

Case 1243

Handwritten: Hearings

GIRAND & STOUT
LAWYERS
204 LEA COUNTY STATE BANK BUILDING
HOBBS, NEW MEXICO

MAIN OFFICE 000
OCT 10 11 35

TELEPHONE:
EXPRESS 3-9116
POST OFFICE BOX 1445

W. D. GIRAND
LOWELL STOUT

October 10, 1958.

Oil Conservation Commission,
P. O. Box 871,
Santa Fe, New Mexico.

Attention: Mr. A. L. Porter, Jr., Secretary-Director.

Gentlemen:

Enclosed you will find, in triplicate, Application of Drilling and Exploration Company, Inc., Box 2075, Hobbs, New Mexico, for an exception to the shallow zone casing requirements established by Order R-111-A covering this company's proposed well located and designated as Drilling and Exploration Company, Inc. Ballard No. 1.

For your information, this is basically the same application as was previously filed by this company and heard under your Case No. 1513 in which the Commission denied the application on the grounds that the applicant presented no testimony in this case and that the documentary evidence that was presented was insufficient to justify the granting of the application.

I can assure you that upon the advertising of this new case, the applicant will be represented by counsel and testimony will be presented in support of the Application.

A copy of this Application is being forwarded, along with a copy of this letter, to the Potash Company of America to the attention of Mr. R. H. Blackman, Jr.

Very truly yours,

GIRAND & STOUT,

BY: *[Signature]*

G/bc
Encls.

cc: Drilling & Exploration, Inc., Box 35366, Dallas 35, Texas.
Drilling & Exploration, Inc., Box 2075, Hobbs, New Mexico.
Potash Company of America, Carlsbad, New Mexico. (Attn: Mr. R. H. Blackman, Jr.)

Handwritten: Docket Mailed 10-23-58 BR

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1277
Order No. R-1039

APPLICATION OF THE OIL CONSERVATION
COMMISSION OF NEW MEXICO AT THE
REQUEST OF WILSON OIL COMPANY FOR
AN ORDER ESTABLISHING A NEW OIL POOL
WITH SPECIAL RULES AND REGULATIONS IN
TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM,
IN THE POTASH-OIL AREA OF LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on July 17, 1957, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 26th., day of August, 1957, the Commission, a quorum being present, having considered the application and the evidence adduced 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 case and the subject matter thereof.
- (2) That a new pool productive of oil from the Yates formation was discovered by the Wilson Oil Company, Muse Well No. 1, located in the NE/4 NE/4 of Section 21, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Said well was completed on May 10, 1957, with the top of the perforations at 3513 feet.
- (3) That the available geological information indicates that the probable productive limits of the common source of supply discovered by the said Muse Well No. 1 is as follows:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, N. M. P. M.
Section 15: W/2 of SW/4
Section 16: SE/4

TOWNSHIP 20 SOUTH, RANGE 34 EAST, N. M. P. M.

Section 21: E/2 and E/2 of NW/4

Section 22: W/2 of W/2

all in Lea County, New Mexico.

(4) That an oil pool should be created for the aforementioned common source of supply with horizontal limits as described above and that said pool should be known as the "Middle Lynch-Yates Pool."

(5) That certain portions of the Middle Lynch-Yates Pool lie within the boundaries of the Potash-Oil Area as defined by Order R-111-A.

(6) That all wells commenced in that portion of the Middle Lynch-Yates Pool which lies within the boundaries of the Potash-Oil Area as defined by Order R-111-A should be drilled and operated in accordance with the provisions of Order R-111-A; provided, however, that the operator of any such well should have the option of following either of the casing programs hereinafter set forth in lieu of the shallow-zone casing program prescribed by Order R-111-A:

ROTARY TOOLS CASING PROGRAM

Surface Casing to the top of the "Red Beds."

Cemented to surface.

Production Casing to be set below the base of the Tansill formation and tacked until it has been determined that commercial production has been obtained, in which event said production casing shall be cemented to the surface.

CABLE TOOLS CASING PROGRAM

Surface Casing to the top of the "Red Beds."

Upper Water Shut-Off Casing to be set in the Chinle formation.

Lower Water Shut-Off Casing to be set through the Santa Rosa formation and into the Dewey Lake formation.

Production Casing to be set below the base of the Tansill formation and tacked until it has been determined that commercial production

has been obtained in which event said production casing shall be cemented to the surface; whereupon, all other strings of casing may be pulled.

(7) That all wells commenced in that portion of the Middle Lynch-Yates Pool which lies outside the Potash -Oil Area should be drilled and operated in accordance with the Commission Statewide Rules and Regulations.

IT IS THEREFORE ORDERED:

1. That a new pool in Lea County, New Mexico, classified as an oil pool for Yates production, be and the same is hereby created and designated as the Middle Lynch-Yates Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, N. M. P. M.

Section 15: W/2 of SW/4
Section 16: SE/4
Section 21: E/2 and E/2 of NW/4
Section 22: W/2 of W/2

2. That Special Rules and Regulations for the Middle Lynch-Yates Pool be and the same are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS OF THE MIDDLE LYNCH-YATES POOL

RULE 1. All wells commenced in that portion of the Middle Lynch-Yates Pool which lies within the boundaries of the Potash-Oil Area, as defined by Order R-111-A shall be drilled and operated in accordance with the provisions of Order R-111-A; provided, however, that the operator of any such well shall have the option of following either of the casing programs hereinafter set forth in lieu of the shallow-zone casing program prescribed by Order R-111-A;

ROTARY TOOLS CASING PROGRAM

Surface Casing to the top of the "Red Beds."

Cemented to surface.

Production Casing to be set below the base of the Tansill formation and tacked until it has been determined that commercial production has been obtained, in which event said production casing shall be cemented to the surface.

CABLE TOOLS CASING PROGRAM

Surface Casing to the top of the "Red Beds"

Upper Water Shut-Off Casing to be set in the
Chinle formation.

Lower Water Shut-Off Casing to be set through the
Santa Rosa formation and into the Dewey Lake
formation.

Production Casing to be set below the base of the
Tansill formation and tacked until it has been
determined that commercial production has been
obtained, in which event said production casing
shall be cemented to the surface, whereupon,
all other strings of casing may be pulled.

RULE 2. All wells commenced in that portion of the Middle Lynch-Yates Pool which lies outside the Potash-Oil Area shall be drilled and operated in accordance with the Commission Statewide Rules and Regulations.

RULE 3. The provision of paragraph (a) of Rule 104 of the Commission Statewide Rules and Regulations which requires wells located within one mile of a defined pool to be spaced, drilled, operated, and prorated in accordance with the regulation in effect in said pool shall not apply to the Middle Lynch-Yates Pool.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, Jr. Member & Secretary

S E A L

**BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:**

CASE NO. 1215
Order No. R-968

**APPLICATION OF WILSON OIL COMPANY
FOR AN EXCEPTION TO THE SHALLOW ZONE
CASING REQUIREMENTS IN THE POTASH-OIL
AREA AS ESTABLISHED BY ORDER R-111-A.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on February 27, 1957, at Hobbs, New Mexico, before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 22nd day of March, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Warren W. Mankin, and being fully advised in the premises,

FINDS:

1. That due notice having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
2. That the applicant, Wilson Oil Company, proposes to drill an exploratory well with cable tools in the Potash-Oil Area, as defined by Commission Order R-111-A, at a point 660 feet from the North line and 660 feet from the East line of Section 21, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico.
3. That the applicant proposes to case the said well as follows rather than in the manner prescribed by Order R-111-A:
 - 13 3/8 inch casing in top of the red bed (surface string) to approximately 70 feet;
 - 10 3/4 inch casing (cave string) to about 700 feet;
 - 8 5/8 inch casing (water shut-off string) to about 1300 feet, but in any event below the water;

Case No. 1215
Order No. R-968

7 or 5 1/2 inch casing (production string) to be set and cemented at a point selected by the operator above pay zone.

4. That the applicant should be permitted to pull all other casing except the production string in the event that commercial oil or gas production is found.

5. That the production string should be cemented throughout its entire length in the event commercial oil or gas production is encountered.

6. That the aforementioned casing program will confine the water, oil and gas to the strata in which they naturally occur and will afford adequate protection for the potash deposits in the area.

7. That in any event, the applicant should make adequate provisions for the protection of potash deposits in the area.

8. That all interested potash operators were notified of the subject application and that no objections have been registered with the Commission.

IT IS THEREFORE ORDERED:

1. That the applicant, Wilson Oil Company, be and the same is hereby authorized to drill an exploratory well by use of cable tools in the Potash-Oil Area at a point 660 feet from the North line and 660 feet from the East line of Section 21, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and to case said well in the following manner:

13 3/8 inch casing in top of the red bed (surface string) to approximately 70 feet;

10 3/4 inch casing (cave string) to about 700 feet;

8 5/8 inch casing (water shut-off string) to about 1300 feet, but in any event below the water;

7 or 5 1/2 inch casing (production string) to be set and cemented at a point above the pay zone to be selected by the operator.

2. That in the event commercial oil or gas production is found, the applicant may pull all other casing except the production string.

3. That the production string be cemented throughout its entire length in the event commercial oil or gas production is encountered.

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Case No. 1215
Order No. R-968

4. That, notwithstanding the foregoing, the applicant shall make adequate provisions for the protection of the potash bearing strata regardless of the conditions encountered in drilling said well.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1249
Order No. R-999

APPLICATION OF HUDSON AND HUDSON,
INCORPORATED FOR AN EXCEPTION TO
THE SHALLOW ZONE CASING REQUIREMENTS
IN THE POTASH-OIL AREA AS ESTABLISHED
BY ORDER R-111-A.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on April 26, 1957, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 10th. day of May, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Nutter, 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 case and the subject matter thereof.

(2) That the applicant, Hudson & Hudson, Incorporated, proposes to drill an exploratory well with cable tools, said well to be known as the Hover-Federal No. 1 Well, located 1980 feet from the South line and 660 feet from the East line of Section 28, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, which location is in the Potash-Oil Area, as defined by Commission Order R-111-A.

(3) That the applicant proposes to case the said well as follows rather than in the manner prescribed by Order R-111-A:

13 3/8" casing to a depth of approximately 60 feet;

10 3/4" casing to the top of the Santa Rosa formation
at approximately 800 feet;

8 5/8" casing to the shale immediately above
the anhydrite at approximately 1250 feet;

5 1/2" casing to the top of the Yates formation
prior to drilling into said formation;

(4) That the applicant should be permitted to pull all casing
except the 5 1/2-inch production string in the event that commercial oil
or gas production is found.

(5) That the production string should be cemented throughout its
entire length in the event commercial oil or gas production is encountered.

(6) That the aforementioned casing program will confine the water,
oil, and gas to the strata in which they naturally occur and will afford
adequate protection for the potash deposits in the area, and that the
proposed casing program will result in a considerable economic savings to
the applicant.

(7) That in any event, the applicant should make adequate
provisions for the protection of potash deposits in the area.

(8) That all interested potash operators were notified of the
subject application and that no objections have been registered with the
Commission.

(9) That the applicant should be required to comply with all of
the provisions of Order R-111-A, not specifically excepted by this order.

IT IS THEREFORE ORDERED:

1. That the applicant, Hudson & Hudson, Incorporated, be and
the same is hereby authorized to drill its Hover-Federal Well No. 1 with
cable tools in the potash-oil area at a point 1980 feet from the South
line and 660 feet from the East line of Section 28, Township 20 South,
Range 34 East, NMPM, Lea County, New Mexico, and to case said well in the
following manner:

13 3/8" casing to a depth of approximately 60 feet;

10 3/4" casing to the top of the Santa Rosa formation,
at approximately 800 feet;

8 5/8" casing to the shale immediately above the
anhydrite at approximately 1250 feet;

5 1/2" casing to the top of the Yates formation
prior to drilling into said formation;

2. That in the event commercial oil or gas production is found,
the 5 1/2-inch production string shall be cemented throughout its entire
length in which case the applicant may pull all other strings of casing.

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Case No. 1249
Order No. R-999

3. That the applicant shall comply strictly with all the provisions of Order R-111-A not specifically excepted herein.

4. That, notwithstanding the foregoing, the applicant shall make adequate provisions for the protection of the potash-bearing strata regardless of the conditions encountered in drilling said well.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

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Case 1543

DRILLING AND EXPLORATION COMPANY, INC.

P. O. BOX 2075

HOBBS, NEW MEXICO

October 8, 1958

Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Gentlemen:

Drilling & Exploration Company, Inc. herewith makes application for an exception to the shallow zone casing requirements in the Potash-Oil area as established by Order R-111-A, for a well to be located 1980 feet from the North line and 1980 feet from the West line of Section 27, Township 20 South, Range 34 East, Lea County, New Mexico to be known as Drilling & Exploration Company, Inc. Ballard No. 1. Said well to be drilled with cable tools to an approximate depth of 3700 feet as a North extension to the Lynch field.

It is proposed to use the following casing program in lieu of the program prescribed for cable tool holes by Order R-111-A:

1. 13 3/8 inch casing to be cemented at approximately 70 feet.
2. 10 3/4 inch casing to be landed at approximately 700 feet.
3. 8 5/8 inch casing to be landed at approximately 1250 feet.
4. 5 1/2 inch casing to be cemented at the top of the producing formation with 50 sacks cement for testing purposes.
5. 10 3/4 inch casing and 8 5/8 inch casing to be pulled.
6. In the event commercial production is obtained, 5 1/2 inch casing to be perforated and cement circulated to surface.

In support of the above described casing program we wish to point out:

1. That the above location is 660 feet North of the defined limits of the Lynch field in which numerous wells have been drilled and completed with casing programs similar to that proposed above.
2. That the Oil Conservation Commission has indicated in their Orders No. R-968 and R-999 that such a casing program affords adequate protection for all potash deposits.

3. That a Notice of Intention to Drill specifying the above casing program on the proposed location has been approved by the United States Geological Survey, pending approval of the Oil Conservation Commission for an exception to Order R-111-A.

A copy of this application has been furnished the Potash Company of America, Box 31, Carlsbad, New Mexico, as the only potash operator holding a lease within a radius of one mile of the proposed location.

Therefore, Drilling & Exploration Company, Inc. respectfully requests that this application be set for hearing as prescribed by law.

Yours very truly,

DRILLING & EXPLORATION COMPANY, INC.



D. C. Webb
Division Production Superintendent

DH

cc: Potash Company of America
Box 31
Carlsbad, New Mexico

Drilling & Exploration Co., Inc.
Box 35366
Dallas 35, Texas

Case 1513

POTASH COMPANY OF AMERICA

GENERAL SALES OFFICES · 1625 EYE STREET · N. W. · WASHINGTON 6 · D. C. ·
SOUTHERN SALES OFFICE · 408 · 9 · CANDLEY BLDG · ATLANTA · GA ·
MIDWESTERN SALES OFFICE · FIRST NATIONAL BANK BLDG · PEORIA · ILL ·



R. HAWORTH
VICE PRESIDENT
IN CHARGE OF PRODUCTION
AND RESIDENT MANAGER

Case file

REPLY TO:

EXECUTIVE OFFICES
MINES AND REFINERY
CARLSBAD · NEW MEXICO
September 24, 1958

The State of New Mexico
Oil Conservation Commission
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.,
Secretary

Re: Case No. 1513, Drilling and
Exploration Company, Inc.

Dear Mr. Porter:

The above case is an application by Drilling and Exploration Company, Inc. for an exception to the casing requirements for the potash-oil area as set forth in Order No. R-111-A for its Ballard No. 1 well which is to be located 1980 feet from the north and west lines of Section 27 S., R. 34 E., Lea County.

Since the proposed location is approximately 2200 feet from the calculated boundary of commercial ore, as defined by the U. S. Geological Service, Potash Company of America makes no objection to the location of the Ballard No. 1 well as above set forth.

The drilling and casing program proposed for the well, as set forth in the notification sent to Potash Company of America, is the same casing program as has been heretofore approved by the Commission in Case No. 1215, Order No. R-968. Potash Company of America enters no objection to said drilling and casing program for the well and location described above.

Very truly yours,

R. Haworth

RH/dmb