CASE 5625: WALTER W. KRUG DBA WALLEN PRODUCTION CO. FOR EXCEPTION TO ORDER R-111-A, LEA COUNTY

CASE NO.

5625

APPlication,
Transcripts,
Small Exhibits,

ETC.

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico February 4, 1976 3 EXAMINER HEARING 5 6 IN THE MATTER OF: CASE Application of Walter W. Krug dba 7 Wallen Production Co. for an exception) to Order R-111-A, Lea County, New Mexico. 9 sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212 10 BEFORE: Richard L. Stamets, Examiner 11 12 TRANSCRIPT OF HEARING 13 APPEARANCES 14 William F. Carr, Esq. Legal Counsel for the Commission For the New Mexico 011 15 Conservation Commission: State Land Office Building 16 Santa Fe, New Mexico 17 18 19 20 21 22

INDEX Page WALTER W. KRUG Direct Examination by Mr. Carr Direct Examination by Mr. Stamets sid morrish reporting service

General Court Reporting Service
825 Catle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212 EXHIBIT INDEX Page Applicant's Exhibit No. One

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MR. STAMETS: We will call now Case 5625.

MR. CARR: Case 5625, application of Walter W. Krug dba Wallen Production Company for an exception to Order R-111-A, Lea County, New Mexico.

MR. STAMETS: Mr. Krug, I gather that you are representing yourself in this case?

MR. KRUG: Yes, sir.

MR. STAMETS: And you are going to testify?

MR. KRUG: Yes, sir.

MR. STAMETS: I would like to have you stand and

be sworn. (THEREUPON, the witness was duly sworn.)

WALTER W. KRUG

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

DIRECT EXAMINATION

BY MR. CARR:

- Mr. Krug, would you state your full name and position for the record, please?
- Walter W. Krug, the engineer and owner of Wallen Production Company.
- Mr. Krug, have you previously testified before this Commission and had your credentials made a matter of record?

sid morrish reporting service

General Court Reporting Service
Calle Mejia, No. 122, Santa Fe, New Mexico 87
Phone (505) 982-9212

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Yes, I have.

And they have been accepted by the Commission?

Yes, sir, they were.

Would you please refer to your exhibit and explain what you are seeking in this application?

On the left-hand side is the casing program as it is shown now where the proposed initial well is to be drilled. The right-hand side is what I would like you gentlemen to consider. I couldn't put all tentative items over on the right-hand side, it would make it too confusing. However, about fifty percent of the time I have to put the eight and five string in for the minimum of eleven hundred to a maximum of thirteen hundred and fifty to hold back what we call Red Rock caving.

BY MR. STAMETS:

Just for the record, now, the left-hand side of your exhibit here would be the casing program that would be required under Commission Order R-111-A, the potash-oil order?

That is correct, yes, sir. The right-hand side is as -- I had the hearing previous to this where I mentioned that I had been qualified -- it concerned this same casing program, only a mile further north and west.

I believe the records will show that was the old North Lynch Pool consolidated into the West T?

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A. That is correct. That then drew a line and unfortunatley I am right outside the line. And this casing program, no one has had any objections to it and we have never, and let me repeat that never, failed to bring the cement out into the pit. As a matter of fact, on the last well there was five hundred and eighty sacks of cement went into the pit, so we just don't have any trouble getting it back and that covers eleven wells.

- As far as protecting the salt section, there still is the same string of pipe set through the salt section and it is adequately protected?
- A. Yes, sir, I propose to put the seven inch through the salt down to -- the base of the salt comes around thirtyone, forty plus or minus, depending upon the sub-sea datum whether it's high on structure or low but where I set it at thirty-three it covers everything in a hundred and fifty feet before I get into any kind of pay.
- Q. What specifically is the purpose for leaving out the string of eight-and-five-eighths-inch casing that on the left-hand side shows being set at the top of the salt?
- A. Mainly to cut down the costs of the well and secondly the chances of pulling that eight-and-five-eighths after it is down in the hole the length of time it takes the cable tool to get down, the chances are less than even of your getting it out without any trouble and frankly it just

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W. W.

costs too much money to take the chance. I would rather have the seven inch and take the chance of having to plug the well and leave the seven inch in than I would two strings of pipe.

- Q And you have not experienced any difficulty in drilling to the base of the salt in this area?
- A. No, sir, I'm sure you are familiar with cable tools. They have these shut-off strings that are in there until, let me stress that, they stay in until the seven inch is set and they pull the other strings out but the seven inch is set on bottom before we do and then we circulate water first and then cement after. And there are spacers on the seven inch going down to make sure you've got cement all the way around, that would be detrimental to me, as well as to the well.
- And this is the same type of completion practice you have been conducting just about a mile to the north and west?
- A. Yes. The liner as they had it set here, I found that it is not sufficient height up inside the seven inch. Say if you have a little cement problem in that loose sand, you don't have enough on the left-hand side of a hundred feet, there's not enough cement cushion. I had to go in and perforate once, so I'm running three hundred feet up inside, three hundred and fifty feet up inside the seven inch with the four-and-a-half inch to preclude the cement dropping

MR. STAMETS: Anything further in this case?

case will be taken under advisement.

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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings to the best of my knowledge, skill and

ability.

sid morrish reporting service General Court Reporting Service 87501 General Court Reporting Service 87501 825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501 825 Calle Mejia, Phone (505) 982-9212

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do hereby certify that the foregoing 18 a complete record of the proceedings in the Examiner hearing of Case No. 562.5....

Examiner New Mexico Oil Conservation Commission

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico February 4, 1976 3 EXAMINER HEARING 5 IN THE MATTER OF: .6 CASE Application of Walter W. Krug dba 5625 Wallen Production Co. for an exception 7 to Order R-111-A, Lea County, 8 New Mexico. 9 sid morrish reporting service

General Court Reporting Service

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825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
825 Calle Mejia, Phone (505) 982-9212 10 BEFORE: Richard L. Stamets, Examiner 11 . TRANSCRIPT OF HEARING 12 1 13 APPEARANCES 14 William F. Carr, Esq. Legal Counsel for the Commission 3 For the New Mexico Oil 15 State Land Office Building Conservation Commission: 1 Santa Fe, New Mexico 16 17 18 19 20 21 22 23 24

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MR. KRUG: Yes, sir.

MR. STAMETS: And you are going to testify?

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(THEREUPON, the witness was duly sworn.)

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BY MR. CARR:

- Mr. Krug, would you state your full name and position for the record, please?
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- Mr. Krug, have you previously testified before this Commission and had your credentials made a matter of record?

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Page 4

- A. Yes, I have.
- And they have been accepted by the Commission?
- A. Yes, sir, they were.
- Q. Would you please refer to your exhibit and explain what you are seeking in this application?

A. On the left-hand side is the casing program as it is shown now where the proposed initial well is to be drilled. The right-hand side is what I would like you gentlemen to consider. I couldn't put all tentative items over on the right-hand side, it would make it too confusing. However, about fifty percent of the time I have to put the eight and five string in for the minimum of eleven hundred to a maximum of thirteen hundred and fifty to hold back what we call Red Rock caving.

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Q. What specifically is the purpose for leaving out the string of eight-and-five-eighths-inch casing that on the left-hand side shows being set at the top of the salt?

A. Mainly to cut down the costs of the well and secondly the chances of pulling that eight-and-five-eighths after it is down in the hole the length of time it takes the cable tool to get down, the chances are less than even of your getting it out without any trouble and frankly it just

And you have not experienced any difficulty in drilling to the base of the salt in this area?

No, sir, I'm sure you are familiar with cable tools. They have these shut-off strings that are in there until, let me stress that, they stay in until the seven inch is set and they pull the other strings out but the seven inch is set on bottom before we do and then we circulate water first and then cement after. And there are spacers on the seven inch going down to make sure you've got cement all the way around, that would be detrimental to me, as well as to the well.

And this is the same type of completion practice you have been conducting just about a mile to the north and

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down below the seven-inch pipe.

Q How far is this area that you are operating in from the closest potash mining operation?

A. This well here is sixteen miles, the other well is fourteen.

MR. STAMETS: Are there any other questions of this witness?

THE WITNESS: By the way, I do have the approval of the people that have the potash rights.

Q (Mr. Carr continuing.) Mr. Krug, was this exhibit prepared by you?

- A. Yes, it was.
- Q. Would you at this time like to offer it as having been marked Exhibit Number One?
 - A. I certainly would.

MR. STAMETS: The exhibit will be admitted into evidence.

(THEREUPON, Applicant's Exhibit Number One was admitted into evidence.)

MR. STAMETS: Any questions of the witness? He may be excused.

(THEREUPON, the witness was excused.)

MR. STAMETS: Anything further in this case? The case will be taken under advisement.

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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

Mørrish,

a complete record of the proceedings in the Examiner hearing of Case No 5625

Mexico Oil Conservation Commission Examiner

sid morrish reporting service

General Court Reporting Service

825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE 87501

LAND COMMISSIONER
PHIL R. LUCERO
February 11, 1976



STATE GEOLOGIST EMERY C. ARNOLD

JOE D. RAMEY

LAND COMM
PHIL R. I

Mr. Walte Box 1960	er W. K	rug	Ke:	ORDER NO. R-5163	
	Texas	79701			
				Applicant:	
. ** 				Walter W. Krug dba Wallen Production Company	

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Yours very truly,

JOE D. RAMEY

Director

JDR/fd			
Copy of order also sent to:			in experience of the second se
Hobbs OCC x Artesia OCC			
Aztec OCC	-	in the second se	
Other			· · · · · · · · · · · · · · · · · · ·

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 5625 Order No. R-5163

APPLICATION OF WALTER W. KRUG dba wallen production company for AN EXCEPTION TO ORDER NO. R-111-A, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 4, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of February, 1976, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Walter W. Krug dba Wallen Production Company, seeks an exception to the potash-oil area casing and cementing rules as set forth in Commission Order No. R-111-A for his Wallen Fee Well No. 1, located 330 feet from the North line and 990 feet from the West line of Section 28, Township 20 South, Range 34 East, Lea County, New Mexico.
- (3) That the applicant proposes to set a 13-3/8 inch shallow "cavings" casing string at approximately 225 feet and cement same to the surface, to mud-in the 10 3/4-inch water shut-off casing string at approximately 900 feet, and to set the 7-inch salt protection string below the base of the salt and circulate cement to the surface whereupon the water shut-off casing string would be pulled, and, if production is obtained, to cement a 4 1/2-inch liner through the pay and back into the 7-inch casing.
- (4) That potash development does not presently exist and is not presently known to be contemplated within the vicinity of the above-described Well No. 1.

-2-Case No. 5625 Order No. R-5163

(5) That approval of the proposed special casing and cementing program for the subject well will afford the applicant the opportunity to produce his just and equitable share of the oil and gas under the subject lease, will prevent unnecessary economic loss, prevent waste, protect correlative rights, assure maximum conservation of oil, gas, and potash resources, and permit the economic recovery of oil, gas, and potash minerals within the Potash-Oil Area as defined by Order No. R-111-A.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Walter W. Krug dba Wallen Production Company, is hereby authorized to complete his Wallen Fee Well No. 1, located 330 feet from the North line and 990 feet from the West line of Section 28, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, by setting a 13 3/8-inch shallow "cavings" casing string at approximately 225 feet and cementing same to the surface, by mudding-in the 10 3/4-inch water shut-off casing string at approximately 900 feet, by setting the 7-inch salt protection string below the base of the salt and circulating cement to the surface and pulling the water shut-off casing string, and, if production is obtained, by cementing a 4 1/2-inch liner from total depth back into the 7-inch salt protection casing string.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

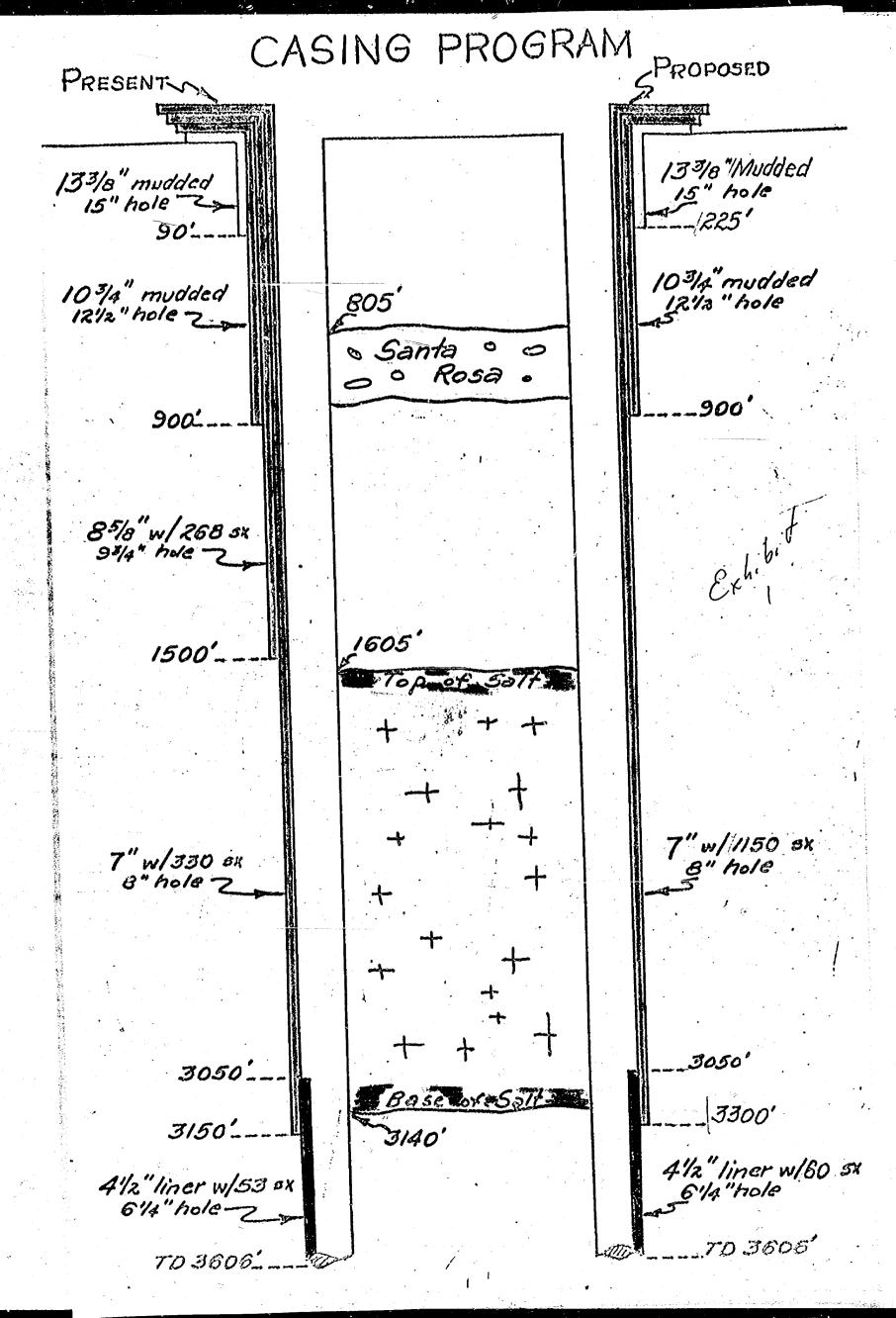
EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

SEAL

dr/

CASING PROGRAM PROPOSED PRESENT 133/8"/Mudded 133/8" mudded 15" hole 90% 10314" mudded 1212 " hole 103/4" mudded
121/2" hole 7 <u></u>805' Santa Rosa . 00 900' 9001 85/8" w/ 268 sx 1605 1500' 7" w/1150 sx 7" w/330 BR 8" hole 8" hole 7 3050' 3050'_-Base of Sola 3300' 3150 --3140' 41/2" liner w/80 5% 41/2" liner w/53 ex 614"hole-2 _70 3605 TO 3506 ...



Dockets Nos. 6-76 and 7-76 are tentatively set for hearing on February 18 and March 3, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 4, 1976

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,

STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 5620: Application of Champlin Petroleum Company for a waterflood project, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Chaveroo-San Andres Pool by the injection of water into the San Andres formation through its Farrell Federal Well No. 4, located in Unit P of Section 30, Township 7 South, Range 33 East, Roosevelt County, New Mexico. Applicant further seeks an administrative procedure for approval of additional wells at standard and non-standard locations within the project area.

CASE 5397: (Reopened)

In the matter of Case 5397 being reopened pursuant to the provisions of Order No. R-4949, which order established the North Burton Flats-Wolfcamp Gas Pool, Eddy County, New Mexico, and promulgated special pool rules therefor, including a provision for 320-acre spacing and proration units. All interested parties may appear and show cause why said special pool rules should or should not remain in effect.

CASE 5621: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Basin-Dakota and Blanco-Mesaverde gas production in the wellbore of its Jicarilia 119N Well No. 4, located in Unit H of Section 6, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.

Application of Texaco for determination of charges and costs, Eddy County, New Mexico. Applicant, CASE 5622: in the above-styled cause, seeks the determination by the Commission of reasonable well costs, and the applicability of the charge for risk to certain items of expense, for the William G. Ross A. Q. Rogers Well No. 1, located in Unit P of Section 3, Township 18 South, Range 26 East, Eddy County, New Mexico, to which is dedicated the E/2 of said Section 3, said lands having been pooled by Commission Order No. R-4980.

Application of Amoco Production Company for salt water disposal, Eddy County, New Mexico. Applicant, CASE 5623: in the above-styled cause, seeks authority to dispose of produced water by injection into the Lower Delaware formation through the perforated interval from 3376 to 3400 feet in its Old Indian Draw Well No. 4, located in Unit I of Section 18, Township 22 South, Range 28 East, Indian Draw-Delaware Pool, Eddy County, New Mexico.

Application of Marris & Walton for salt water disposal, Lea County, New Mexico. Applicant, in the CASE 5624: above-styled cause, seeks authority to dispose of produced water into the Yates-Seven Rivers formation through the open-hole interval from 3507 feet to 3761 feet in its H. Whitten Well No. 1, located in Unit C of Section 4, Township 24 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.

CASE 5625: Application of Walter W. Krug dba Wallen Production Co. for an exception to Order R-111-A, Lea county, New Mexico. Applicant, in the above-styled cause, seeks an exception to the Potash-Oil Area casing-cementing rules for his Wallen Fee Well No. 1, located 330 feet from the North line and 990 feet from the West line of Section 28, Township 20 South, Range 34 East, Lea County, New Mexico, to permit completing said well with a shallow-cavings string cemented in and with 7-inch production casing to the top of the pay and a 4 1/2-inch liner through the pay, all cemented to the surface.

Southeastern New Mexico nomenclature case calling for an order for the creation, abolishments, and CASE 5626: extension of certain pools in Eddy and Lea Counties, New Mexico.

> CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Carlsbad-Strawn Gas Pool. The discovery well is the Belco Petroleum Corporation Union Mead Com Well No. 1, located in Unit H of Section 8, Township 22 South, Range 27 East, NMPM. Said pool would comprise:

> > TOWNSHIP 22 SOUTH, RANGE 27 EAST, NNPM Section 8: All Section 17: N/2

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the East Carlsbad-Norrow Gas Pool. The discovery well is the Champlin Petroleum Company Pecos Federal Well No. 1, located in Unit C of Section 1, Township 22 South, Range 27 East, NMPM. Said pool would comprise:

> TOWNSHIP 21 SOUTH, RANGE 27 FAST, NMPM Section 35: All Section 36: W/2

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NYPM

Section 2: N/2

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the East Carlsbad-Strawn Gas Pool. The discovery well is the Champlin Petroleum Company Pecos Federal Well No. 1, located in Unit C of Section 1, Township 22 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 27 FAST, NMPM Section 1: N/2

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the La Buerta-Strawn Gas Pool. The discovery well is the Cities Service Oil Company Tracy A Com Well No. 1, located in Unit C of Section 33, Township 21 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 27 FAST, NMPM Section 33: N/2

(e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the Nonombre-Pennsylvanian Pool. Said pool would consolidate the vertical limits and acreage of the abolished Nonombre Lower-Pennsylvanian, Monombre Middle-Pennsylvanian and the Nonombre Upper-Pennsylvanian Pools. New pool to be governed by the rules of the abolished Nonombre Lower-Pennsylvanian Pool under Order R-2929. Said pool would comprise:

TOWNSHIR 13 SOUTH, RANGE 34 EAST, NMPM Section 32: All

(f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Robinia Draw-Morrow Gas Pool. The discovery well is the American Quasar Petroleum Company of New Mexico Robinia Draw Unit Well No. 1, located in Unit K of Section 7, Township 23 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM Section 7: W/2

(g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the North Sanmal-Pennsylvanian Pool. The discovery well is the Dalco Oil Company Bell 17 State Well No. 1, located in Unit G of Section 17, Township 16 South, Range 33 East, NMPM. Said pool would comprise:

> TOWNSHIP 16 SOUTH, RANGE 33 EAST, MMPM Section 17: NE/4

(h) ABOLISH the Nonombre Lower Pennsylvanian Fool in Lea County, New Mexico, described as:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM Section 32: SW/4

(1) ABOLISH the Nonombre Middle-Pennsylvanian Pool in Lea County, New Mexico, described as:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM Section 32: E/2 NW/4 and W/2 NE/4

(j) ABOLISH the Norombre Upper-Pennsylvanian Pool in Lea County, New Mexico, described as:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM Section 32: E/2 and SW/4

(k) EXTEND the North Benson Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 FAST, NMPM Section 32: S/2 NE/4 and NW/4 SW/4

(1) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 FAST, NMPM Section 12: Section 13: E/2

TOENSHIP 21 SOUTH, RANG 27 EAST, NMPM Section 2: Lots 11, 12, 13, 14 & SW/4 Section 15, 16, 21, 22, & ... All Section 33: N/2

Examiner Rearing - Wednesday - February 4, 1976

Docket No. 5-76

(n) EXTEND the Eurton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM Section 15: All

(n) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 3: N/2
Section 4: All
Section 5: E/2
Sections 8, 9, 17 & 18: All
Section 20: W/2

(o) EXTEND the Eagle Creek-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM Section 13: N/2 NW/4

EXTEND the Eumont Gas Pool in Lea County, New Mexico, to include therein: **(q)**

TOWNSHIP 21 FOUTH, RANGE 37 EAST, NMPM Section 33: NW/4 and SU/4 NE/4

(q) EXTEND the Los Medanos-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NXPM Section 6: E/2

(r) EXTEND the Lovington-Paddock Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 3: NW/4 Section 4: NE/4

(s) EXTEND the Notin Vacuum Ale Prol in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NNPM

Section 36: SE/4

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM Section 9: SE/4

(t) EXTEND the Vada-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPW Section 11: E/2

(u) EXTEND the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, MIPM Section 14: NE/4

(v) CONTRACT the Indian Basin-Norrow Gas Pool in Eddy County, New Mexico, by the deletion of the following described lands:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM Sections 31 & 32: All

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM Sections 4 & 5: All

(w) EXTEND the Cemetary-Morrow Gas Pool in Eddy County, New Mexico, to include the following described lands:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NAPM Section 31: All Section 32: W/2

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM Sections 4 & 5: All

DFFICE PHONE

HOME PHONE A/C 915 563-0048

WALTER W. KRUG

BOX 1960 MIDLAND, TEXAS 79701

January 15, 1976

New Mexico Oil Conservation Commssion

P. O. Box 2088 Santa Fe, New Mexico 87501

Attn: Mr D. S. Nutter

CONSERVATION COMM. Santa Fo

Re: Request for deviation from casing program as stated in R-111-A. Wallen Fee # 1, 330 FNL and 990 FWL, Section 28, T 20 S, R 34 E, Lea County, New Mexico.

Dear Sir:

I would like you to consider this letter as a request for your approval in changing the piping program covering the 1500' of 8 5/8 surface pipe, cemented to the surface and 3150' of 7" intermediate string, tacked with 50 socks of cement. I would like to leave out the 1500' of 8 5/8' surface and cement the 3300 ' of 7" intermediate pipe to the surface of the ground instead. This way, I will have the intermediate pipe cemented to the surface (before drilling into the pay zone) and can set a $4\frac{1}{2}$ " liner in a $6\frac{1}{4}$ " hole, with adequate cement, to total depth.

You will note this will fully protect the salt section (the nearest salt mining is over 16 miles away), which is as it should be and at the same time give me good control and decent cement for completing my well, both with the minimum of risk. Also, it allows me one more water shut off string, which I may need.

I hope this request will meet with your approval and that you will favor me with an early reply.

WK/hk

certified mail, return card

cc: Mr Jerry Sexton, Supervisor

New Mexico Oil Conservation Commssion

Walter W. Krug

DOCKET MAILED

Hus case was originally applied for by Mr Krug over the telephone to DSN.

Place Expedite

DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE-MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 562

Order No. R-5163

APPLICATION OF WALTER W. KRUG dba WALLEN PRODUCTION COMPANY FOR AN EXCEPTION TO ORDER NO. R-111-A, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 4, 19 76, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this ____day of February , 1976 , the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Walter W. Krug dba Wallen Production Company, seeks an exception to the potash-oil area casing and cementing rules as set forth in Commission Order No. R-111-A for his Wallen Fee Well No. 1, located 330 feet from the North line and 990 feet from the West line of Section 28, Township 20 South, Range 34 East, North Lynch Yates-Sevens Rivers Pool, Lea

County, New Mexico.

(3) That the applicant is some to set a 13% inch shallow cavings "Leining at approximately 225 feet and, cement same to the serious blining at approximately 900 feet, and to set the salt plotection string below the base of the salt and circulate sement to the surface whereupon the water shut-off serious string would be facilled and, if production as obtained, to certain a 4'z lines through the pal, and back into the simulation.

-2-Case No. 5625 Order No. R-

- (3) That the applicant proposes completing said well with shallow cavings string cemented in and with 7 inch production change to the top of the pay and a 4 1/2 inch liner through the pay, all comented to the surface.
- (4) That potash development does not presently exist and is not presently known to be contemplated within the vicinity of the above-described Well No. 1.
- ing program for the subject well will afford the applicant and the opportunity to produce their just and equitable share of the oil and gas in the subject pool, will prevent unnecessary economic loss, prevent waste, protect correlative rights, assure maximum conservation of oil, gas, and potash resources, and permit the economic recovery of oil, gas, and potash minerals within the Potash-Oil Area as defined by Order No. R-111-A.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Walter W. Krug dba Wallen Production Company, is hereby authorized to complete his Wallen Fee Well No. 1, located 330 feet from the North line and 990 feet from the West line of Section 28, Township 20 South, Range 34 East, NMPM, North Lynch Vates Seven Rivers Pool, Lea County, New Mexico, in accordance with the above described easing and cementing procedure
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

by setting a shallow "comings" caring string at approximately 225 feet and comenting to the surface, by midding in the 1034 "water shuft off passing string at approximately 900 feet, by setting the 7-inch saft protection atrue below the bake of the saft and circulating coment to the surface pulling the water shut off coming string, and, if production is obtained, tay comenting a 42 inch lyner from fobal depth back into the rinch salt protection.