

Entered April 15, 1980  
JBR

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. 6844  
Order No. R-6309

APPLICATION OF ARROWHEAD OIL  
CORPORATION FOR TWO EXCEPTIONS TO  
ORDER NO. R-111-A AND AN UNORTHODOX  
WELL LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 26, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of April, 1980, 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, Arrowhead Oil Corporation, seeks an exception to the casing/cementing rules for the Oil-Potash Area as promulgated by Order No. R-111-A to complete its Creek Federal Well No. 3 at an unorthodox location 250 feet from the North line and 2350 feet from the East line and its Creek Federal Well No. 4 to be drilled in Unit G, both in Section 23, Township 18 South, Range 30 East, by setting surface casing at a depth of approximately 600 feet and production casing at total depth. The production casing would have cement circulated back to the potash zone in the salt section.

(3) That the evidence presented indicates that there are no potash mining operations nor deposits of commercial potash ore in proximity to the proposed well and that the proposed method of completion will not result in endangerment of potash resources nor operations, provided however,

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(4) That the production casing should be cemented with a volume of cement sufficient to circulate back to the surface.

(5) That 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, Arrowhead Oil Corporation, 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 the completion of its Creek Federal Well No. 3 at an unorthodox location 250 feet from the North line and 2350 feet from the East line and its Creek Federal Well No. 4 to be drilled in Unit G, both in Section 23, Township 18 South, Range 30 East, by setting surface casing at a depth of approximately 600 feet and production casing at total depth with a volume of cement calculated to be sufficient to circulate back to the surface.

PROVIDED HOWEVER, that 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 FURTHER, that the applicant may be required to re-cement the production casing to the surface if cement on said casing did not circulate to the surface.

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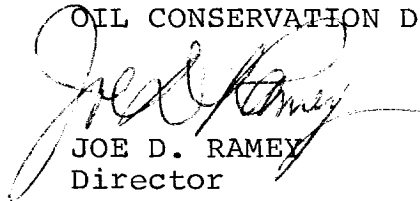
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(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



JOE D. RAMEY  
Director

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