

Entered March 15, 1972
A.S.P.

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. 4662
Order No. R-4272

APPLICATION OF AMOCO 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 10 a.m. on February 16, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 15th day of March, 1972, 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, Amoco 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 its Bate Federal Well No. 2 to be located in Unit L of Section 26, Township 19 South, Range 33 East, NMPM, East Gem-Yates Pool, Lea County, New Mexico.

(3) That the applicant proposes to drill said well in such a manner as to eliminate running a salt protection string provided the production string is cemented to the surface.

(4) That the applicant proposes to set a water shut-off casing string at approximately 350 feet, drill to a proposed total depth of 3700 feet, and set a production string of casing at said total depth.

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(5) That the applicant proposes to circulate cement to the surface on the water shut-off string and if production is encountered, circulate cement on the production string back to the surface.

(6) That the casing and cementing program proposed by the applicant would not constitute a hazard to the potash deposits in the area of the subject well provided that a salt protection string is set and mudded in prior to drilling into the pay; that said salt protection string could be pulled and production casing run to total depth and cemented to the surface if production is obtained.

(7) That approval of the proposed special casing and cementing program for the subject well will afford the applicant the opportunity to produce its 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, provided a salt protection string is utilized in accordance with the procedure outlined above.

IT IS THEREFORE ORDERED:

(1) That the applicant, Amoco Production Company, is hereby authorized, as an exception to the Potash-Oil Area casing and cementing rules as set forth in Commission Order No. R-111-A, to drill, cement, and abandon its Bate Federal Well No. 2, to be located in Unit L of Section 26, Township 19 South, Range 33 East, NMPM, East Gem-Yates Pool, Lea County, New Mexico, in accordance with the casing, cementing, and abandonment procedures as set forth below:

CASING, CEMENTING, AND ABANDONMENT PROCEDURE

1. Water Shut-Off Casing String:

- (a) Applicant shall set oil field casing at a depth of approximately 350 feet below the surface or deeper if necessary to protect any potable water. Cement shall be circulated back to the surface on this string.

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- (b) Cement shall set a minimum of 24 hours before drilling the plug or instituting tests.

2. Salt Protection String:

Applicant shall set and mud in a salt protection string below the base of the salt prior to drilling into the pay. If production is obtained, said salt protection string shall be lowered to total depth and cemented to the surface in lieu of running a protection casing string or may be pulled and a production casing string run and cemented in accordance with Item 3 below.

3. Production Casing String:

If production is encountered, applicant shall set a production string at total depth and cement shall be circulated back to the surface.

4. Cementing and Testing Procedure:

All cement mixtures and testing procedures shall be in accordance with the applicable provisions of Order No. R-111-A insofar as said provisions are not inconsistent with this order.

5. Abandonment Procedure:

Upon abandonment of the well, it shall be plugged and abandoned in accordance with the applicable provisions of Commission Order No. R-111-A.

6. 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.

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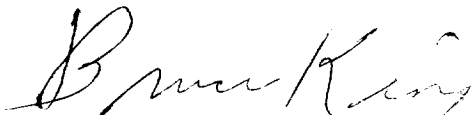
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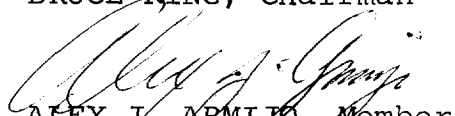
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(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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

S E A L

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