

Entered May 12, 1978
JWR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6203
Order No. R-5731

APPLICATION OF WALTER W. KRUG
DBA WALLEN PRODUCTION CO. FOR
SPECIAL CASING-CEMENTING RULES
IN THE POTASH-OIL AREA, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 19, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 12th day of May, 1978, the Division Director, having considered 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 Division 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 by the extension of the special cable tool casing-cementing rules for wells in the North Lynch Yates-Seven Rivers Pool, as promulgated by Order No. R-4253 to encompass additional lands, including all or portions of Sections 20, 21, 27, 28, 33 and 34, Township 20 South, Range 34 East, Lea County, New Mexico.

(3) That potash development does not presently exist and is not presently known to be contemplated within the area described in Finding No. 2 above.

(4) That approval of the proposed extension of said special casing and cementing program, if amended to require

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that the cavings casing string be set at a minimum depth of 225 feet beneath the surface, will afford the applicant and others the opportunity to produce their just and equitable share of the oil and gas in the subject area, 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.

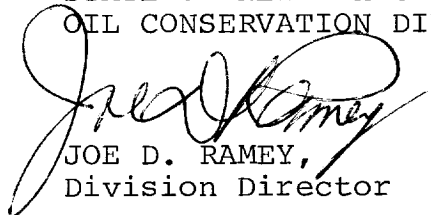
IT IS THEREFORE ORDERED:

(1) That the special cable tool casing and cementing rules and regulations promulgated for the North Lynch-Yates-Seven Rivers Pool by Commission Order No. R-4253 are hereby extended to encompass Sections 20, 21, 27, 28, 33, and 34, Township 20 South, Range 34 East, Lea County, New Mexico, provided however, that the cavings casing string in any well drilled in said area shall be set at a minimum depth of 225 feet beneath the surface and cement circulated to the surface.

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

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY,
Division Director

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