

CASE 6861: LARUE AND MUNCY FOR AN EX-  
CEPTION TO R-111-A, EDDY COUNTY, NEW  
MEXICO

CASE NO.

6661

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

CASE NO. 6661  
Order No. R-6137-A

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

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-6137 dated October 12, 1979, does not correctly state the intended order of the Division,

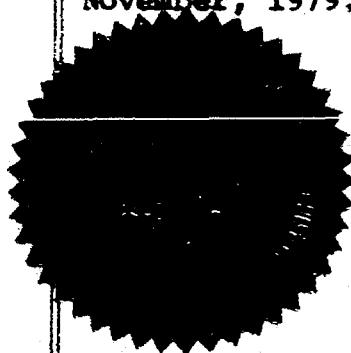
IT IS THEREFORE ORDERED:

(1) That the second paragraph of Order (3) on Page 3 of Order No. R-6137 be and the same is hereby corrected to read in its entirety as follows:

"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 not circulate to the surface."

(2) That the correction set forth in this order be entered nunc pro tunc as of October 12, 1979.

DONE at Santa Fe, New Mexico, on this 2nd day of November, 1979.



S E A L

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

fd/



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

October 15, 1979

Mr. B. N. Muncy, Jr.  
LaRue and Muncy  
P. O. Box 196  
Artesia, New Mexico 88210

Re: CASE NO. 6661  
ORDER NO. R-6137

Applicant:

LaRue and Muncy

Dear Sir:

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

Yours very truly,

JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	X
Artesia OCD	X
Aztec OCD	

**Other**

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico  
19 September 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of LaRue and Muncy for ) CASE  
an exception to R-111-A, Eddy ) 6661  
County, New Mexico. )

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel for the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87503

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3030 Plaza Blanca (SSE) 471-2462  
Santa Fe, New Mexico 87501

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CERTIFIED SHIRTMAKER AND REPORTER  
2029 Plaza, Bldg. 202 (SOS) 471-2462  
Santa Fe, New Mexico 87501

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MR. NUTTER: We'll call next Case Number 6661.

MR. PADILLA: Application of LaRue and Muncy for an exception of R-111-A, Eddy County, New Mexico.

MR. MUNCY: I am B. M. Muncy, Junior, the only witness in this docket.

MR. NUTTER: Would you swear the witness, please?

(Witness sworn.)

MR. NUTTER: Mr. Muncy, for the record will you state your name and your position in this case?

MR. MUNCY: My name is B. M. Muncy, Junior. I am co-owner of LaRue and Muncy.

MR. NUTTER: And you have filed an application for an exception to Order Number R-111-A here today, is that correct, Mr. Muncy?

MR. MUNCY: That's correct.

MR. NUTTER: And what are you seeking by that exception?

MR. MUNCY: We're asking that we be allowed to set our surface string on top of the salt according to normal requirements, dispense with the intermediate casing

1 through the salt section, and circulate cement on our pro-  
2 duction string.

3 MR. NUTTER: Now this is for a particular  
4 well, is it, that you're proposing to drill?

5 MR. MUNCY: We would like to make this  
6 exception for the acreage that we hold in Section 15 and 22.

7 MR. NUTTER: And are you currently planning  
8 to drill a well on this land?

9 MR. MUNCY: Yes, sir.

10 MR. NUTTER: And where would that well be  
11 located?

12 MR. MUNCY: The one we are planning to  
13 drill is in the northeast quarter of the northwest quarter  
14 of 22, 18, 30.

15 MR. NUTTER: Northeast quarter northwest  
16 quarter?

17 MR. MUNCY: That's correct.

18 MR. NUTTER: Of 22. And what depth will  
19 that well be drilled to?

20 MR. MUNCY: Approximately 3700 feet to the  
21 top of the San Andres.

22 MR. NUTTER: Okay. Now, under the provi-  
23 sions of R-111-A, what type of casing program would you have  
24 to have for this well?

25 MR. MUNCY: Under your provisions our sur-

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Balti, Pa, New Mexico 87501



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3030 Plaza Elan (S.E.) 471-2462  
Santa Fe, New Mexico 87501

1 face casing would be set to the top of the salt.  
2 MR. NUTTER: And then what would you have  
3 to do?  
4 MR. MUNCY: Under R-111-A then we would  
5 have to run intermediate to the bottom of the salt, below  
6 the salt zone.  
7 MR. NUTTER: And then you would --  
8 MR. MUNCY: Then run the oil string to  
9 TD.  
10 MR. NUTTER: And what about cement on  
11 those casing strings, what would be the requirement?  
12 MR. MUNCY: The requirement under R-111-A  
13 would be circulating the surface and circulating the inter-  
14 mediate.  
15 MR. NUTTER: I see, and you're proposing  
16 to run your surface pipe to the top of the salt, as provided  
17 by R-111-A.  
18 MR. MUNCY: Run it to the top of the salt  
19 and circulate.  
20 MR. NUTTER: And circulate cement. And --  
21 MR. MUNCY: Then we propose to run our  
22 oil string to TD.  
23 MR. NUTTER: And then you would drill  
24 through the salt --  
25 MR. MUNCY: Drill through the salt.

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CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (505) 471-3463  
Santa Fe, New Mexico 87501

1 MR. NUTTER: -- to the San Andres forma-  
2 tion.

3 MR. MUNCY: Yes.

4 MR. NUTTER: And run your oil string.

5 MR. MUNCY: Correct.

6 MR. NUTTER: Now, the salt would be ex-  
7 posed to the drilling operations when you drilled into the  
8 San Andres formation.

9 MR. MUNCY: Yes, sir.

10 MR. NUTTER: Are there any active mining  
11 operations being conducted in the vicinity --

12 MR. MUNCY: No, sir.

13 MR. NUTTER: -- of this well or these  
14 lands?

15 MR. MUNCY: This is the Wills-Weaver Mine  
16 of the Duval Corporation, which has been -- I believe it's  
17 seven years since it was shut down.

18 MR. NUTTER: Is this that little island  
19 of -- of potash operations as far as R-111-A is concerned?

20 MR. MUNCY: Yes, sir.

21 MR. NUTTER: That's north of the general  
22 R-111-A area?

23 MR. MUNCY: Yes, sir.

24 MR. NUTTER: And there's an old abandoned  
25 Duval mine up there?

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CERTIFIED SHORTHAND REPORTER  
30307/Ana Branch (505) 471-5462  
Santa Fe, New Mexico 87501

1 MR. MUNCY: Correct.

2 MR. NUTTER: And this is the area that

3 you're proposing --

4 MR. MUNCY: This is the area.

5 MR. NUTTER: -- an exception for?

6 MR. MUNCY: Yes, sir. This is under

7 potash lease to Duval Corporation.

8 MR. NUTTER: And have they dismantled the

9 surface equipment at that mine?

10 MR. MUNCY: Yes, sir. That mine has been

11 closed down approximately five years.

12 MR. NUTTER: Now, would your oil string

13 have cement circulated on it?

14 MR. MUNCY: The oil string would be circu-

15 lated.

16 MR. NUTTER: Have you discussed this appli-

17 cation with the potash lease owners in the area?

18 MR. MUNCY: I have a letter, two letters

19 there, which I just handed you, from Duval Corporation, who

20 are the potash lessee, both stating that they have no objection

21 to drilling in Section 15 or 22.

22 MR. NUTTER: Well, the letter dated August

23 23, Mr. Muncy, says Duval Corporation has no objection to

24 your drilling a well in Section 22.

25 The letter of November 29th, 1978 says

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CERTIFIED SHORTHAND REPORTER  
3030 Plaza Blanca (S95) 471-2462  
Santa Fe, New Mexico 87501

1 Duval Corporation has no objection to your drilling a well  
2 in Section 15.

3 It doesn't say anything about the casing  
4 and cementing program.

5 MR. MUNCY: No, sir. We held a hearing  
6 in November of 1978 for a well in Section 15, which was ap-  
7 proved by the Commission under the request that we are making  
8 today.

9 MR. NUTTER: So you've already received  
10 approval for a similar exception to the well in Section 15?

11 MR. MUNCY: Yes, sir, we have.

12 MR. NUTTER: And now you're seeking this  
13 approval for the well that would be located in the northeast  
14 northwest of 22 and you would further request that this ex-  
15 ception be applicable to all of Sections 15 and 22 of Town-  
16 ship 18 South, Range 30 East.

17 MR. MUNCY: Yes, sir. We have other  
18 leases in the area in both sections. Part of them are farm-  
19 outs from Duval Corporation in the area in which we're --

20 MR. NUTTER: Now, in drilling the well in  
21 Section 15, Mr. Muncy, what did you encounter after you  
22 drilled through the salt? What -- what formations, what  
23 pressures, what production did you encounter beneath this --  
24 the salt?

25 MR. MUNCY: We had our Seven Rivers carried

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Santa Fe, New Mexico 87501

1 some water. Our well is now producing from the Queen. The  
2 Grayburg was dry and plugged back.

3 MR. NUTTER: Did it go to the San Andres?

4 MR. MUNCY: Yes, sir, the top of the San  
5 Andres.

6 MR. NUTTER: So this production is through  
7 the Queen, not the San Andres; not into the San Andres?

8 MR. MUNCY: Not into the San Andres. It's  
9 only Queen and Grayburg.

10 MR. NUTTER: Uh-huh. What is the well  
11 producing from? You said it's producing from --

12 MR. MUNCY: From the Queen.

13 MR. NUTTER: From the Queen. What's it  
14 producing, oil or gas?

15 MR. MUNCY: Oil.

16 MR. NUTTER: Is it high pressure oil?

17 MR. MUNCY: No, sir.

18 MR. NUTTER: Is it pumped?

19 MR. MUNCY: Pumped.

20 MR. NUTTER: What's the production like?

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22 MR. NUTTER: Make water?

23 MR. MUNCY: No, sir.

24 MR. NUTTER: Are there any further questions  
25 of Mr. Muncy?

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CERTIFIED SHORTHAND REPORTER  
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Baltimore, Md., New Mexico 87501

1 He may be excused.

2 MR. MUNCY: I might add one other thing.

3 I have discussed this with the USGS, their Mines Supervisor,

4 and they have no objections to our proposed program or our

5 drilling in the area.

6 MR. NUTTER: They gave you a drilling per-

7 mit last year for the well in Section 15, didn't they?

8 MR. MUNCY: Yes.

9 MR. NUTTER: The same type of casing and

10 cementing programs.

11 MR. MUNCY: Same casing program.

12 MR. NUTTER: Thank you, Mr. Muncy.

13 Does anyone else have anything to offer

14 in Case Number 6661?

15 We'll take the case under advisement.

16

17 (Hearing concluded.)

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY  
CERTIFY that the foregoing and attached Transcript of Hearing  
before the Oil Conservation Division was reported by me;  
that the said transcript is a full, true, and correct record  
of the hearing, prepared by me to the best of my ability  
from my notes taken at the time of the hearing.

*Sally W. Boyd C.S.R.*  
Sally W. Boyd, C.S.R.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2030 Plaza Blanca, (505) 471-9462  
Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. *4461*  
heard by me on *9/19* *1977*  
*[Signature]* Examiner  
Oil Conservation Division

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico  
19 September 1979

EXAMINER HEARING

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BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

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For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel for the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87503

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CERTIFIED SHORTHAND REPORTER  
3020 Plaza Iluminada, Santa Fe, New Mexico 87501



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CERTIFIED & NOTARIAL REPORTER  
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CERTIFIED SHOT HILL REPORTER  
2030 Plaza Blue on (598) 471-2442  
Austin, Tx, W. W. Mexico 57501

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CERTIFIED SHORTHAND REPORTER  
2020 Plaza Blanca (995) 471-2452  
San Antonio, Texas 78201

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MR. NUTTER: --- to the San Andres formation.

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MR. NUTTER: Now, the salt would be exposed to the drilling operations when you drilled into the San Andres formation.

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CERTIFIED SHORTHAND REPORTER  
3030 Plaza Blanca (S95) 411-2462  
Santa Fe, New Mexico 87501

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SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca, Suite 500, Dallas, Texas 75241  
Phone (214) 471-2402  
Telex 750100  
Radio 7501

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3  
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CERTIFIED SHOCK TALKING REPORTER  
2020 Plaza Mexico (505) 471-2442  
Santa Fe, New Mexico 87501

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2 Grayburg was dry and plugged back.

3 MR. NUTTER: Did it go to the San Andres?

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MR. MUNCY: I might add one other thing. I have discussed this with the USGS, their Mines Supervisor, and they have no objections to our proposed program or our drilling in the area.

MR. NUTTER: They gave you a drilling permit last year for the well in Section 13, didn't they?

MR. MUNCY: Yes.

MR. NUTTER: The same type of casing and cementing programs.

MR. MUNCY: Same casing program.

MR. NUTTER: Thank you, Mr. Muncy.

Does anyone else have anything to offer in Case Number 6661?

We'll take the case under advisement.

(Hearing concluded.)

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Fifth Street, S.W.  
Seattle, Wash. 98106

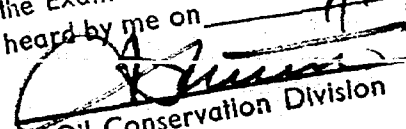


## REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY  
CERTIFY that the foregoing and attached Transcript of Hearing  
before the Oil Conservation Division was reported by me;  
that the said transcript is a full, true, and correct record  
of the hearing, prepared by me to the best of my ability  
from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
19267221; El Paso (999) 471-4162  
Suite 10, New Mexico 87501

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 66661  
heard by me on 9/19/79.  
  
Oil Conservation Division, Examiner

## La Rue and Muncy

Phone 505-746-6652 • P. O. Box 196 • Artesia, New Mexico 88210  
August 21, 1979

RECEIVED  
AUG 23 1964  
OIL CONSERVATION DIVISION  
SANTA FE

Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, N. M. 87501

Case 6661

Gentlemen:

We are requesting an exception to R111A for a well to be drilled to the Grayburg formation in NE $\frac{1}{4}$  NW $\frac{1}{4}$  Section 22, T18S, R30E.

We propose to set surface casing at the top of the salt, and circulate cement for the oil string leaving out the intermediate casing required under R111A.

Duval Corporation, and the Mining Division of USGS have given their approval of the drillsite.

Very truly yours,  
LaRue and Muncy

B. N. Muncy, Jr.

LaRue and Muncy

A 5x5 grid with handwritten numbers. The number '15' is in the second row, third column. The number '1' is in the fourth row, second column. The number '22' is in the fifth row, third column.

Called Murray 8/30  
He wants special rules to apply  
same casing & cementing procedure  
to his leases in the area. His  
leases in Secs 15 & 22 are outlined  
in H.R. Adv. spec rules for  
all of Secs 15 & 22





POST OFFICE BOX 511 CARLSBAD NEW MEXICO 88220

August 23, 1979

Mr. B. N. Muncy, Jr.  
La Rue and Muncy  
P.O. Box 196  
Artesia, New Mexico 88210

Dear Mr. Muncy:

Duval Corporation has no objection to your drilling a well in Section 22, T18S, R30E, Eddy County, New Mexico, Lease No. NM 23000.

Duval Corporation has no planned mining activity in this acreage and to the best of our knowledge, this acreage is uneconomically profitable to potash mining.

Very truly yours,

*J. W. Magraw*  
J. W. Magraw  
Resident Manager

JWM/jps

A PENNZOIL COMPANY



POST OFFICE BOX 511 CARLSBAD NEW MEXICO 88220

November 29, 1978

Mr. B. N. Muncy, Jr.  
La Rue and Muncy  
P.O. Box 196  
Artesia, New Mexico 88210

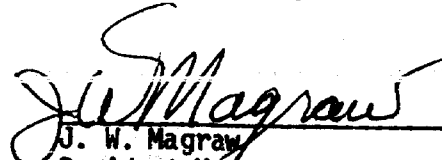
Dear Mr. Muncy:

Duval Corporation has no objection to your drilling a well in  
Section 15, T18S, R30E, Eddy County, New Mexico, Lease No. NM 23000.

Duval Corporation has no planned mining activity in this acreage  
and to the best of our knowledge, this acreage is uneconomically pro-  
fitable to potash mining.

Very truly yours,

DUVAL CORPORATION

  
J. W. Magraw  
Resident Manager

JWM/jps

A  PENNZOIL COMPANY

Application of La Rue and Murrey  
for an exception to R-111-A,  
Eddy County, New Mexico

Applicant, in the above styled cause,  
seeks an exception to the casing-  
cementing rules of Order R-111-A  
to permit a well to be drilled in Unit C  
of Section 22, T18S, R30E, 400 Acres, Gray-  
Lung Pool, to be cased by setting surface  
casing at the top of the seat, circulating  
cement on the oil string, and omitting  
the intermediate casing required by  
R-111-A; applicant further requests that  
said rules be applied to all of Sections 15 and  
22 of said Township to permit additional  
wells to be completed in the same manner.

- CASE 6658:** Application of Texas Pacific Oil Company, Inc. for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the S/2 NE/4 and N/2 SE/4 of Section 14, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to its J. W. Cooper Well No. 8 at an unorthodox location 2010 feet from the North line and 2310 feet from the East line of said Section 14.
- CASE 6659:** Application of Amoco Production Company for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine in several unlined surface pits located in Sections 27, 34 and 35, Township 18 South, Range 31 East.
- CASE 6660:** Application of B. & W. Oil Reclaiming for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the NE/4 NE/4 NE/4 of Section 34, Township 18 South, Range 26 East.
- CASE 6661:** Application of LaRue and Muncy for an exception to R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing-cementing rules of Order R-111-A to permit a well to be drilled in Unit C of Section 22, Township 18 South, Range 30 East, Leo Queen-Grayburg Pool, to be cased by setting surface casing at the top of the salt, circulating cement on the oil string, and omitting the intermediate casing required by R-111-A; applicant further requests special rules to apply to all of Sections 15 and 22 of said township to permit additional wells to be completed in the same manner.
- CASE 6662:** Application of Supron Energy Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Jicarilla "A" Well No. 22Y located in Unit K of Section 24, Township 26 North, Range 4 West, to produce gas from the Blanco Mesaverde Pool through tubing and to commingle and produce the Wildhorse Gallup and Basin-Dakota zones through a parallel tubing string.
- CASE 6663:** Application of Doyle Hartman for an unorthodox well location and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of a well at an unorthodox location 330 feet from the South line and 2310 feet from the West line of Section 36, Township 23 South, Range 36 East, Jalmat Gas Pool, is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.
- CASE 6664:** Application of Doyle Hartman for an unorthodox well location, two non-standard proration units and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 SW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 1, and also a 120-acre unit comprising the E/2 SW/4 and SW/4 SW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 330 feet from the South and West lines of the section; applicant further seeks a waiver of existing well spacing requirements and a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.
- CASE 6647:** (Continued from September 5, 1979, Examiner Hearing)
- Application of O. H. Berry for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Seven Rivers well to be located 1650 feet from the North line and 330 feet from the East line of Section 15, Township 24 South, Range 36 East, Jalmat Gas Pool, the NE/4 of said Section 15 to be dedicated to the well.
- CASE 6665:** Application of Amax Chemical Corporation for the amendment of Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-111-A to extend the boundaries of the Potash-Oil Area by the inclusion of certain lands in Sections 22 and 23, Township 19 South, Range 29 East, and Section 19, Township 19 South, Range 30 East.
- CASE 6666:** Application of Exxon Corporation for a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 377.57-acre non-standard gas proration unit comprising Lots 1, 2, 3, and 4 and the N/2 N/2 of Section 36, Township 26 South, Range 25 East, and Lots 3 and 4 and the N/2 NW/4 of Section 31, Township 26 South, Range 26 East, to be dedicated to a Morrow test well to be located in Unit A of said Section 36.
- CASE 6667:** Application of Exxon Corporation for a non-standard proration unit, an unorthodox well location, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of a 320-acre non-standard gas proration unit comprising the W/2 of Section 10, Township 21 South, Range 36 East, Eumont Pool, to be simultaneously dedicated to its A. J. Adkins Com Well No. 1 located in Unit 1, and to its Well No. 2, at an unorthodox location 1650 feet from the North and West lines of said Section 10.

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. 6405-6661  
Order No. R-5000-6137

4/P  
APPL  
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 ~~December 7,~~ <sup>September 19,</sup> 1979, at Santa Fe, New Mexico, before Examiner ~~Richard L. Daniel S.~~ <sup>Stamato. Nutter</sup>

NOW, on this ~~29th~~ <sup>October</sup> day of ~~December~~, 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 ~~its Federal Oil Well No. 1~~ <sup>a proposed well to be</sup> 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~~ <sup>at the top of the</sup> approximately 550 feet and a production casing string set ~~at the top of the~~ <sup>at the top of the</sup> San Andres formation at approximately 3700 feet with a volume of cement calculated to be sufficient to circulate.

(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 and that the proposed method of completion will not result in endangerment of potash resources nor operations.

(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:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 15: ~~NE 1/4, SW 1/4, SE 1/4 NW 1/4,~~

E/2 SW 1/4, and W/2 SE 1/4

Section 22: N/2 NW 1/4 and N/2 SW 1/4

<sup>5</sup> *for any well drilled pursuant to this order,*  
~~(4)~~ 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.

<sup>6</sup> ~~(5)~~ That approval of the subject application will protect correlative rights, will prevent waste and will not cause the waste of potash.

<sup>7</sup> ~~(6)~~ 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, Eddy County, New Mexico, to be completed with a string of surface casing set and circulated with cement at ~~a depth of approximately 550 feet and a production casing string set at a depth of approximately 3700 feet with a~~ *at the top of the San Andres formation* volume of cement calculated to be sufficient to circulate.

*for any well drilled pursuant to this order,*  
~~(3) 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.

*on any such well,*  
PROVIDED HOWEVER, that 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.

*Pool Wells in the above-described manner on the following described lands:*  
(2) That the applicant is hereby further authorized to complete additional *Leo Queen-Grayburg-San Andres Pool*

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



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:

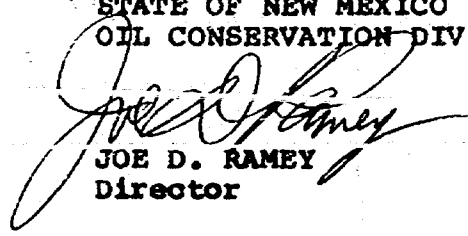
- (a) Any water flows encountered; and
- (b) The top of the cement around the production casing as determined by temperature survey if such cement does not circulate.

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/

DRAFT

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

CASE NO. 6661

Order No. R- 6137-A

APPLICATION OF LARUE AND MUNCY FOR EXCEPTION

TO ORDER NO. R-111-A,

EDDY COUNTY, NEW MEXICO.

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R- 6137  
dated October 12, 19 79, does not correctly state the  
intended order of the Division,

IT IS THEREFORE ORDERED:

*of Order No. R-6137*

(1) That the second paragraph of Order (3) on Page 3 be  
and the same is hereby corrected to read in its entirety as follows:

"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 not circulate to the  
surface."

(2) That the correction set forth in this order be entered  
nunc pro tunc as of October 12, 1979.

DONE at Santa Fe, New Mexico, on this \_\_\_\_\_ day of October,  
1979.

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:

Case No. 6661  
Order No. R-6137

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMMP

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, NMMP

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

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*  
JOE D. RAMEY  
Director

S E A L

fd/