

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 4047
Order No. R-3725

APPLICATION OF LARRY C. SQUIRES
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 9 a.m. on March 19, 1969, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 16th day of April, 1969, 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, 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.

(3) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh

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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.

(4) 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.

(5) That the applicant, Larry C. Squires, seeks an exception to the provisions of the aforesaid Order (3) to permit the disposal of water produced in conjunction with the production of oil or gas, or both, in three natural salt lakes located in Lea County, New Mexico, as follows:

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

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

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

(6) That the subject lakes are situated within the confines of a synclinal feature.

(7) That the water in the aforesaid three lakes is not fresh water.

(8) That that portion of the Triassic red beds underlying said three lakes is virtually impermeable and therefore prevents seepage from said lakes into the sand stringers within said red beds which may contain fresh water.

(9) That as to sands that are in communication with said lakes, the evidence indicates that the major flow of surface and subsurface water within the boundaries of said synclinal feature is toward the subject lakes.

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(10) That the evidence indicates that there is no leakage of water from said Laguna Plata and Laguna Gatuna into the adjoining formations.

(11) That the evidence indicates that there may be some leakage of water from said Laguna Tonto into the adjoining formations to the southeast, thence southwestward toward Laguna Gatuna.

(12) That the utilization of Laguna Plata and Laguna Gatuna for the disposal of water produced in conjunction with the production of oil or gas, or both, will not constitute a hazard to fresh water supplies that may exist in the vicinity of said lakes.

(13) That the utilization of Laguna Tonto for the disposal of water produced in conjunction with the production of oil or gas, or both, may constitute an additional threat of contamination of fresh water supplies as designated by the State Engineer existing to the southeast of said lake.

(14) That the evidence indicates that commercial deposits of sodium sulphate ($\text{Na}_2 \text{SO}_4$) may exist in and/or near the three subject lakes.

(15) That disposal of produced salt water into Laguna Plata and Laguna Gatuna will not interfere with the testing required to determine if there are commercial deposits of sodium sulphate in and/or near the said three lakes.

(16) That said disposal prior to actual mining operations will not impair the value of said sodium sulphate nor render its recovery more difficult.

(17) That this case should be reopened upon the motion of the Commission or any other interested party whenever tests have been conducted which indicate to a substantial degree that commercial deposits of sodium sulphate probably exist in and/or near the subject lakes, at which time all interested parties should be prepared to appear and show cause why continued disposal in said lakes should or should not be allowed.

(18) That the applicant should be authorized to utilize Laguna Plata and Laguna Gatuna for the disposal of water produced in conjunction with the production of oil or gas, or both.

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(19) That the request of the applicant to utilize Laguna Tonto for the disposal of water produced in conjunction with the production of oil or gas, or both, should be denied.

IT IS THEREFORE ORDERED:

(1) That the applicant, Larry C. Squires, 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, in two natural salt lakes located in Lea County, New Mexico, as follows:

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

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

(2) That the application of Larry C. Squires to utilize Laguna Tonto, located in Sections 32 and 33, Township 19 South, Range 33 East, and Section 4, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, for the disposal of water produced in conjunction with the production of oil or gas, or both, is hereby denied.

(3) 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.

(4) That this case shall be reopened upon the motion of the Commission or any other interested party whenever tests have been conducted which indicate to a substantial degree that commercial deposits of sodium sulphate probably exist in and/or near the aforesaid lakes, at which time all interested parties should appear and show cause why continued disposal in said lakes should or should not be allowed.

(5) That the first person to determine to a substantial degree by tests that commercial deposits of sodium sulphate probably exist in and/or near said lakes shall so notify the Commission, setting forth in writing the supporting facts,

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whereupon the Commission shall give notification for the reopening of this case.

(6) 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. ARMISTEAD, Member


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



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