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April 14, 1971

Can 4536

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

Gentlemen:

Enclosed in triplicate is the application of Eastland Oil Company for an exception to Order R-3221, as amended, in Eddy County, New Mexico.

Yours very truly,

for son in Kellah

Jason W. Kellahin

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BEFORE THE

OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF EASTLAND OIL COMPANY FOR AN EXCEPTION TO ORDER R-3221, AS AMENDED, EDDY COUNTY, NEW MEXICO.

Case 4526

<u>APPLICATION</u>

Comes now The Eastland Oil Company and applies to the Oil Conservation Commission of New Mexico for an exception to the provisions of Commission Order No. R-3221, as amended, to permit the use of surface pits for disposal of produced water in the Power Grayburg-San Andres Pool, Eddy County, New Mexico, as follows:

Applicant is the owner and operator of the Allied State lease consisting of the S/2 of Section 32, Township 17 South, Range 31 East, on which is located in the SW/4 SW/4 its Allied State No. 1 well; and is the owner and operator of the Kenwood Federal lease, consisting of the NW/4 of Section 6, Township 18 South, Range 31 East, on which is located in the NE/4 NW/4, its Kenwood Federal No. 1 well, and in the NW/4 NW/4, its Kenwood Federal No. 3 well.

The Allied State No. 1 well produces approximately 70 barrels of water per day, which applicant proposes to dispose of in a pit located in the same unit as the well is located. The Kenwood Federal No. 1 and Kenwood Federal No. 3 wells produce from 5 to 8 barrels of water per day, which applicant proposes to dispose of in a pit located in the NW/4 NW/4 of Section 6. Township 18 South. Range 31 East.

In support of this application, applicant would show the Commission there are no shallow fresh waters in the vicinity of the subject pits for which a present or reasonably foreseeable beneficial use is or will be made, that would or could be impaired by contamination from the subject pits, and that there are no fresh water supplies in the vicinity of said pits, either surface or subsurface, that could or would be damaged or impaired by use of said pits for water disposal.

WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order permitting use of the surface pits for water disposal, as prayed for.

> Respectfully submitted, EASTLAND OIL COMPANY

By Cook William KELLAHIN & FOX

P. O. Box 1769

Santa Fe. New Mexico 87501

ATTORNEYS FOR APPLICANT