

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 4, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Walter W. Krug dba)
Wallen Production Co. for an exception) CASE
to Order R-111-A, Lea County,) 5625
New Mexico.)

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

sid morrison reporting service
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825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
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I N D E X

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WALTER W. KRUG

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Applicant's Exhibit No. One 7

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1 MR. STAMETS: We will call now Case 5625.

2 MR. CARR: Case 5625, application of Walter W. Krug
3 dba Wallen Production Company for an exception to Order R-111-A,
4 Lea County, New Mexico.

5 MR. STAMETS: Mr. Krug, I gather that you are
6 representing yourself in this case?

7 MR. KRUG: Yes, sir.

8 MR. STAMETS: And you are going to testify?

9 MR. KRUG: Yes, sir.

10 MR. STAMETS: I would like to have you stand and
11 be sworn.

12 (THEREUPON, the witness was duly sworn.)

13
14 WALTER W. KRUG

15 called as a witness, having been first duly sworn, was
16 examined and testified as follows:

17
18 DIRECT EXAMINATION

19 BY MR. CARR:

20 Q Mr. Krug, would you state your full name and position
21 for the record, please?

22 A Walter W. Krug, the engineer and owner of Wallen
23 Production Company.

24 Q Mr. Krug, have you previously testified before this
25 Commission and had your credentials made a matter of record?

1 A Yes, I have.

2 Q And they have been accepted by the Commission?

3 A Yes, sir, they were.

4 Q Would you please refer to your exhibit and explain
5 what you are seeking in this application?

6 A On the left-hand side is the casing program as it is
7 shown now where the proposed initial well is to be drilled.
8 The right-hand side is what I would like you gentlemen to
9 consider. I couldn't put all tentative items over on the
10 right-hand side, it would make it too confusing. However,
11 about fifty percent of the time I have to put the eight and
12 five string in for the minimum of eleven hundred to a maximum
13 of thirteen hundred and fifty to hold back what we call
14 Red Rock caving.

15 BY MR. STAMETS:

16 Q Just for the record, now, the left-hand side of
17 your exhibit here would be the casing program that would
18 be required under Commission Order R-111-A, the potash-oil
19 order?

20 A That is correct, yes, sir. The right-hand side is
21 as -- I had the hearing previous to this where I mentioned
22 that I had been qualified -- it concerned this same casing
23 program, only a mile further north and west.

24 Q I believe the records will show that was the old
25 North Lynch Pool consolidated into the West T?

1 A That is correct. That then drew a line and
2 unfortunatley I am right outside the line. And this casing
3 program, no one has had any objections to it and we have
4 never, and let me repeat that never, failed to bring the
5 cement out into the pit. As a matter of fact, on the last
6 well there was five hundred and eighty sacks of cement went
7 into the pit, so we just don't have any trouble getting it
8 back and that covers eleven wells.

9 Q As far as protecting the salt section, there still
10 is the same string of pipe set through the salt section
11 and it is adequately protected?

12 A Yes, sir, I propose to put the seven inch through
13 the salt down to -- the base of the salt comes around thirty-
14 one, forty plus or minus, depending upon the sub-sea datum
15 whether it's high on structure or low but where I set it at
16 thirty-three it covers everything in a hundred and fifty
17 feet before I get into any kind of pay.

18 Q What specifically is the purpose for leaving out
19 the string of eight-and-five-eighths-inch casing that on the
20 left-hand side shows being set at the top of the salt?

21 A Mainly to cut down the costs of the well and
22 secondly the chances of pulling that eight-and-five-eighths
23 after it is down in the hole the length of time it takes the
24 cable tool to get down, the chances are less than even of
25 your getting it out without any trouble and frankly it just

1 costs too much money to take the chance. I would rather
2 have the seven inch and take the chance of having to plug the
3 well and leave the seven inch in than I would two strings of
4 pipe.

5 Q And you have not experienced any difficulty in
6 drilling to the base of the salt in this area?

7 A No, sir, I'm sure you are familiar with cable tools.
8 They have these shut-off strings that are in there until, let
9 me stress that, they stay in until the seven inch is set and
10 they pull the other strings out but the seven inch is set on
11 bottom before we do and then we circulate water first and
12 then cement after. And there are spacers on the seven inch
13 going down to make sure you've got cement all the way around,
14 that would be detrimental to me, as well as to the well.

15 Q And this is the same type of completion practice
16 you have been conducting just about a mile to the north and
17 west?

18 A Yes. The liner as they had it set here, I found
19 that it is not sufficient height up inside the seven inch.
20 Say if you have a little cement problem in that loose sand,
21 you don't have enough on the left-hand side of a hundred
22 feet, there's not enough cement cushion. I had to go in and
23 perforate once, so I'm running three hundred feet up inside,
24 three hundred and fifty feet up inside the seven inch with
25 the four-and-a-half inch to preclude the cement dropping

1 down below the seven-inch pipe.

2 Q How far is this area that you are operating in
3 from the closest potash mining operation?

4 A This well here is sixteen miles, the other well is
5 fourteen.

6 MR. STAMETS: Are there any other questions of this
7 witness?

8 THE WITNESS: By the way, I do have the approval of
9 the people that have the potash rights.

10 Q (Mr. Carr continuing.) Mr. Krug, was this exhibit
11 prepared by you?

12 A Yes, it was.

13 Q Would you at this time like to offer it as having
14 been marked Exhibit Number One?

15 A I certainly would.

16 MR. STAMETS: The exhibit will be admitted into
17 evidence.

18 (THEREUPON, Applicant's Exhibit Number
19 One was admitted into evidence.)

20 MR. STAMETS: Any questions of the witness? He may
21 be excused.

22 (THEREUPON, the witness was excused.)

23 MR. STAMETS: Anything further in this case? The
24 case will be taken under advisement.

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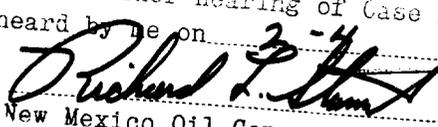
REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and
ability.



Sidney F. Morrish, C.S.R.

sid morrish reporting service
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825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
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I do hereby certify that the foregoing is
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the Examiner hearing of Case No. 5625
heard by me on 3-4, 1976.

_____, Examiner
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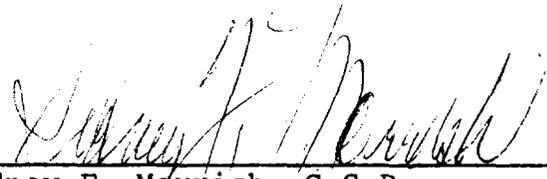
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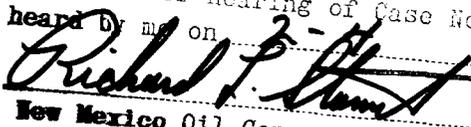
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