

CASE 3264: Application of CARL
— ENGWALL for an exception to Com-
mission Order R-111-A.

CASE NO.
3264

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

REGISTER

HEARING DATE JUNE 9, 1965 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
William Crown	Pan American	Lubbock, Tex
R. K. O'Neil	Continental Oil Co	Deming Color
Gordon H. Mayberry	" " "	Denver Colo.
Richard F. Morris	Pan American	Roswell
Richard F. Morris	Leith, Montgomery, Federal Petroleum	Santa Fe
Jason W. Kellaher	Kellaher & Fox	Santa Fe.
Hal S. Dean	Apache Corp.	Midland, Tex
Larry Sham	Apache Corp	Midland Tex.
James D. Gibbs	Monsanto Co.	Midland Texas.
Frank E. Ditz	State Engr. Office	Santa Fe
John F. Hinkle	Dal-Apache	Roswell N.M.
P. W. MEEK	SUN OIL	DALLAS
Jack R McGraw	Cosmos Star Gas	Alene, Tex
William C Schauer	Engwall	Roswell, N. Mex.
Norbert McIntire	Bryant Company	Santa Fe - Austin
	Midwest Oil	Midland, Texas

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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 9th day of June, 1965.

Ada Dearnley
ADA DEARNLEY

My Commission Expires:
June 19, 1967.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3264, heard by me on 6-9-1965.

John A. [Signature] Examiner
New Mexico Oil Conservation Commission

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zone or where you expect to find production?

A Yes.

Q Will you agree that if water is found in the Tansill here that no more than 2% additive will be in the cement which seals this water off?

A Yes, sir. That will be fine.

MR. IRBY: Good. That's all I have.

MR. UTZ: Are there any other questions of the witness. Did you wish to offer any exhibits?

MR. SCHAUER: Other than the exhibits attached to the petition, we would like to formally offer those.

MR. UTZ: That would be the letter from Carl Engwall to PCA and the answer from PCA.

MR. SCHAUER: Yes. I think that's the most material one with Exhibit A which sets out the remainder of the program.

MR. UTZ: I believe that would include Exhibits A through G. I will ask the reporter to mark them.

(Whereupon Exhibits A through G were marked for identification.)

MR. UTZ: The Exhibits A through G will be accepted into the record if there is no objection. Any other statements to be made in this case. If there are none the case will be taken under advisement.

the surface and we didn't go into the exact type of cement we discussed several different mixtures and we didn't arrive at one definite, one that I could say this is it.

MR. IRBY: The state engineer would offer no objection to this cementing provided it was neat cement with a maximum additive of 2% jell and the same would be true of the cementing of the long string.

MR. UTZ: You have no particular interest in the long string, do you Mr. Irby?

MR. IRBY: I'm not sure. I may after I ask some more questions.

MR. UTZ: All right.

Q (By Mr. Irby) Our records indicate Mr. Engwall, that in addition to this water in the zone you have spoken of, that there's a possibility of water in the Guadalupe series particularly the Tansill member at about 3,000 to 3,100 feet. Have you any knowledge of this?

A No, I do not. It hasn't been encountered that I know of in any drilling in that half section as previously stated that I discussed with the drilling contractor of the cable tool rigs that drilled in that same half section that I was planning on drilling.

Q This is almost immediately above your producing

A I had a verbal conversation with the United States Geological Survey in Roswell, the United States Geological Survey in Hobbs, and also the Oil Conservation Commission representative in Hobbs, discussing this program as set out in Exhibit A. They could not give me approval but they had no objections to this program. They could see no reason to say go any other route than this at the time.

Q This is a one well program and the request is only for one well?

A Yes, sir.

MR. UTZ: Are there any other questions of the witness?

MR. IRBY: Yes, sir. Frank Irby, State Engineer's Office.

Q Mr. Engwall, on this cementing the casing particularly on the surface string, what quality of cement is going to be used around the shoe of this casing at approximately 950 feet?

A We would use a neat cement with possibly 2% additive to give it a better setting up quality. I don't have an exact program. I discussed it with a representative from the Halliburton Company on the amount of cement to fill the annular space between the casing and backup to

Q Is there anything that you would like to mention in connection with the petition that I have not previously asked you about?

A On this water protection string that is set up for 950 if there is any indication that we are not through the water at that depth we would want to have an either or clause that we could extend this down to comply with the Potash Company of America's request that we case off all surface water. The 950 feet I think is adequate but in case it is not we would lower the program with the consent of all parties concerned.

Q In other words, if the actual order provided that you would case to 950 feet or as might be required to case off any water source this would be agreeable and you would expect to do this anyway?

A Right.

MR. SCHAUER: That's all the questions we have.

Mr. Examiner.

CROSS-EXAMINATION

BY MR. UTZ:

Q In other words, you intend to comply with the stipulations in PCA letter of May 7, 1965?

A Yes, sir.

Q In all respects?

testing.

Q In your Exhibit A, you proposed to set your casing at 950 feet, how did you arrive at that suggested figure?

A Through conversation with two different drillers, drilling contractors who had drilled in the immediate area and the offsetting test. They indicated that the lowest water they encountered was between 920 and 940 feet in that area and my program is set up to allow for this by setting through to 950 feet below the surface.

Q Do you know what depth the casing was set in the two offset wells?

A I'm not positive on the two offsets. In the west half of Section 20 there were five previous tests drilled. In four, or let's see, I beg your pardon, there were six tests drilled, in four of these six which were all drilled with cable tools they mudded in a water protection string between 920 and 940 feet and I can't say that it was on the direct offset. I didn't bring the cards along with me for that information.

Q Of course, if it was any indication that you should case below the 950 feet, naturally you would expect to do that?

A Yes, sir.

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Q Did you check that yourself?

A Yes, that was checked from the maps and from the records.

Q Have you had any protest to your desire to proceed that you know of?

A I have had no protest.

Q Now getting into the actual method of how you desire to proceed.

A That's set forth in Exhibit A that complies substantially or basically with the requirement set out by the Potash Company of America, is that correct?

A Yes, it is.

Q Let me ask you if in one requirement that they set forth in their letter to you of May 7th, in paragraph number 2 on the first page, that in lieu of the salt protection string prior to drilling into the upper most pay zone you would fill the hole with mud and maintain the level of mud for the test during testing of the pay zone. Exhibit A didn't actually mention that you proposed to maintain the level of mud during the drilling and testing but you would comply with that request by the Potash Company?

A Yes. Once we filled the hole with mud we will have a full system of mud throughout the drilling and

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A Yes, I did.

Q The ownership of the potash leases?

A Yes.

Q You had correspondence did you not with the Potash Company pertaining to the drilling of this proposed well?

A I had correspondence, telephone conversation, and also a visit to their representatives at their office at the mine and discussed this program with them.

Q You wrote originally the Potash Company setting forth a proposal of how you desired to proceed, is that correct?

A This is correct.

Q And that letter is attached to the petition as an exhibit?

A Yes, it is.

Q And then in turn Potash Company came back with what requirements they preferred in a letter to you and that's attached to the petition?

A Yes.

Q Then also attached to the petition you set forth the oil and gas ownership in the immediate area or in that township?

A Yes.

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A To about 3400 feet.

Q And that's located in what is known as the Teas Field in Lea County?

A It would offset the producing wells in the Teas Field.

Q In lieu of the requirements of Commission Order R-111-A, you seek to proceed as set forth in Exhibit A, that was attached to the petition?

A Yes, sir.

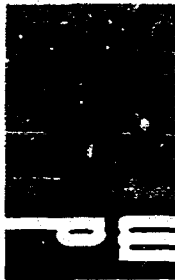
Q Before going into that, did you make a study or investigation from records available to you as to the ownership of the potash leases, potash ownership within the immediate vicinity?

A Yes, I did. I also talked with a representative for the United States Geological Survey, Mr. Fulton, in Carlsbad and verified my findings as to the ownership of the potash leases.

Q From your investigation you believe that the Potash Company of America is the only owner of potash leases or potash holdings within a radius of one mile from your proposed location, is that correct?

A This is correct.

Q And you set this forth in an exhibit attached to the petition?



MR. IFFZ: The hearing will come to order.

please. Case 3264, the Application of Carl Engwall for an exception to Commission Order R-111-A, Lea County, New Mexico.

MR. SCHAUER: W. C. Schauer, Roswell, New Mexico for the applicant and we have just one witness, Mr. Examiner.

(Witness Sworn.)

CARL ENGWALL, having been first duly sworn testifies as follows:

DIRECT EXAMINATION

BY MR. SCHAUER:

Q You are the applicant in this case, Carl Engwall?

A Yes, sir.

Q You seek an order of the Commission for an exception to the casing and cementing requirements of order of R-111-A, is that correct?

A Yes, sir.

Q The well that you mentioned in the application that you propose to drill, that's located in the northeast quarter of the southwest quarter of Section 14, Township 20, South Range 33 East, in Lea County, is that right?

A That's correct.

Q And you propose to drill that well how deep?

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

June 9, 1965

EXAMINER

HEARING

IN THE MATTER OF:

Application of Carl Engwall for an
exception to Commission Order R-111-A,
Lea County, New Mexico.

Case No. 3264

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

CARL ENGWALL
GEOLOGICAL CONSULTANT
ROSWELL, NEW MEXICO

805 - 623-4541
P. O. BOX 1782

MAY 18, 1965

EXHIBIT "E"

CARL ENGWALL #1 SINCLAIR-FEDERAL
NW $\frac{1}{4}$ SW $\frac{1}{4}$ SEC. 14, T-20-S, R-33-E

Cost of Casing, Cementing and Plug and Abandon Expense as Proposed by
Applicant in Application for Permit to Drill, Form 9-331-C, Not in strict
Accordance with NEW MEXICO OIL CONSERVATION COMMISSION ORDER R-111-A.

(a) Surface Casing String	
950' of 9 5/8", 32# @ \$3.50/ft.	\$ 3,315.00
400 sacks cement - circulated to surface	1,100.00
Rig time to run casing	400.00
12 hour W.O.C. rig time	250.00
Engineering supervision	50.00
Centralizers and float equipment	200.00
	<u>\$ 5,315.00</u>
(b) Production casing string	
3400' of 5 1/2", 23# @ \$2.40/ft.	\$ 8,160.00
600 sacks cement - 900' to 3400'	2,200.00
Rig time to run casing	500.00
12 hour W.O.C. rig time	250.00
Engineering supervision	100.00
Rig time to drill out plug	250.00
Centralizers and float equipment	250.00
	<u>\$11,710.00</u>
(c) Plug and Abandon	
470 sacks cement	\$ 1,560.00
Rig time to set cement plugs	250.00
Engineering supervision	100.00
	<u>\$1,910.00</u>
GRAND TOTAL - PRODUCING WELL	\$17,025.00
GRAND TOTAL - DRY HOLE	47,225.00

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
App'l EXHIBIT NO. E
CASE NO. 3264

Case 3264

CARL ENGWALL
GEOLOGICAL CONSULTANT
ROSWELL, NEW MEXICO

808 - 623-4541
P. O. BOX 1762

MAY 18, 1965

EXHIBIT "D"

CARL ENGWALL #1 SINCLAIR-FEDERAL
NW $\frac{1}{4}$ SW $\frac{1}{4}$ SEC. 14, T-20-S, R-33-E

Cost of Casing, Cementing and Plug and Abandon Expense in Accordance with
NEW MEXICO OIL CONSERVATION COMMISSION ORDER R-111-A.

(a) Surface Casing String	\$ 4,725.00
1350' of 9 5/8", 32# @ \$3.50/ft.	1,500.00
575 sacks cement - circulated to surface	
Rig time to run casing	500.00
24 hour W.O.C. rig time	500.00
Engineering supervision	100.00
Centralizers and float equipment	550.00
	<u>\$ 7,575.00</u>
(b) Salt Protection Casing String	
3100' of 7", 23# @ \$2.85/ft.	\$ 8,835.00
400 sacks cement - circulated to surface	1,800.00
Perforate casing to cement	500.00
Rig time to run casing	500.00
24 hour W.O.C. rig time	500.00
Engineering supervision	100.00
Rig time to drill out plug	250.00
Centralizers and float equipment	250.00
	<u>\$12,735.00</u>
(c) Production Casing String - Liner	
400' of 4 1/2", 11# @ \$1.30/ft.	\$ 520.00
Liner hanger	900.00
50 sacks cement	450.00
Rig time to run liner	500.00
Engineering supervision	100.00
24 hour W.O.C. rig time	500.00
Centralizers and float equipment	250.00
Rental on tubing	750.00
Rig time to drill cement out of liner	500.00
	<u>\$ 4,480.00</u>
(d) Plug and Abandon	
470 sacks cement	\$ 1,560.00
Rig time to set cement plugs	250.00
Engineering supervision	100.00
	<u>\$ 1,910.00</u>
GRAND TOTAL - PRODUCING WELL	\$24,790.00
Grand TOTAL - DRY HOLE	\$23,220.00

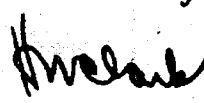
BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. D
CASE NO. 3264

Mr. Carl Engwall
May 7, 1965
page 2

3. The production string set at top or through the pay zone and cemented with sufficient cement to circulate back to the bottom of the surface string.

Abandonment will be in accordance with procedure of New Mexico Oil Conservation Commission Order R-111-A without exceptions.

Yours very truly,


H. N. Clark
Vice President

HNC/jm

cc: Mr. A. L. Porter, Secretary Director
Oil Conservation Commission
Santa Fe, New Mexico

Mr. John A. Anderson
U. S. G. S.
P. O. Box 6721, Roswell, New Mexico

Mr. Robert S. Fulton
U. S. G. S.
P. O. Box 1716, Carlsbad, New Mexico



POTASH COMPANY OF AMERICA

MINE AND REFINERY: P. O. BOX 31 • CARLSBAD, NEW MEXICO • TU 5-2111

88220

May 7, 1965

H. N. CLARK
VICE PRESIDENT - PRODUCTION

Mr. Carl Engwall
Geological Consultant
P. O. Box 1782
Roswell, New Mexico

Re: O&G Test (Yates-Seven Rivers) Sec. 14, T. 20S.,
R. 33E., Lea County - 2310' FSL & 990' FWL

Dear Mr. Engwall:

With reference to your letter of May 6, 1965 and your discussion with our Messrs. J. B. Cummings and R. H. Blackman, Jr., on this date, this will advise that we will accede to the following procedure in lieu of the casing and cementing program of New Mexico Oil Conservation Commission Order R-111-A in the drilling of the oil and gas test at the above location:

It is our understanding that you intend to drill the well with rotary rig, using air as circulating media.

1. Surface string (9-5/8", 10-3/4" or 13-3/8") will be set to sufficient depth to include all water zones above the top of salt and cemented with sufficient cement to circulate back to surface. 950'

Cement shall be allowed to set a minimum of 12 hours before drilling the plug or initiating tests.

2. In lieu of the salt protection string, prior to drilling into the uppermost pay zone fill the hole with mud and maintain level of mud to surface during drilling and testing of pay zones.



EXHIBIT "C"

MEMBER: AMERICAN POTASH INSTITUTE

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	3264
CASE NO.	3264

Mr. J. B. Cummings
Potash Company of America

May 6, 1965

(i) The production string will be cemented with sufficient cement to protect any pay zone and salt section and fill the annular space behind the pipe 2000 feet above the casing point. Estimated amount of cement required is 500 sacks.

(b) Cement shall be allowed to set a minimum of 12 hours before drilling the plug or initiating tests.

VI.

Plugging and Abandonment of Wells.

- (1) Well will be plugged and abandoned in accordance with the standard statewide rules and regulations of the New Mexico Oil Conservation Commission. Cement plugs of twenty five (25) sacks each (100 feet in length) will be spotted opposite the pay horizon, below the salt section, above the salt section and the base of the shoe of the surface casing, and ten (10) sacks will be used at the surface. In addition, twenty-five (25) sack cement plugs will be spotted opposite any water bearing horizon encountered while drilling. In the event a production string is run and the casing is later cut and pulled, twenty-five (25) sack cement plugs will be spotted at the point of cut-off.

I am enclosing a copy of Form 9-331-C, Application for Permit to Drill, for your approval, which will be filed with the U.S. Geological Survey at Hobbs, New Mexico. In accordance with regulation R-111-A, my request for drilling the above well will be subject to the special cementing and casing program and will be placed on the docket before the next oil Conservation Commission Hearing. Our cementing and casing program has been discussed with the engineers of the U.S. G.S. who has indicated their approval subject to your approval and a formal hearing required by regulation. Halliburton Cement Company has reviewed this cementing program and has advised me that the procedure will satisfy all safety requirements. The casing, cement and plug and abandonment procedure, which is proposed will conform to statewide rules and regulations of the New Mexico Oil Conservation Commission.

Mr. J. B. Cummings
Potash Company of America

May 6, 1965

In order to expedite this matter, it is respectfully requested that your Company approve the above exceptions and waiver of R-111-A by returning a signed copy of this letter.

Very truly yours,

CARL ENGWALL
GEOLOGICAL CONSULTANT
ROSWELL, NEW MEXICO

May 6, 1965

505 - 623-4541
P. O. BOX 1782

326f

Mr. J. B. Cummings
Potash Company of America
P. O. Box 31
Carlsbad, New Mexico

Dear Mr. Cummings:

This letter will confirm my conversation with you regarding the drilling of the Carl Engwall No. 1 Sinclair-Federal located 2310 feet from the south line and 990 feet from the west line of Section 14, T-20-S, R-33-E, Lea County, New Mexico. The estimated total depth of this test will be 3420 feet. The records reflect that Potash Company of America owns a potash lease under this proposed test location and are the only potash lease owners within a one mile radius of the test. In accordance with our discussion, I submit for your approval waiver and exceptions to the casing and cementing program program and plug and abandon procedure of New Mexico Oil Conservation Commission Order R-111-A, as follows:

IV.

- (2) Surface Casing String:
 - (a) Propose to set 9-5/8", 10-3/4" or 13-3/8" new or used oil field casing in good condition at 950 feet below the surface, cemented with sufficient cement to circulate back to the surface, estimated cement required is 150 sacks.
 - (b) Cement shall be allowed to set a minimum of 12 hours before drilling the plug or initiating tests.
- (3) Salt Protection String:
 - (a) Waiver of requirement to run salt protection string of casing.
- (5) Production String:
 - (a) A production string of 4-1/2", 5-1/2" or 7" casing may be set on top of or through the Seven Rivers formation at an approximate depth of 3400 feet, after the reservoir has been evaluated by logging or testing.

EXHIBIT "B"

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
<i>App</i>	EXHIBIT NO. <u>13</u>
CASE NO.	<u>3265</u>

EXHIBIT "A"

IV.

- (2) Surface Casing String:
(a) Propose to set 9-5/8", 10-3/4" or 13-3/8" new or used oil field casing in good condition at about 950 feet below the surface, cemented with sufficient cement to circulate back to the surface, estimated cement required is 400 sacks. This depth is sufficient to case off any water sands known from previous drilling in the vicinity.
(b) Cement shall be allowed to set a minimum of 12 hours before drilling the plug or initiating tests.
- (3) Salt Protection String:
(a) Waiver of requirement to run salt protection string of casing. Hole to be drilled with rotary tools, using air to clean the cuttings from the bore hole. Prior to drilling the Yates-Seven Rivers pay zone section of the Teas Field, the hole will be filled with salt water mud.
- (5) Production String:
(a) A production string of 4-1/2", 5-1/2" or 7" casing may be set on top of or through the Seven Rivers formation at an approximate depth of 3400 feet, after the reservoir has been evaluated by logging or testing.
(i) The production string will be cemented with sufficient cement to protect any pay zone and salt section and fill the annular space behind the pipe 2500 feet above the casing point. This cementing to fill the annular space to or above the base of the surface casing. Estimated amount of cement required is 600 sacks.
(b) Cement shall be allowed to set a minimum of 12 hours before drilling the plug or initiating tests.

VI.

Plugging and Abandonment of Wells.

- (1) Well will be plugged and abandoned in accordance with the rules of Order R-111-A.

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	3264
CASE NO.	3264

5. That if Applicant is permitted to proceed as requested, such procedure will result in a substantial economic savings, as shown by estimates of costs marked Exhibits "D" and "E" attached hereto.

6. That attached hereto and marked Exhibit "F" is a map reflecting the oil and gas ownership in the Township involved; and attached hereto and marked Exhibit "G" is a plat showing Potash Lease ownership in the Township involved, and surrounding area.

WHEREFORE, Applicant prays that the Commission set the matter down for hearing before one of its examiners, to publish notices as required by law, and after hearing, issue its order authorizing Applicant to proceed as requested.

Respectfully Submitted

Carl Engwall

SCHAUER & STIFF

By William C. Schauer
Attorneys for Applicant
P. O. Box 341
Roswell, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN RE: APPLICATION FOR AN
EXCEPTION TO CASING AND
CEMENTING REQUIREMENTS OF
NEW MEXICO OIL CONSERVATION
COMMISSION ORDER R-111-A

No. 3264

APPLICATION

COMES NOW, Carl Engwall, Applicant, and shows unto the
Commission:

1. That Applicant proposes to drill a well in search of oil and gas in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 14, Township 20 South, Range 33 East (2310' FSL and 990' FWL), N.M.P.M., Lea County, New Mexico, to a depth of approximately 3420 feet. Said location is within the Teas Field, Lea County, New Mexico.
2. That in lieu of the requirements of the Oil Conservation Commission Order No. R-111-A, pertaining to casing and cementing, Applicant proposes to proceed as set forth in Exhibit "A" attached hereto.
3. That the Potash Company of America owns the Potash Lease in said Section 14, and is the only owner of Potash Leases within a one mile radius of the proposed well location.
4. That the Potash Company of America has consented to Applicant's proceeding as desired, as more particularly reflected by correspondence between said parties, copies of which are attached hereto and marked Exhibits "B" and "C".

DOCKET: EXAMINER HEARING- WEDNESDAY - JUNE 9, 1965

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 3251: (Continued from the May 26, 1965 Examiner Hearing)

Application of Continental Oil Company for a waterflood project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Rattlesnake Dakota Pool, San Juan County, New Mexico, by the injection of water into the upper and middle zones of the Dakota formation, through three injection wells in Sections 12 and 13, Township 29 North, Range 19 West.

CASE 3260: Application of Delaware-Apache Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Lusk Deep Unit Area comprising 1920 acres, more or less, of State and Federal lands in Township 19 South, Range 31 East, Eddy County, New Mexico.

CASE 3261: Application of Delaware Apache Corporation for a pool extension and special rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the Jenkins-Cisco Pool to include the S/2 of Section 19 and the NW/4 of Section 30, Township 9 South, Range 35 East, Lea County, New Mexico, and the SE/4 of Section 24, and the NE/4 of Section 25, Township 9 South, Range 34 East. Applicant further seeks the promulgation of special rules for said pool including a provision for 80-acre proration units.

CASE 3262: Application of Monsanto Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cueva Unit Area comprising 12,489 acres, more or less, of State, Federal and fee lands in Townships 22 and 23 South, Range 25 East, Eddy County, New Mexico.

CASE 3263: Application of Jake L. Hamon for the creation of a new gas pool and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Morrow Gas Pool for his Hamon State E-8913 Well No. 1 located in Unit A of Section 20, Township 20 South, Range 36 East, Lea County, New Mexico, and the promulgation of special pool rules including a provision for 640-acre spacing.

CASE 3264: Application of Carl Engwall for an exception to Commission Order R-111-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the potash-oil area casing and cementing rules as set forth in Commission Order R-111-A. Applicant

proposes to drill and complete a well in Unit L of Section 14, Township 20 South, Range 33 East, Teas Pool, Lea County, New Mexico, with surface casing set at approximately 950 feet, cement circulated, and production casing set at approximately 3400 feet and cemented to approximately 2500 feet above the casing point. The well would be plugged and abandoned in accordance with the provisions of Order R-111-A.

CASE 3265: Application of Coastal States Gas Producing Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through perforations from 4545 feet to 4590 feet in its Southern Minerals State Well No. 1-15 located in Unit L of Section 15, Township 9 South, Range 33 East, Flying "M" San Andres Pool, Lea County, New Mexico.

CASE 3112: (Reopened)

In the matter of Case 3112 being reopened pursuant to the provisions of Order No. R-2824, which order authorized Gallup-Dakota commingling in the wellbore by means of a dual-flow downhole choke assembly in its Jicarilla 28 Well No. 1 located in Unit J of Section 28, Township 25 North, Range 4 West, Rio Arriba County, New Mexico. All interested parties may appear and show cause why the authority granted under this order should not be terminated.

CASE 3266: Application of Pan American Petroleum Corporation for a dual completion and commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Federal "A" Well No. 4 located in Unit L of Section 13, Township 9 South, Range 35 East, Lea County, New Mexico, to produce oil from the Bough Permo-Penn and an undesignated Devonian pool through parallel strings of tubing. Applicant further seeks authority to commingle the production from said pools on said lease after separately metering the production from each pool.

CASE 3258: (Continued from the May 26th examiner hearing)

Application of Midwest Oil Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its State "C" Well No. 1 located in Unit K of Section 32, Township 13 South, Range 34 East, Lea County, New Mexico, to produce oil from the Upper and Lower Pennsylvanian formations through parallel strings of tubing.

SCHAUER & STIFF
ATTORNEYS AT LAW

WILLIAM C. SCHAUER
GLENN G. STIFF

SECURITY NATIONAL BANK BUILDING
P. O. BOX 341
ROSSELL, NEW MEXICO

May 18, 1965

Case 3264

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

Attention: Mr. Daniel S. Nutter

Gentlemen:

We enclose herewith Application in triplicate pertaining to the cementing and casing requirements of Commission Order R-111-A.

I previously discussed this with Mr. Durrett, and he was of the opinion that the matter could be included in the hearing to be held by the Commission on June 9, 1965.

If you have any questions pertaining to the Application, please call us collect.

We are mailing a copy of this letter and the Application to Frank Irby in care of the New Mexico State Engineer's Office, Santa Fe, New Mexico.

Very truly yours,

SCHAUER & STIFF

By

William C. Schauer

WCS:mlj

Enclosures

AIR MAIL

DO NOT MAIL

5-27-65
Date

Case 3264

Heard 6-9-65

Res. 6-9-65

1. Grant Carl Engvall an exception to R-111A. pertains to a casing & drilling program in the ~~potash~~ area for his Sinclair. Dec # 1, 2310/S, 990/W-14-205-336.
2. Casing and drilling program should follow agreement in exhibit 'c' & letter from (P.S.A.)

Thurs. 12/1

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 2088
SANTA FE

June 24, 1965

Mr. William C. Schauer
Schauer & Stiff
Attorneys at Law
Post Office Box 341
Roswell, New Mexico

Re: Case No. 3264
Order No. R-2932
Applicant:
CARL ENGWALL

Dear Sir:

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

Very truly yours,

A. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

OTHER

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CASE No. 3264
Order No. R-2932

(b) The production casing string shall be cemented with sufficient cement to circulate back into the surface casing string.

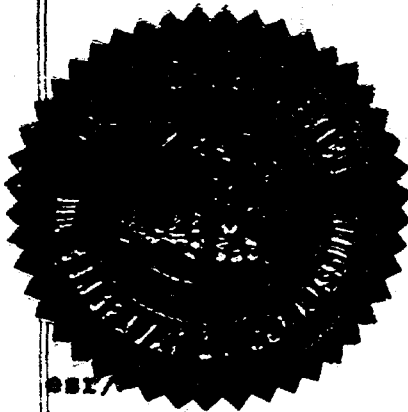
4. Abandonment Procedure:

Upon abandonment of the well, it shall be plugged and abandoned in accordance with the standard statewide rules and regulations of the New Mexico Oil Conservation Commission. Cement plugs of 25 sacks each (100 feet in length) shall be spotted opposite the pay horizon, below the salt section, above the salt section, and at the base of the shoe of the surface casing, and 10 sacks shall be used at the surface. In addition, 25-sack cement plugs shall be spotted opposite any water bearing horizon encountered while drilling. In the event production string is run and the casing is later cut and pulled, a 25-sack cement plug shall be spotted at the point of cut-off.

5. Applicant shall notify the Hobbs District Office of the date and hour casing is to be run and cemented and the date and hour the well is to be plugged.

(3) 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

Jack M. Campbell
JACK M. CAMPBELL, Chairman

Guyton B. Hays
GUYTON B. HAYS, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

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CASE No. 3264

Order No. R-2932

(4) That approval of the proposed special casing and cementing program for the subject well will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Carl Engwall, is hereby authorized to drill his Sinclair-Federal Well No. 1 at a location 2310 feet from the South line and 990 feet from the West line of Section 14, Township 20 South, Range 33 East, NMPM, Teas Pool, Lea County, New Mexico.

(2) That as an exception to the provisions of Order No. R-111-A, the applicant is hereby authorized to complete and abandon said Sinclair-Federal Well No. 1 as follows:

CASING, CEMENTING, AND ABANDONMENT PROCEDURE

1. Surface Casing String:

(a) Applicant shall set 9 5/8-inch, 10 3/4-inch, or 13 3/8-inch new or used oil field casing in good condition at a depth of 950 feet below the surface or deeper if necessary to protect any potable water. Cement shall be circulated back to the surface.

(b) Cement shall set a minimum of 12 hours before drilling the plug or instituting tests.

2. Salt Protection Casing String:

In lieu of the salt protection casing string, prior to drilling into the uppermost pay zone, the hole shall be filled with mud and the level of mud maintained to the surface during drilling and testing of pay zones.

3. Production Casing String:

(a) If production is encountered, applicant shall set a production string of 4 1/2-inch, 5 1/2-inch, or 7-inch casing on top of or through the Seven Rivers formation.

**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. 3264
Order No. R-2932**

**APPLICATION OF CARL ENGWALL
FOR AN EXCEPTION TO COMMISSION
ORDER R-111-A, LEA COUNTY, NEW
MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 9, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 24th day of June, 1965, 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, Carl Engwall, seeks authority to drill his Sinclair-Federal Well No. 1 at a location 2310 feet from the South line and 990 feet from the West line of Section 14, Township 20 South, Range 33 East, NMFM, Teas Pool, Lea County, New Mexico, and that applicant also seeks approval of a special cementing and casing program for the subject well as an exception to the casing and cementing rules prescribed for the Potash-Oil Area by Order No. R-111-A.

(3) That potash development does not presently exist and is not presently contemplated within the vicinity of the proposed well.