

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

8 August 1984

EXAMINER HEARING

IN THE MATTER OF:

Application of Pollution Control,
Inc. for amendment to Division
Order No. R3725, Lea County, New
Mexico.

CASE
8292

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce
Attorney at Law
Oil Conservation Commission
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin
Attorney at Law
KELLAHIN & KELLAHIN
P. O. Box 2265
Santa Fe, New Mexico 87501

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

TIM KELLY

Direct Examination by Mr. Kellahin	3
Cross Examination by Mr. Stamets	24
Questions by David Boyer	25

E X H I B I T S

PC Exhibit One, Report	4
------------------------	---

1
2
3 MR. STAMETS: The hearing will
4 please come to order.

5 We'll call next Case 8292.

6 MR. PEARCE: That case is on
7 the application of Pollution Control, Inc. for amendment to
8 Division Order No. R-3725, Lea County, New Mexico.

9 MR. KELLAHIN: If the Examiner
10 please, I'm Tom Kellahin of Santa Fe, New Mexico, appearing
11 on behalf of the applicant and I have one witness to be
12 sworn.

13 MR. PEARCE: Are there other
14 appearances in this matter?

15 (Witness sworn.)

16 TIM KELLY,
17 being called as a witness and being duly sworn upon his
18 oath, testified as follows, to-wit:

19 DIRECT EXAMINATION

20 BY MR. KELLAHIN:

21 Q Mr. Kelly, for purposes of the record
22 would you please state your name and occupation?

23 A My name is Tim Kelly. I'm from Albuquer-
24 que and I'm a consulting hydrologist.

25 Q Mr. Kelly, as a hydrologist, have you

1
2 previously testified before the New Mexico Oil Conservation
3 Division and had your qualifications as a hydrologist ac-
4 cepted and made a matter of record?

5 A Yes, they have been.

6 Q And have you prepared, pursuant to your
7 employment by Pollution Control, a hydrologic assessment of
8 the area involved in this application?

9 A Yes, I have.

10 MR. KELLAHIN: We tender Mr.
11 Kelly as an expert hydrologist.

12 MR. STAMETS: He is considered
13 qualified.

14 Q Mr. Kelly, let me refer to your package
15 of exhibits, which we have simply marked as Exhibit Number
16 One, and ask you to turn to page 28 of that report, and as
17 an introduction for the Examiner, would you describe for us
18 in a general way what has been the history of the Pollution
19 Control operations in the Laguna Gatuna area?

20 A Yes, sir. In February of 1969 Pollution
21 Control retained the services of Ed L. Reed of Midland,
22 Texas, to prepare an assessment of the area referred to as
23 the salt lakes in western Lea County. It included Laguna
24 Gatuna, Laguna Plata, and Laguna Tonto. And an application
25 was made at that time. I believe it's Case Number 4047; was
heard on March 19th, 1969, in which Pollution Control re-
quested the use of Laguna Gatuna and Laguna Plata and Laguna
Tonto as a site for disposal of oilfield brine.

1
2 The application was approved for use at
3 -- of disposal of oilfield brine in Laguna Gatuna and Laguna
4 Plata, and subsequently, Pollution Control began operations
5 at Laguna Gatuna, which is shown in detail on page 28 of Ex-
hibit One.

6 This shows in the north half of Section
7 18 of Township 20 South, Range 32 East, the present site of
8 their operations, which have -- which they have had in oper-
9 ation since 1969.

10 They have also proposed a new site on the
11 southeast site of Laguna Gatuna, which is shown in Section
12 17.

13 Q All right, sir, if you'll turn to the
14 first appendix following page 36 in the Exhibit Number One,
15 is that the Commission Order R-3725 that you've made refer-
16 ence to that's approved the current operations of Pollution
Control at Laguna Gatuna?

17 A Yes, it is.

18 Q All right, sir. Would you outline for us
19 generally, Mr. Kelly, what Pollution Control proposes to do
20 at its site in the southwest quarter of Section 17?

21 A They propose to use this site in addition
22 to their existing site for disposal of oilfield brine and
waste products from the oil industry at this site.

23 I might mention that the site has been
24 selected because of the lease which they presently have and
25 also its proximity to Highway 62/180, which makes it some-

1
2 what more accessible to trucks.

3 Q What was the purpose of having Pollution
4 Control retain you as a hydrologist to study this area?
5 What were you looking to study, Mr. Kelly?

6 A The plans by Pollution Control were to
7 add the additional site in Section 17 and at the same time
8 to update the hydrologic assessment of the area, since their
9 operation had been continuing for fifteen years, to deter-
10 mine if there had been any adverse effects from their pre-
11 vious operations and what the effect of the new site might
be on the hydrologic system.

12 Q In going about studying for that goal,
13 what information did you review and what studies did you un-
dertake?

14 A The first thing we did was review the
15 Reed study in detail and the Reed study consisted primarily
16 of one illustration or exhibit, which was used in 1969, and
17 that is included in our report as a plate.

18 Q All right, let's look at that for a
19 minute. Let's unfold one of those and look at it.

20 Let me try and understand what this is.
21 This represents Mr. Reed's work as consulting hydrologist
22 and is the basis upon which the 1969 order was entered ap-
23 proving Pollution Control's use of Laguna Gatuna for a dis-
posal site?

24 A That's correct.

25 Q All right, sir, and this, then, was the

1 basis where you started your review of this property.

2 A Right. We first of all reviewed the tes-
3 timony from the hearing and then reviewed the map.

4 We then made a literature and file search
5 of available data, of which a considerable amount had been
6 collected in the past, both from work which we had done or
7 the Bureau of Land Management in that area, and the WIPP
8 site studies, which are nearby, and then we made an on-site
9 evaluation in which we actually went into the field, updated
10 the geologic map as best we could. We looked at the water
11 quality information and the water levels which Reed had
12 measured, as well as interviewed Mr. Snyder -- excuse me,
13 Mr. --

14 Q Squires.

15 A Mr. Squires with Snyder Ranches, and to
16 determine what the history of the water use in that area
17 was. We also talked to some additional ranchers.

18 On the basis of this we prepared our re-
19 port which is submitted here.

20 Q All right, sir, on Exhibit -- page 34 of
21 Exhibit Number One, is that a tabulation of the reference
22 material and other studies that you reviewed and included in
23 your analysis of this area?

24 A Yes, it is.

25 Q Has a --

A I might -- I might mention that these re-
ferences are the ones which are specifically referenced in

1
2 our report. These are not necessarily all the ones we evaluated.
3

4 Q As an expert hydrologist, Mr. Kelly, do
5 you believe that you had an adequate data base from which to
6 reach certain conclusions with regards to the continued
7 suitability of Laguna Gatuna as a disposal facility?

8 A Yes, I do.

9 Q Before we go into detail on the facts
10 surrounding your conclusions, Mr. Kelly, I think it might be
11 helpful if we simply turn to page 30 of your report and have
12 you give us a general synopsis from page 30 and 33 of the
13 six major conclusions you have reached based upon your
14 study, and then we'll go back and talk about each one of
15 those items.

16 A All right. Laguna Gatuna is a natural
17 ground water discharge point. It is the site where the fa-
18 cility is now in operation. The information in that area
19 indicates that the ground water is naturally discharging in-
20 to Laguna Gatuna so that the flow is to the lake rather than
21 away from it.

22 The same thing is true of Laguna Plata,
23 which is also shown on this plate several miles to the
24 northwest.

25 The second conclusion we made was that
natural discharge from springs at Laguna Gatuna and Laguna
Plata is much more highly mineralized than the water that is
being produced from wells in the area or from the water

1 which is being disposed of by Pollution Control, Incorporated.
2 So the natural water is worse than what is being put
3 in there from the oilfield sources.

4 Q All right, sir.

5 A Our third conclusion was that the site of
6 Laguna Gatuna is suitable for the discharge of as much as
7 30,000 barrels brine per day. This was what the original
8 application was for.

9 The fourth conclusion was that after fif-
10 teen years of operation by Pollution Control there appears
11 to be no adverse impacts on the hydrologic system in that
12 area.

13 Our fourth is that the solid wastes which
14 have been disposed of at Laguna Gatuna have not in any way
15 been detrimental to the hydrologic system, and our final
16 conclusion was that the facility which is proposed in the
17 southwest corner of Section 17 would not adversely impact
18 the hydrologic conditions, although we see no reason to in-
19 crease the original allocation which was granted of 30,000
20 barrels per day combined from the two facilities.

21 Q All right, sir. Let's go back, then, Mr.
22 Kelly, and follow your report using the order that you have
23 placed them on the table of contents page, and have you
24 first of all discuss for us in a general way the geology of
25 the project area and focus in on the availability of any
fresh water aquifers in the area.

A The significant structural control, Nash

1
2 Draw to the west, which is a result of the solution of
3 brines from the Rustler formation and the top of the Salado
4 formation, which has resulted in the collapse of Nash Draw
5 and, in my opinion, Laguna Plata and Laguna Gatuna and
6 Laguna Tonto are all extensions of Nash Draw. They simply
7 are not physiographically or topographically joined.

8 Q All right, let's go to page three of the
9 package of Exhibits and have you use that as a plat from
10 which you can reference the geology.

11 A All right. The site itself is at Laguna
12 Gatuna, which is shown in Township 20 South, Range 33 East,
13 and about seven miles east of the Lea/Eddy County line.

14 Nash Draw is formed along the west edge
15 of Lea County and -- but primarily in Eddy County, so that
16 it is just off the margin of the map to the left.

17 These sites, then, are just to the north-
18 east of Nash Draw, and the WIPP site, where there's been a
19 considerable amount of drilling and testing performed.

20 The beds, then, in this area dip to the
21 east beneath Eddy County and are controlled to a large ex-
22 tent by the Delaware Basin.

23 Q To the north and east on the plat is a
24 line that says Mescalero Ridge. What is that?

25 A Mescalero Ridge is the west and the
southwest boundary of the Ogallala formation. That is --
has a bearing on this particular project because the origi-
nal ranchers in the vicinity of the salt lakes had a very

1
2 difficult time finding water for stock and domestic pur-
3 poses. Most of the water was brackish.

4 When the potash mines and the refineries
5 for the potash industry went into Nash Draw, as a source of
6 water they piped water from the high plains or north of Mes-
calero Ridge to the Nash Draw area.

7 The pipelines, as a trade off by the
8 ranchers, were then tapped by ranchers to provide water for
9 their use, primarily in this salt lake area.

10 So that many of the wells which were ori-
11 ginally shown on the Ed Reed map have fallen into disrepair
12 because of the better quality and more dependable supply
13 which is obtained from the pipeline.

14 So he was able to measure some water
15 levels but most of these wells are no longer in use simply
16 because the water quality is much poorer than is available.

17 Q All right, sir, we'll come back in a
18 minute to those wells that are still in use in the area, but
19 let me have you go to page four of the Exhibit Number One
20 and have you give us the -- cite specific geologic features
at --

21 A All right.

22 Q -- Laguna Gatuna.

23 A Figure 2 on page 4 shows a cross section
24 of Laguna Gatuna. The lowermost formation are the Dewey
25 Lake Redbeds, which are shown by the horizontal lines. The
Dockum Group forms the bedrock in that area beneath the lake

1
2 itself, and then there is a think veneer of alluvial and
3 playa deposits, both on the upper ridges and also in the
4 base of the playa itself.

5 There is an intermittent lake in the
6 playa and the fault zones indicated on both sides of this
7 lake, or playa, are in my opinion the avenues through which
8 ground water from the Rustler formation is moving upward and
9 being discharged as springs along the boundaries of the
10 playa itself.

11 Any discharge from Pollution Control fa-
12 cilities, which are diagrammatically shown on the left, come
13 down into the lake itself from the northwest corner and from
14 the left.

15 The new facility is illustrated by that
16 tank and would also empty into the playa itself.

17 The --

18 Q As a hydrologist, do you see any adverse
19 consequences of significance to the fact that the point of
20 discharge for Pollution Control as at the higher ground
21 areas adjacent to the laguna itself, rather than down in the
22 laguna?

23 A The -- any water which is held up on the
24 boundaries is confined in surface impoundments and may, in
25 fact, enter to some extent into the very thin alluvium, but
at that point it has an opportunity to evaporate so it's
contained in the boundaries of the playa itself, rather than
getting out into the middle of the lake.

1
2 Q Does it make any hydrologic difference
3 whether or not the discharge is up at the points you've de-
4 picted on the schematic rather than down at the lake level?

5 A No, it doesn't.

6 Q All right. Let's go back, then, Mr. Kel-
7 ly, and look at the Reed plat and have you identify for us
8 any wells that Mr. Reed studied that continue to be used.

9 A To my knowledge none of the wells which
10 Reed evaluated are still in use.

11 There are two which we were able to
12 measure the water level in; however, they were not in a suf-
13 ficient state of repair to actually pump a water sample from
14 them, so we were able to measure the water level but not the
15 -- but not collect a sample.

16 These two, one is located in the north-
17 west corner of Section 25, which is southwest of Laguna
18 Gatuna, and this shows a water level -- an elevation of 3555
19 and water level of 3516, or 38 feet, 38.6 feet below land
20 surface. When we measured that the water level was less
21 than a foot below the level that Reed measured, so the water
22 level, the natural water table in that particular well had
23 declined less than a foot in the fifteen years since Reed
24 did his work.

25 Q What significance do you make of that
fact?

A That there has certainly been no effect
from water contributed to Laguna Gatuna and I would attri-

1
2 bute it simply to a gradual decline in the water level with
3 time.

4 Q Conversely, if the water level had been
5 increased?

6 A The water level should have risen; would
7 have had to have come from some source, either much more
8 precipitation or some source such as water being emptied in-
9 to Laguna Gatuna or some other source.

10 Q Is that well at a location hydrologically
11 where it would be down gradient from water disposed of in
12 Laguna Gatuna?

13 A No, it's up gradient. It's about, well,
14 let me see, the water level in that well is about 21 feet
15 higher than Laguna Gatuna but if the water in Laguna Gatuna
16 had risen significantly it should have affected the regional
17 ground water flow. There could have been some deline, but I
18 would not have expected much, so in fact both of these wells
19 that we were able to remeasure have a higher water level
20 than the base of Laguna Gatuna. All of the rest of the
21 wells were in disrepair.

22 Q You made reference to Nash Draw and to
23 the potash operations. Is there a plat that shows the loca-
24 tion of that area?

25 A The illustration on page 25, Figure
Three.

Q Well, let's make sure everybody's got
that.

1 All right, sir, let's discuss this plat.

2 A This shows in the very southeast corner
3 of the map the topographic contours show a significant de-
4 pression there. That is the northernmost edge of Nash Draw
5 and it shows the proximity of Nash Draw to Laguna Tulston
6 (sic), Laguna Plata, and Laguna Gatuna.

7 The rest of the draw is off to the left
8 side; however, these water table contours show a regional
9 flow of ground water from the 3525 foot contour towards to
10 the west and northwest so that on the north and west side of
11 Laguna Plata the water table is as much as a hundred feet
12 below that to the east side of the project area.

13 Q All right, would you summarize for us
14 your findings and conclusions with regards to the ground
15 water movement?

16 A Yes, sir. We prepared this contour map
17 based on the data which Reed had generated which we were
18 able to measure and water levels which have been produced
19 since the Reed study, and this shows a regional ground water
20 flow essentially from east to west with local variations
21 around Laguna Plata and also Nash Draw, where the 3425 foot
22 contour makes a large swing back to the southeast.

23 The reason that we did this was it shows
24 a more regional ground water flow, whereas Reed simply drew
25 arrows showing what he supposed to be directions of ground
water flow, but by working with a regional area we were able
to see the large pictures, whereas Reed was looking at very

1
2 minor changes in a small area and therefore I felt that the
3 regional pictures would supplement the work that Reed had
4 done.

5 Q All right, sir.

6 A So that there is no conflict from what we
7 have done with what Reed did. We simply expanded his, as
8 shown in Figure 3.

9 Q All right, sir, let's go on and have you
10 summarize your findings with regards to the water quality
11 data.

12 A The water quality which Reed evaluated
13 indicates that the oilfield brine in the area is less highly
14 mineralized than the natural discharge in Laguna Gatuna and
15 Laguna Plata.

16 We have the information from Pollution
17 Control and the data which they provided us, and we found no
18 contradiction in this data. The conclusion being, then,
19 that the highly mineralized water being discharged into La-
20 guna Gatuna and Laguna Plata has to originate from some
21 deeper source, presumably either the Rustler or more logic-
22 ally from the so-called Brine aquifer on top of the Salado
23 formation, and the regional gradients are such that it would
24 move up along joints and fault zones which would be asso-
25 ciated with Laguna Plata and Laguna Gatuna.

26 Q Let's get sites specific now, Mr. Kelly,
27 and have you give us your opinion as to the suitability of
28 Laguna Gatuna, both in the northwest corner of the laguna

1 and the southeast corner of the laguna as sites for the dis-
2 posal of produced salt water brines and other waste pro-
3 ducts.

4 A Our conclusion was that Laguna Gatuna is
5 an excellent site for the purposes with which Pollution Con-
6 trol is using it. The work by Reed was accurate. Due to
7 highway construction in that area there were more exposures
8 of the Dockum Group, which is shown on page 28, Figure 4, as
9 TR. This substantiated our conclusions that the alluvial
10 material is extremely thin in that area and the amount of
11 brine which has been disposed of by Pollution Control in the
12 past fifteen years has never resulted in a permanent pool of
13 Laguna Gatuna. With its surface area of 383 acres it is
14 adequate to evaporate all of the brine which is being dis-
posed of in the lake by Pollution Control.

15 Q Let's go to page 29 and have you describe
16 for us the evaporation studies that were conducted.

17 A We conducted some evaporation studies in
18 the Nash Draw area, which is just a few miles to the west,
19 and we concluded that the evaporation rate, the summer eva-
20 poration rate, from a brine surface in that area was approx-
21 imately 6.69 gallons per minute, or roughly 229 barrels of
brine per acre per day.

22 On the other hand, the winter evaporation
23 loss was approximately 13 barrels of brine per acre per day.
24 With the minimum surface area of Laguna Gatuna, there is the
25 evaporation potential of 87,700 barrels per day during the

1 summer and about 5000 barrels per day during the winter.

2 This is well within the annual disposal
3 range of Pollution Control and clearly these evaporation
4 calculations have shown that they are adequate to take care
5 of the amount of brine being discharged by Pollution Con-
6 trol.

7 Q Let's go now, Mr. Kelly, to pages 31 and
8 32, which are the discharge rates recently used at Laguna
9 Gatuna.

10 A Right. This is information which I be-
11 lieve has been submitted to the Oil Conservation Division,
12 but they simply show the monthly disposal rate for 1983 and
13 1984, both as a graph and then on page 32 in the cumulative
14 totals for the individual months.

15 And I might mention that the original ap-
16 plication and grant was for 30,000 barrels per day, whereas
17 if you'll look at the monthly totals on Table 3, page 32, it
18 is considerably less than that, and I would assume that the
19 discharges at the present time, in fact I believe that Mr.
20 Foster told me that the highest discharge rate by Pollution
21 Control occurred in the early eighties but are not much less
22 than what you see here on -- on Table 3.

23 Q All right, sir, in addition to the con-
24 clusions that you've made on pages 31 and 33, I'd like to
25 direct you back now to the Division Order of April of '69,
and go through some of the findings that were made back in
'69, and have you conclude for us whether you still concur

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

or disagree with any of those findings.

Let's start with -- do you have the order?

A Yes, I do. You're starting on page one of that order?

Q Yes, sir, on Finding No. 3 they make reference to the areawide Order R-3229, which prohibits the disposal of produced salt water brines in unlined pits. It then goes on --

A Right. All right, there is -- as near as we have been able to determine there is no potable water in this area. By potable water I'm using the definition that the EID uses of 1000 parts per million.

Q That is also the State Engineer's definition on --

A Oh, yes.

Q -- Finding No. 4, page 2 of the order?

A Yes.

Q All right, sir.

MR. STAMETS: Mr. Kelly said 1000 and Finding 4 is 10,000.

A That's -- okay. The difference there, one, the State Engineer uses 10,000 as a definition of fresh water, whereas I'm using the definition of potable water, that is water suitable for human consumption.

Q So your standard is even higher than the State Engineer's standard --

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A Yes.

Q -- for water to be protected?

A Right.

Q All right, and using your higher standard --

A We can find no evidence that there is any water in the area which could be considered potable, other than at one time there was a well at what was then called Midway. It was a bar and service station located on Reed's map in the south half of Section 23, and approximately two and a half miles southwest of Laguna Gatuna.

This shows a chloride of 362 parts per million. This water was potable, was used in the operation, but the facility has been destroyed and the wells are abandoned.

Q All right.

Q That was the only fresh water we were able to find, and this was verified by other ranchers in the area who are still in operation, who haul water or take it from the pipeline.

Q Let's go back to the State Engineer's standard of 10,000 parts per million.

Do you find any water in this area that is of that quality or greater?

A There is a lot of water in the area that's greater than 10,000.

Q I've got this backwards. I meant 10,000

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

or less.

A There is very little water in the area that's 10,000 or less.

 Most of the water, and certainly the water from the springs, exceeds this -- this amount; water which is naturally discharged into the lake itself.

 For example, at Laguna Gatuna you can see a lake sample identified by Reed which had chlorides of 158,000 parts per million and sulfates of 125,000.

Q All right, let me make sure I'm clear. Are there any waters in the area containing 10,000 parts per million or less of total dissolved solids which have a present or reasonably foreseeable beneficial use that might be impaired by the discharge of water in Laguna Gatuna as the applicant proposes to do?

A No, sir.

Q All right. Let's go down to Finding No. 7. I think you've concluded for us that this water is not fresh water in the lagunas?

A That's correct.

Q All right, sir, and Finding No. 8?

A The -- I conclude with this finding that the underlying Redbeds are virtually impermeable and the -- any seepage which would get into, or which would be -- any water which would be impounded in the lakes would not seep into the underlying formation.

Q All right, sir, and Finding No. 9?

1 A These -- the synclinal structure does
2 exist and that the flow of surface and subsurface water into
3 the boundaries is towards those lakes.

4 Q All right, sir, so you concur and believe
5 the Finding No. 9 is supported by substantial evidence?

6 A Yes, I do.

7 Q Let's go to No. 10.

8 A I also agree with this finding, that
9 there is no leakage from Laguna Plat and Laguna Gatuna,
10 simply because, first of all, the hydrologic gradient indi-
11 cates that it toward the lakes rather than away, but also,
12 the evaporation surface at the bottom of each of these lakes
13 is great enough to evaporate any natural or artificially
discharged brine into those lakes.

14 Q Finding No. 11 is directed towards Laguna
15 Tonto, which is not the subject of our application here.

16 A That's correct.

17 Q Let's go to Finding No. 12 with regards
18 to utilization of Laguna Gatuna. Do you -- do you concur
19 with that finding?

20 A Yes, I do. It does not constitute a ha-
zard to fresh water supplies that may exist in the area.

21 I believe that most of these other find-
22 ings pertain to the -- to Laguna Tonto to a large extent.

23 Q Yes, sir, I agree with you. I think that
24 you have covered the essential findings in the prior order
25 that would apply to the current application.

1
2 In conclusion, then, Mr. Kelly, do you
3 believe the continued use of Laguna Gatuna as a disposal
4 site for as much as 30,000 barrels of brine per day is still
5 a suitable disposal site?

6 A Yes, I do.

7 Q And do you see any adverse consequences
8 of changing or adding to the point of disposal by adding the
9 southwest quarter of Section 17 to the disposal operation?

10 A No, sir.

11 Q Based upon your studies and knowledge of
12 the area, Mr. Kelly, do you see any adverse consequences of
13 the fifteen years, or so, operation by Pollution Control in
14 this Laguna Gatuna as a disposal facility?

15 A No, we saw no evidence at all.

16 Q And do you see any adverse consequences
17 hydrologically to the continued use of Laguna Gatuna as a re-
18 pository for solid oilfield waste products --

19 A No, sir.

20 Q -- drilling cutting and drilling muds?

21 A No, sir. In my opinion it's probably one
22 of the most suitable sites in the area.

23 Q Was Exhibit Number One prepared by you or
24 compiled under your direction and supervision?

25 A Yes, it was.

MR. KELLAHIN: All right, sir.

MR. KELLAHIN: Mr. Examiner,
that concludes our examination of Mr. Kelly. We have con-

1
2 cluded our examination of Mr. Kelly by discussion of oil
3 well solid waste products. That is paragraph 3 of our ap-
4 plication. It is also specifically addressed in the current
5 -- now I've lost my place.

6 I'll admit I can't pick it out
7 real quickly, Mr. Stamets, but the application in this case
8 seeks to have a finding addressing the use of this disposal
9 facility for -- as a repository for these oilfield waste
10 products, including the drill cuttings and drilling muds.

11 As a practical matter, this
12 site has been used for very many years for that purpose.
13 Mr. Kelly has demonstrated that he sees no adverse conse-
14 quences from continuing that to occur and we would request
15 that a specific finding and approval for that part of the
16 operation be included in the order.

17 We move the introduction of Ex-
18 hibit Number One.

19 MR. STAMETS: Exhibit Number
20 One will be admitted.

21 CROSS EXAMINATION

22 BY MR. STAMETS:

23 Q Mr. Kelly, is it your opinion that with
24 the 30,000 barrels of water per day disposal limitation that
25 no water can move out of the area of Laguna Gatuna?

A Yes, sir, it is. The summer evaporation
rate would certainly more than cover that.

1
2 The winter evaporation rate would not,
3 but the hydrologic conditions are such that even if a pond-
4 ing occurred during the winter, it would be evaporated dur-
5 ing the summer.

6 So it is my opinion that that would be
7 the case.

8 MR. STAMETS: Are there other
9 quesitons of the witness?

10 MR. BOYER: Yes.

11 QUESTIONS BY MR. DAVID BOYER:

12 Q My name is David Boyer. I'm a staff hy-
13 drogeologist with the Oil Conservation Division. I have a
14 few questions of Mr. Kelly.

15 Mr. Kelly, am I correct in understanding
16 you agreed with the finding of No. 11 on that 1969 order,
17 that the evidence indicates that there may be some leakage
18 of water into -- to the southeast and therefore southwest-
19 ward toward Lagune Gatuna? Did I understand you correctly
20 on that?

21 A Not in -- not in relation to Laguna
22 Tonto. We did not discuss Laguna Tonto in the original
23 findings.

24 Laguna Tonto was excluded from use by
25 Pollution Control.

26 Q So you did not -- you did not investigate
27 that particular --

28 A No.

1
2 Q -- thing. All right, I was -- getting
3 back to Figure 3 on page 25, you showed the hydrologic con-
4 tours and it would show a couple of things.

5 First off, that this -- it is my under-
6 standing that the water table contour map was prepared by
7 you for inclusion in this report.

8 A That's correct.

9 Q Okay. It shows that, according to the
10 contours, that you could have movement northwesterly out of
11 Laguna Gatuna towards the northwest if the hydrologic flow
12 lines are followed.

13 Is it a possibility also that you might
14 have a closed contour around Laguna Gatuna that would move
15 material into the laguna instead of to the northwest?

16 A Yes, sir, there is.

17 Q That was not investigated, though, and
18 you don't have sufficient information?

19 A No, there's not sufficient information.
20 These are 25 foot contours and certainly with additional
21 drilling information we might be able to verify that, but I
22 might mention that the water quality in Laguna Plata is gen-
23 erally worse than that in Laguna Gatuna, so I, if it did
24 move to the northwest, I would assume that Laguna Plata
25 would become the discharge point.

26 Q All right. On the -- on the map prepared
27 by Reed, you went back and determined that the well in the
28 northwest one-quarter of Section 25 to the southwest of La-

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

guna Gatuna was able to be measured, is that correct?

A Yes.

Q Did you -- did you attempt to get a conductivity measurement to that well at all?

A No, the well had a windmill on it but the windmill was not operative, so we could not get a sample from it with the sucker rods. There was not enough room to sample it.

Q Nor was there enough room to get a conductivity probe down -- down inside it at all, losing it or possibly getting a conductivity measurement?

A Well, Mr. Boyer, our conductivity measure has a probe about six inches long and we wouldn't have reached the 16 feet, but I presume a downhole conductivity meter could have been used, yes, sir.

Q And one additional question, the well that is shown in the northwest one-quarter of Section 21, that shows that there was water that was probably greater than 1000 pps, but certainly less than 10,000 in the Reed map.

That was unavailable for any type of measurement or water level or anything like that?

A No, I thought that was the one I referred to as the other measurement. I could be wrong. Let me --

If you will refer to page 23, the fourth listing from the top in Table 2 identifies a windmill at location 20-33-21, 111, with a surface elevation of 3536.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

That is the well in question here.

The water level on January 25th of 1984
was 35.42 feet below land surface.

When Reed measured the water level it was
36.6 feet.

Q And that well is also inoperable and you
were unable to get a water level -- I mean a water sample?

A Right. Right.

MR. BOYER: That's the extent
of my questions.

MR. STAMETS: Are there any
other questions of this witness? He may be excused.

Is there anything further in
this case?

The case will be taken under
advisement.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY
that the foregoing Transcript of Hearing before the Oil Con-
servation Division was reported by me; that the said tran-
script is a full, true, and correct record of the hearing,
prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 8293
heard by me on 8-28 19 84.
Richard A. [Signature], Examiner
Oil Conservation Division