hereby empowered to authorize temporary disposal in surface pits for a period not to exceed 30 days for such contingencies as injection system failures and evaluation of wildcat wells. Authority for said disposal shall only be granted on an individual case basis and only after the volume and quality of the water produced and the proximity of fresh water supplies have been taken into consideration.
- (9) That the provisions of this order are in addition to the provisions of Order No. R-1224-A, Order No. R-2526, Order No. R-2788, and Order No. R-3164 of the commission and nothing herein contained shall be construed as abridging or altering in any manner the provisions of said orders.
- (10) That jurisdiction of this cause is retained for the entry of such further orders as the commission may deem necessary.
- C. DONE at Santa Fe, New Mexico, on the day and year hereinabove designated. STATE OF NEW MEXICO OIL CONSERVATION COMMISSION DAVID F. CARGO, Chairman GUYTON B. HAYS, Member A. L. PORTER, Jr., Member & Secretary SEAL [Recompiled 12/31/01]
- 19.15.2.13 BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION UPON ITS OWN MOTION TO CONSIDER THE REVISION OF PARAGRAPH (1) OF ORDER NO. R-3221, TO PROVIDE THAT THE EFFECTIVE DATE FOR THE PROHIBITION OF SURFACE DISPOSAL OF PRODUCED WATER FROM THE NORTH BAGLEY-UPPER PENNSYLVANIAN, NORTH BAGLEY-MIDDLE PENNSYLVANIAN, NORTH BAGLEY-WOLFCAMP, AND NORTHEAST BAGLEY-WOLFCAMP POOLS, LEA COUNTY, NEW MEXICO, OR WITHIN ONE MILE THEREOF, BE CHANGED FROM NOVEMBER 1, 1967, TO SOME EARLIER DATE. CASE No. 3644 Order No. R-3221-A, ORDER OF THE COMMISSION BY THE COMMISSION: This cause came on for hearing at 9 a.m. on August 30, 1967, at Santa Fe, New Mexico, before the oil conservation commission of New Mexico, hereinafter referred to as the "commission."

- A. NOW, on this 31st day of August, 1967, the commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 effective November 1, 1967, Order (1) of Order No. R-3221 forbids the disposal of water produced in conjunction with the production of oil or gas, or both, from the North Bagley Upper Pennsylvanian, North Bagley-Middle Pennsylvanian, North Bagley-Lower Pennsylvanian, North Bagley-Wolfcamp, and Northeast Bagley-Wolfcamp Pools, Lea county, New Mexico, or within one mile thereof, on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any water course, or in any other place or in any manner which will constitute a hazard to any fresh water supplies in that area encompassed by Lea, Eddy, Chaves, and Roosevelt counties, New Mexico.
- (3) That upon considering the evidence presented in Case No. 3551 which resulted in the issuance of Order No. R-3221, the commission found the production of salt water in the North Bagley Field to be so great as to constitute an imminent threat to the fresh water supplies designated by the state engineer and found that it would be necessary to prohibit surface disposal of said salt water no later than November 1, 1967, in order to afford reasonable protection against contamination of said fresh water supplies.
- (4) That the evidence presented in Case No. 3644 establishes that the volume of salt water being produced in conjunction with the production of oil or gas, or both, in the North Bagley Field greatly exceeds the volume of produced salt water anticipated by the commission when it issued Order No. R-3221.
- (5) That the evidence presented in Case No 3644 establishes that the excessive amounts of water being produced in conjunction with the production of oil or gas, or both, in the North Bagley Field constitute an even more immediate threat to the fresh water supplies than anticipated by the commission at the time Order No. R-3221 was issued.
- (6) That the testimony presented in Case No. 3644 indicates that all salt water disposal systems in the North Bagley area heretofore authorized by the commission can be in operation by approximately the middle of October, 1967.
- (7) That the aforesaid salt water disposal systems will be capable of handling all salt water being produced in the North Bagley Field in mid-October.
- (8) That the prohibition of water produced in conjunction with the production of oil or gas, or both, in the North Bagley Field, or within one mile thereof, 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 will constitute a hazard to any fresh water supplies on or after November 1, 1967, in the area encompassed by Lea, Eddy, Chaves, and Roosevelt counties, New Mexico, will not afford reasonable protection against contamination of fresh water supplies designated by the state engineer.
- (9) That in order to afford reasonable protection against contamination of fresh water supplies designated by the state engineer, Order (1) of Order No. R-3221 should be amended to prohibit the surface disposal of water produced in conjunction with the production of oil or gas, or both, in the North Bagley Field, or within one mile thereof, on or after October 16, 1967.

B. IT IS THEREFORE ORDERED:

- (1) That Order (1) of Order No. R-3221, dated May 1, 1967, is hereby amended to read in its entirety as follows: "(1) That effective October 16, 1967, the disposal of water produced in conjunction with the production of oil or gas, or both, from the North Bagley-Upper Pennsylvanian, North Bagley-Middle Pennsylvanian, North Bagley-Lower Pennsylvanian, North Bagley-Wolfcamp, and Northeast Bagley-Wolfcamp Pools, Lea County, New Mexico, or within one mile thereof, 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 will constitute a hazard to any fresh water supplies, is hereby prohibited in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico."
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the commission may deem necessary.
- C. DONE at Santa Fe, New Mexico, on the day and year hereinabove designated. STATE OF NEW MEXICO OIL CONSERVATION COMMISSION DAVID F. CARGO, Chairman GUYTON B. HAYS, Member A. L. PORTER, Jr., Member & Secretary S E A L [Recompiled 12/31/01]

- 19.15.2.14 BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO CONSIDER THE AMENDMENT OF ORDER No. R-3221, THE COMMISSION'S SALT WATER DISPOSAL ORDER, TO PERMIT THE EXEMPTION OF CERTAIN PRESENTLY EXISTING AND FUTURE POOLS IN EDDY AND LEA COUNTIES, NEW MEXICO, FROM CERTAIN REQUIREMENTS OF SAID ORDER. CASE No. 3806 Order No. R-3221-B ORDER OF THE COMMISSION BY THE COMMISSION: This cause came on for hearing at 9 a.m. on July 17, 1968, at Santa Fe, New Mexico, before the oil conservation commission of New Mexico, hereinafter referred to as the "commission."
- A. NOW, on this 25th day of July, 1968, the commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 effective January 1, 1969, Order (3) of Commission Order No. R-3221, dated May 1, 1967, 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 will constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.
- (3) That within the area described as: EDDY AND LEA COUNTIES, NEW MEXICO exist a number of oil and gas pools which produce varying amounts of salt water.
 - (a) TOWNSHIP19 SOUTH, RANGE 30 EAST, NMPM Sections 8 through 36
 - (b) TOWNSHIP20 SOUTH, RANGE 30 EAST, NMPM Sections 1 through 36
 - (c) TOWNSHIP20 SOUTH, RANGE 31 EAST, NMPM Sections 1 through 36
 - (d) TOWNSHIP20 SOUTH, RANGE 32 EAST, NMPM Sections 4 through 9;
- Sections 16 through 21; and Sections 28 through 33
 - (e) TOWNSHIP21 SOUTH, RANGE 29 EAST, NMPM Sections 1 through 36
 - (f) TOWNSHIP21 SOUTH, RANGE 30 EAST, NMPM Sections 1 through 36
 - (g) TOWNSHIP21 SOUTH, RANGE 31 EAST, NMPM Sections 1 through 36
 - (h) TOWNSHIP22 SOUTH, RANGE 29 EAST, NMPM Sections 1 through 36
 - (i) TOWNSHIP22 SOUTH, RANGE 30 EAST, NMPM Sections 1 through 36
 - (j) TOWNSHIP23 SOUTH, RANGE 29 EAST, NMPM Sections 1 through 3;
- Sections 10 through 15; Sections 22 through 27; and Sections 34 through 36
 - (k) TOWNSHIP23 SOUTH, RANGE 30 EAST, NMPM Sections 1 through 19
- (4) That the major portions of Clayton Basin and North Draw, broad depressions caused by the slumping of the surface due to the removal of the underlying salt by solution, lie within the above-described area.
- (5) That the general direction of movement of both ground water and surface water in the subject area is toward and into said basins, thence southwest in Nash Draw toward Malaga Bend.
- (6) That a substantial amount of water is produced in conjunction with the production of oil or gas, or both, by the oil and gas wells located in the above-described area.
- (7) That said produced water is presently being disposed of in surface pits located in the above-described area.
- (8) That a number of large surface ponds, or lakes, containing extremely high concentrations of chlorides are located in the above-described area.
- (9) That in relation to said surface lakes, said disposal pits are inconsiderable in volume of water received and seepage underground.
- (10) That the aforesaid disposal pits and surface lakes are located within the same surface and subsurface drainage system, as described in Finding (5) above.
- (11) That the purpose of Order No. R-3221, to afford reasonable protection against contamination of fresh water supplies by surface disposal of produced water, would not be advanced by the enforcement of said order as to the above described area.
 - B. IT IS THEREFORE ORDERED:
- (1) That all oil and gas wells, both existing and prospective, located in the followingdescribed area are hereby excepted from the provision of Order (3) of Order No. R-3221, to authorize the

operators of said wells to dispose of water produced in conjunction with the production of oil or gas, or both, from said wells in unlined surface pits located in said following-described area until further order of the commission: EDDY AND LEA COUNTIES, NEW MEXICO

- (a) TOWNSHIP19 SOUTH, RANGE 30 EAST, NMPM Sections 8 through 36
- (b) TOWNSHIP20 SOUTH, RANGE 30 EAST, NMPM Sections 1 through 36
- (c) TOWNSHIP20 SOUTH, RANGE 31 EAST, NMPM Sections 1 through 36
- (d) TOWNSHIP20 SOUTH, RANGE 32 EAST, NMPM Sections 4 through 9;

Sections 16 through 21; and Sections 28 through 33

- (e) TOWNSHIP21 SOUTH, RANGE 29 EAST, NMPM Sections 1 through 36
- (f) TOWNSHIP21 SOUTH, RANGE 30 EAST, NMPM Sections 1 through 36
- (g) TOWNSHIP21 SOUTH, RANGE 31 EAST, NMPM Sections 1 through 36
- (h) TOWNSHIP22 SOUTH, RANGE 29 EAST, NMPM Sections 1 through 36
- (i) TOWNSHIP22 SOUTH, RANGE 30 EAST, NMPM Sections 1 through 36
- (j) TOWNSHIP23 SOUTH, RANGE 29 EAST, NMPM Sections 1 through 3;

Sections 10 through 15; Sections 22 through 27; and Sections 34 through 36

- (k) TOWNSHIP23 SOUTH, RANGE 30 EAST, NMPM Sections 1 through 19
- (2) That the commission may by administrative order rescind such authority as to any or all such wells whenever it reasonably appears to the commission that such rescission would serve to afford reasonable protection against contamination of fresh water supplies.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the commission may deem necessary.
- C. DONE at Santa Fe, New Mexico, on the day and year hereinabove designated. STATE OF NEW MEXICO OIL CONSERVATION COMMISSION DAVID F. CARGO, Chairman GUYTON B. HAYS, Member A. L. PORTER, Jr., Member & Secretary SEAL [Recompiled 12/31/01]
- 19.15.2.15 BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO CONSIDER THE AMENDMENT OF ORDER No. R-3221, THE COMMISSION'S SALT WATER DISPOSAL ORDER, TO PERMIT THE EXEMPTION OF CERTAIN PRESENTLY EXISTING AND FUTURE POOLS IN EDDY AND LEA COUNTIES, NEW MEXICO, FROM CERTAIN REQUIREMENTS OF SAID ORDER. CASE No. 3806 Order No. R-3221-B-1 NUNC PRO TUNC ORDER BY THE COMMISSION: It appearing to the commission that due to clerical error, Order No. R-3221-B, dated July 25, 1968, does not correctly state the intended finding of the commission in one particular,
 - A. IT IS THEREFORE ORDERED:
- (1) That the phrase "North Draw" is hereby stricken from the first line of Finding (4) on Page 2 of Order No. R-3221-B, dated July 25, 1968, and the phrase "Nash Draw" is hereby substituted in lieu thereof.
 - (2) That this order shall be effective nunc pro tunc as of July 25, 1968.
- B. DONE at Santa Fe, New Mexico, on this 13th day of August, 1968. STATE OF NEW MEXICO OIL CONSERVATION COMMISSION, DAVID F. CARGO, Chairman GUYTON B. HAYS, Member A. L. PORTER, Jr., Member & Secretary SEAL [Recompiled 12/31/01]

HISTORY OF 19.15.2 NMAC:

Pre-NMAC History: The material in this Part was derived from that previously filed with the State Records Center and Archives:

- OCC 67-10, Commission Order No. R-3221, Case No. 3551, 5/2/67.
- OCC 67-10, Amendment No. 1, Commission Order No. R-3221-A, Case No. 3644, 8/31/67.
- OCC 67-10, Amendment No. 2, Commission Order No. R-3221-B, Case No. 3806, 7/31/68.
- OCC 67-10, Amendment No. 2, Commission Order No. R-3221-B-1, Case No. 3806, 8/20/68.
- Order No. R-7940-C, Special Rules and Regulations for the Disposal of Oil and Natural Gas Wastes in the Vulnerable Area in San Juan, McKinley, Rio Arriba and Sandoval Counties, New Mexico, 2/10/93.