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AUG 9 1984

OIL CONSERVATION DIVISION

August 9, 1984

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

Mr. Richard L. Stamets
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

"Hand Delivered"

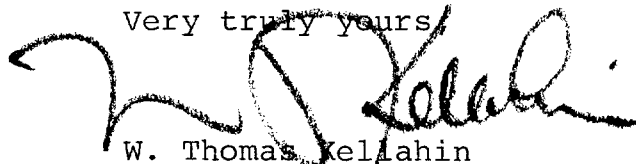
Re: Pollution Control
NMOCD Case 8292

Dear Mr. Stamets:

In accordance with your request at the hearing
of the referenced case, held on August 8, 1984,
please find enclosed for your consideration a proposed
order.

Please call me if you have any questions.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

cc: Larry Squires
Pollution Control Inc.
P. O. Box 1060
Lovington, New Mexico 88260

Tim Kelly
Geohydrology Associates, Inc.
4015 Carlisle, N.E., Suite A
Albuquerque, New Mexico 87107

(4) That Applicant proposed to utilize the expanded facility for the disposal of water and brines collected in association with oil well production and for the disposal of solid oil-field waste products, including, drill cuttings and drilling mud.

(5) That Applicant proposes to utilize the expanded facility at a rate combined with its existing Laguna Gatuna facility so that the total combined discharge from both sites does not exceed 30,000 barrels of brine per day.

(6) That the State Engineer has designated, pursuant to Section 72-2-12 (15), N.M.S.A., 1978 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 reasonable foreseeable beneficial use that would be impaired by contamination.

(7) That Laguna Gatuna and Laguna Plata is sited within the confines of a synclinal feature.

(8) That the water in Laguna Gatuna and Laguna Plata is not fresh water.

(9) That that portion of the Triassic red beds underlying said Laguna Gatuna and Laguna Plata is virtually impermeable and therefore prevents seepage from said lake into the sand stringers within said red beds which may contain fresh water.

(10) That as to sands that are in communication with said lake, the evidence indicates that the major flow of surface and subsurface water within the boundaries of said synclinal feature is towards Laguna Gatuna and Laguna Plata.

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

(12) That the utilization of Laguna Gatuna for the disposal of water produced in conjunction with the production of oil or gas, or both, and oil field waste products, including, drill cuttings and drilling muds will not constitute a hazard to fresh water supplies that may exist in the vicinity of said lake.

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(13) That the salt springs and brine associated with Laguna Gatuna are more highly mineralized than water collected from oil wells in the immediate area.

(14) That Laguna Gatuna is a suitable disposal site for as much as 30,000 barrels of brine per day.

(15) That there is no evidence that the fifteen years of operation by Pollution Control Inc. has adversely impacted the hydrological system in the vicinity of Laguna Gatuna and that continued operations as proposed will not endanger the pre-1969 conditions.

(16) That Laguna Gatuna is a satisfactory repository for solid oil-field waste products.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Pollution Control Inc. 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, and for solid oil-field waste products, such as drill cuttings and drilling muds, in 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 total disposal rate of salt water into Laguna Gatuna at both sites shall not exceed 30,000 barrels per day.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY
Director