

Entered October 12, 1979
JMR

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. 6661
Order No. R-6137

APPLICATION OF LARUE AND MUNCY FOR
EXCEPTION TO ORDER NO. R-111-A,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 19, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of October, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, LaRue and Muncy, seeks an exception to the casing/cementing rules for the Oil-Potash Area as promulgated by Order No. R-111-A to permit a proposed well to be located in Unit C of Section 22, Township 18 South, Range 30 East, Eddy County, New Mexico, to be completed with a string of surface casing set and circulated with cement at the top of the salt at approximately 550 feet and a production casing string set at the top of the San Andres formation at approximately 3700 feet with a volume of cement calculated to be sufficient to circulate.

(3) That the applicant further proposes that it be permitted to complete other possible wells that it may drill to the Leo Queen-Grayburg-San Andres Pool in the same manner as that proposed for the subject well, and that such possible additional wells would be located on the following described lands:

-2-

Case No. 6661
Order No. R-6137

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 15: N/2 NE/4, SW/4 NE/4, SE/4 NW/4,
E/2 SW/4, and W/2 SE/4
Section 22: N/2 NW/4 and N/2 SW/4

(4) That the evidence presented indicates that there are no potash mining operations nor deposits of commercial potash ore in proximity to the proposed well or to the above described lands and that the proposed method of completion will not result in endangerment of potash resources nor operations.

(5) That for any well drilled pursuant to this order, the applicant should report the following both to the district office of the Division and the U.S.G.S. and may be required to circulate cement to the surface around the production casing:

(a) Any water flows encountered;

(b) The top of the cement around the production casing as determined by temperature survey if such cement does not circulate.

(6) That approval of the subject application will protect correlative rights, will prevent waste and will not cause the waste of potash.

(7) The application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, LaRue and Muncy, is hereby authorized an exception to the casing/cementing rules for the Oil-Potash Area as promulgated by Order No. R-111-A to permit a proposed well which will be located in Unit C of Section 22, Township 18 South, Range 30 East, Leo Queen-Grayburg-San Andres Pool, Eddy County, New Mexico, to be completed with a string of surface casing set and circulated with cement at the top of the salt section at approximately 550 feet and a production casing string set at the top of the San Andres formation at approximately 3700 feet with a volume of cement calculated to be sufficient to circulate.

(2) That the applicant is hereby further authorized to complete additional Leo Pool wells in the above-described manner on the following described lands:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 15: N/2 NE/4, SW/4 NE/4, SE/4 NW/4,
E/2 SW/4, and W/2 SE/4
Section 22: N/2 NW/4 and N/2 SW/4

-3-

Case No. 6661
Order No. R-6137

(3) That for any well drilled pursuant to this order, the applicant shall report the following, both to the district office of the Division and the U.S.G.S:

- (a) Any water flows encountered; and
- (b) The top of the cement around the production casing as determined by temperature survey if such cement does not circulate.

PROVIDED HOWEVER, that on any such well, the applicant may be required to re-cement the production casing to the surface if cement on said casing did circulate to the surface.

(4) 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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

S E A L

fd/