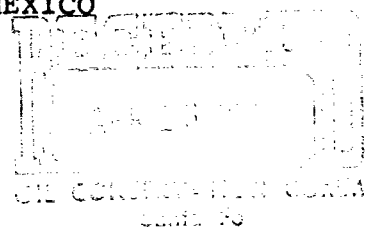


BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF HANSON OIL CORPORATION FOR AN
EXCEPTION TO THE PROVISIONS OF ORDER
NO. R-3221, AS AMENDED, EDDY COUNTY,
NEW MEXICO



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A P P L I C A T I O N

Comes now Hanson Oil Corporation 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 surface disposal of produced water in the Shugart Pool (Yates-Seven Rivers-Queen-Grayburg), Eddy County, New Mexico, and in support thereof would show the Commission:

1. Applicant proposes to use unlined surface pits for the disposal of produced water, as follows:

(1). Battery No. 1: Ginsberg Federal Wells Nos. 1, 2, 3, and 4, with the pit to be located in Unit O of Section 25, Township 18 South, Range 30 East, N.M.P.M., about 1/2 barrel of water per day.

*4 wells
Sec 25*

(2). Battery No. 2: Ginsberg Federal Wells Nos. 8, 9, 10, 11, with the pit to be located in Unit I, Section 26, Township 18 South, Range 30 East, N.M.P.M., approximately 80 barrels of water per day.

*4 wells
Sec 26*

(3). Battery No. 3: Ginsberg Federal Wells Nos. 12, 13, 14, with the pit to be located in Unit J, Section 26, Township 18 South, Range 30 East, N.M.P.M., approximately 40 barrels of water per day.

*3 wells
Sec 26*

(4). Battery No. 4: Ginsberg Federal Well No. 5, with pit to be located in Unit J, Section 24, Township 18 South, Range 30 East, N.M.P.M., about 17 barrels of water per day.

*1 well
Sec 24*

(5). Battery No. 5: No. 1 Louise B. Benson Well, pit to be located in Unit J, Section 26, Township 18 South, Range 30 East, N.M.P.M., approximately 1-1/2 barrels of water per day.

*1 well
Sec 26*

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2. In addition to the foregoing completed wells and batteries, applicant proposes to drill additional wells, for which an exception to the provisions of Order R-3221, as amended, is sought, as follows:

(1). N/2 SW/4 Section 26, Township 18 South, Range 30 East, N.M.P.M., two wells, battery and disposal pit to be located in Unit K, of Section 26.

*2 wells
Sec. 26*

(2). NW/4 of Section 35, Township 18 South, Range 30 East, N.M.P.M., 4 wells, battery and pit to be located in Unit B of Section 35.

*4 wells
Sec 35*

(3). W/2 NE/4, SE/4 NE/4 Section 34, Township 18 South, Range 30 East, N.M.P.M., three wells, battery and pit to be located in Unit G of Section 34.

*3 wells
Sec 34*

(4). S/2 SE/4, Section 34, Township 18 South, Range 30 East, N.M.P.M., two wells, battery and pit to be located in Unit O of Section 34.

3. Applicant would show the Commission that all of the above locations for which surface-disposal exceptions are sought, are in a sand-dune area, and that there is no surface water in the area that could be affected by surface disposal of produced water, and no ground water supplies could be affected by an exception to the provisions of Order No. R-3221, as amended. The Commission has heretofore granted exceptions in this area, based upon a finding that no fresh water supplies would be contaminated by surface disposal of produced water, in Cases Nos. 4132, 4146, 4169, 4180, 4327, and 4561, and possibly others.

4. Approval of this application is in the interests of conservation, no waste will occur, and the rights of other owners will be protected.

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 approving surface disposal of produced water as prayed for.

Respectfully submitted,

HANSON OIL CORPORATION

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