

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 22, 1969

EXAMINER HEARING

IN THE MATTER OF:)

Application of Dalport Oil Corporation) Case No. 4230
for an exception to Order No. R-3221, as)
amended, Chaves County, New Mexico.)

BEFORE: Daniel Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: Case 4230.

MR. HATCH: Case 4230. Application of Dalport Oil Corporation for an exception to Order No. R-3221, as amended, Chaves County, New Mexico.

MR. CHRISTY: Sam Christy, Hinkle, Bondurant and Christy, Roswell, New Mexico, for the Applicant. We have one witness, Mr. Examiner.

(Witness sworn.)

(Whereupon, Applicant's Exhibits A and B were marked for identification.)

LEON LAMPERT

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. CHRISTY:

Q For the record will you please state your name and your occupation, where you live, by whom you are employed and in what capacity?

A My name is Leon Lampert. I work for Dalport Oil Corporation out of Dallas, Texas, and I live in Corpus Christi, Texas.

Q Mr. Lampert, have you ever testified before this regulatory body?

A No, sir.

Q Would you briefly tell us the schools of higher learning you have attended and the degrees received, if any, and when?

A I have attended the University of Texas and I have a Bachelor of Science Degree in geology and a Master of Science Degree in geology.

Q When were those obtained?

A Bachelor of Science in 1951 and the Masters, 1953.

Q Since obtaining those degrees have you been regularly employed as a geologist?

A Yes, sir.

Q Are you familiar with geology in the West Texas-New Mexico area?

A Yes, sir.

Q Have you worked in this area?

A Since 1954 I have worked off and on in West Texas-New Mexico.

Q I believe that this application concerns property in Township 14 South, Range 30 East, Chaves County, New Mexico. Are you familiar with that general area and the geology therein?

A Yes.

MR. CHRISTY: Does the Examiner have any questions concerning the witness's qualifications?

MR. NUTTER: No; the witness is qualified.

Q (By Mr. Crhisty) Mr. Lampert, will you briefly tell us what is sought by Dalport in this application in Case 4230?

A Dalport Oil Corporation in the latter part of August of this year completed the number 2 AMCO Federal in Section 31, 14 South, 30 East, in Chaves County.

Q Is that in the southwest northwest of Section 31?

A That's right.

Q All right, sir.

A And we completed it for about twenty barrels of oil and fifty barrels of water pumping and we are putting water into a surface pit, regulation size surface pit and we were requesting that we obtain exception to this no pit order ruling.

Q You have obtained temporary authority to make this disposal up to this time?

A That's right, sir.

Q Briefly tell us a little about this well; what depth it's completed and in what depth you propose to inject salt water.

A Well, the completion is at 2040 to 2050 in the Queen Sand Formation. We are not injecting water.

Q I misspoke myself there.

A And when we completed it we saw that it was making water; so, we contacted the Artesia office of the Conservation Commission to obtain a temporary order for disposal of water on the surface.

Q Now, to orientate ourselves a little better, may I refer to what has been marked as Applicant's Exhibit A in this hearing and would you please identify it for us, what it depicts?

A Exhibit A is a land map of the general area showing all of our wells in the double "L." This field is called the double "L" field -- Queen Field and it shows the wells to the south in the Sulimar Field, that it's 15 South, 29 East; but, the well that's marked in yellow in Section 31 is the well that we are discussing.

The surface pit is located due south of that well midway between the number 1 and number 2. It would have been halfway between the two wells which is where the tank battery is located.

On the west side, the left side of the map,

there is a well in red or there is a mark in red and that is the only subsurface water well in the whole area. So, this just -- it shows the subsurface water well in Section 3 and it shows our well making water in 31 in yellow.

Q And as I understand it, this little lucky well on the left-hand side is the only subsurface water well in the area?

A That's right, sir.

Q By "in the area," what do you mean, four or five miles?

A Within five miles in any direction.

Q Did you drill this well by cable tool or rotary?

A Rotary.

Q Are there any other cable tool wells that have been drilled in this area?

A Yes, sir; immediately south of this well colored in yellow in Section 1, 15 South, 29, R. G. McPherson is the eastern part of Section 1 -- R. G. McPherson has drilled two wells with cable tools to the Queen at about 2,000 feet and they have just recently been completed.

Q Have you made an investigation as to whether or not fresh water was encountered from the surface of the

ground down to the top of the Queen at 2,000 feet.

Q I notice on Exhibit A the number 2 McPherson Well shows as drilling. Do I understand now it has just recently been completed?

A Yes, sir. It should be filled in. It is a completed well.

Q Any other cable tool wells in this general area that you know of?

A Yes, sir. The well in Section 6, 15 South, 30, which is called McClellan No. 1 Sue is a cable tool well and then further on south in the Sulimar Field, I believe everyone of those would be a cable tool well.

Of course, in the Sulimar they have not encountered any water from the surface of the ground down to the top of the Queen.

Q In that connection, particularly with McClellan Wells, are you familiar with Case 4156 before this Oil Conservation Commission in which Mr. McClellan made a similar application for exception as Dalport asks in this case?

A Yes, sir.

Q Have you read that case?

A Yes, sir.

Q Do you agree with the conclusions therein contained and testified to?

A Yes, sir.

Q Now, you also have what's been identified as Exhibit B in this case. Would you briefly tell us what it is and what it purports to depict?

A Exhibit B shows the general area and it shows various surface tanks and various wells from Eddy County going northward into Chaves County.

In yellow it shows where our proposed disposal pit is and to the southwest of it a couple of miles it shows that little lucky well that we mentioned a while ago that is the only subsurface water well in the area.

Q Now, I notice an arrow on Exhibit B saying "direction of water." Could you tell us a little bit what that is supposed to depict, what it means?

A Yes, sir. That was taken from the ground water report number 3 put out by the New Mexico Bureau of Mines which -- in this ground water report they have a map that shows the direction of the ground water flow in Eddy County, and this arrow as you will notice is in Eddy County and if there is a movement of ground water it will be in the

south or southwesterly direction.

As it turns out in our area to the north there doesn't seem to be any Artesian aquifer that we have found as yet that will continue in a direction -- certain direction or that is wide spread. There is no aquifer that we know of that is a wide spread aquifer.

Q Do you have an opinion as to which way the salt water would flow in the event it did permeate down below the pit in this instance?

A Yes, sir. If you map on the shallow beds, one of the shallowest markers would be the top of the Russler, top of the Anhydrite at a depth of 290 to 300 feet. The original dip of the Russler is easterly in the area where our pit is.

There is a topographic hill situated just to the south of this pit and the slope of the ground slopes eastward and northeastward at the location of the pit. So, it's my opinion that if there would be any kind of drainage it would be in a easterly or northeasterly -- I would say probably just an easterly direction following the dip of the beds.

Q That would be away from the Little Lucky Well?

A Yes, sir. Now, this little hill that is in this vicinity of the -- incidentally, the area is sort of rolling, but the lowest topographic features are sort of to the east and in this one instance to the northeast so that if there be any drainage it would be in that easterly direction or components of the easterly direction.

Q Now, you would understand, I believe, that in this application you would be limited to disposal of salt water from this well?

A Yes.

Q We are not talking about any further development --

A Yes, sir.

Q -- and this is in the range of 40 to 50 barrels of salt water per day?

A Yes, sir. We have just recently tested it and it is in the range of 50 barrels of salt water per day.

Q What about the economics if you are unable to dispose of it in the surface pit? What could you do with it? What would be the cost of it?

A We would have to place a tank, I imagine a fiber glass type of tank on there which cost about fifteen hundred dollars. Then, we would have to put the water into the tank and haul the water out periodically.

Q Do you have any idea what hauling water is in that area?

A They would charge you by the hour. It would be something like thirteen dollars an hour. For a load of -- for a load of salt water it would be somewhere in the neighborhood of about a four-hour trip. I don't know exactly where the truckers would dispose of this water, either.

Q It would become rather expensive?

A It would. It would be expensive. We feel there is no aquifer in this area as shown by these cable tool holes that have been drilled. We feel that there is no water that would be contaminated by our surface pit.

Q Now, in Exhibit B you have shown some other windmills and did I understand you right, they are simply pumping surface water?

A Yes, sir. Just immediately west of that little yellow mark where our proposed disposal pit is there are several windmills. They are actually in the southeast quarter of Section 36 and it is a pond; it's a pond that is draining the area; that's west of our well.

There are two pumps located on this pond and

they are pumping water into some concrete tanks that are -- and they furnish water to their cattle out of the concrete tanks. There is another windmill to the north about a mile and a half that is north of our proposed tank. It's pumping rain water also into a concrete tank.

Q The only subsurface one in the area is the Little Lucky 1?

A That's right. Yes, sir.

Q Is there anything else that I have not asked you in connection with this application which you feel would be of interest and benefit to the Commission in the consideration of the application?

A I think the only thing that we should stress is that there have been cable tool wells very close to this well of ours and that there has been no show of water whatsoever from the surface to the top of the Queen.

Q Is there anything else?

A I don't believe there's anything else, sir.

MR. CHRISTY: At this time we would like to offer in evidence Applicant's Exhibits A and B.

MR. NUTTER: Applicant's Exhibits A and B will be admitted in evidence.

MR. CHRISTY: That's all, Mr. Examiner.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Lampert, I hand you a book of maps and particularly refer you to Caprock quadrangle No. 95. That is the book of maps prepared by the New Mexico State Highway Department and it would appear the examination of page 95 in that book that approximately a mile to the southwest of your proposed pit would be a couple of windmills indicated by the symbol of a circle with a couple of little horns on top of the circle.

Also, approximately a mile north in Section -- at the north side of Section 30, there is an indicated windmill and a mile north of that in the southern part of Section 18, there would be another indicated windmill.

Have you investigated those windmills that have been reported by the highway department on their map and found whether they exist or not?

A Yes, sir. They do exist and everyone of the windmills are pumping rain water out of the low spots, low ponds.

Q Now, you mentioned while ago that there were a couple of windmills in the southeast corner of Section 36.

A Those are the same two shown --

Q These would be the ones that are shown in Section 1 on this map?

A Did I say southeast quarter of Section 36? They are a little bit to the south of the southeast quarter, just exactly where they are shown.

Q Between those two roads?

A Right, sir.

Q And that is a pond there that gathers surface drainage?

A That's right.

Q When it rains? Are the pumps on the windmills set under the surface of the ground or are they hanging up in the air and pump only when there is water in the pump?

A They are set down into the ground and they have pipes extending into the pond and there are two separate windmills; one on the east side of the pond and one on the west side.

Evidently there is a pasture -- a fence line in between and they are pumping water -- the two windmills are pumping water from the pond; ones to the east and ones to the west into these concrete tanks.

Q In other words, this is just a means of getting

water from a pond into more or less a concrete cistern?

A Into a cistern that's feeding the tanks. Then, to the north where you said -- a mile north of our wells where you said there was a windmill and to which I testified while ago there is a same situation.

There is one windmill and it's pumping out of a pond into a cistern. I have checked this information also with the manager of the Bogle Farms of that area and he says that they -- he agrees that this is exactly what it is, that they are windmills taking water out of a pond. They are not taking water out of the subsurface.

Q What about this Little Lucky Well? How deep is the water in that well?

A This is approximately -- this is from the manager, this foreman of the Bogle Farm -- it's approximately 150 feet in depth.

Q What is the water level, do you know?

A No, sir.

Q Do you know the quality of that water?

A It's fairly decent water for cattle purposes. I don't know if it's drinkable; but, he mentioned that it's all right for the cattle.

This foreman also mentioned that there have been

other attempts in the area to locate water in this -- these townships right in the vicinity of our disposal pit and it has been very difficult to find water at any depth and he knows of no other water other than that Little Lucky Well.

MR. CHRISTI: Where is this location that you are asking the exception for with respect to the Caprock?

THE WITNESS: The physiographic Caprock.

MR. CHRISTI: Yes, sir.

THE WITNESS: We are approximately eight miles -- oh, it looks like we are about seven miles west of the Caprock.

MR. NUTTER: I believe the Caprock is indicated on Applicant's Exhibit B.

MR. CHRISTI: You are west of the Caprock and do you know off of the Caprock?

THE WITNESS: Yes. We are in the Mascelero Sands, shifting dune sands.

MR. CHRISTI: Is there any Ogallala Formation present at any location?

THE WITNESS: No, sir.

MR. NUTTER: Does anyone have any further questions

of Mr. Lampert? He may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Christy?

MR. CHRISTY: No, Mr. Examiner.

MR. NUTTER: Does anyone have anything they wish to offer in Case 4230? Take the case under advisement and call Case 4231.

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E X H I B I T S

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I, GLENDA BURKS, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

Alinda P. P. P.
Notary Public

My Commission Expires:

March 12, 1973

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4230 heard by me on 10/22/69.

based by me on 10/22/67.
[Signature]
 New Mexico Oil Conservation Commission

CLARENCE E. HINKLE
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See 4230

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

Attention: Mr. A. L. Porter, Jr.
Executive Secretary

Re: Dalport Oil Corporation
Application for Exception to
Order R-3221-C

Gentlemen:

We enclose herewith in triplicate an Application by our client, Dalport Oil Corporation, for an exception to the Commission's Order R-3221-C, Case 3807, entered September 10, 1968.

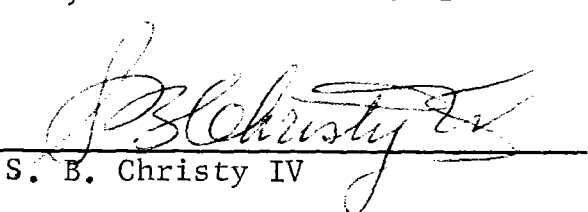
We would appreciate it if the case might be set for an Examiner hearing the last possible week in October, 1969.

If anything further is required, kindly advise.

Respectfully,

HINKLE, BONDURANT & CHRISTY

By


S. B. Christy IV

SBC:pv

Encl.

cc: Dalport Oil Corporation
(Corpus Christi)

cc: Dalport Oil Corporation
(Dallas)

DOCKET MAILED

Date 10-9-69