

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. 6203
Order No. R-5731

APPLICATION OF WALTER W. KRUG
DBA WALLEN PRODUCTION CO. FOR
SPECIAL CASING-CEMENTING RULES
IN THE POTASH-OIL AREA, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 19, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 12th day of May, 1978, the Division Director, having considered 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, Walter W. Krug dba Wallen Production Company, seeks an exception to the Potash-Oil Area casing and cementing rules as set forth in Commission Order No. R-111-A by the extension of the special cable tool casing-cementing rules for wells in the North Lynch Yates-Seven Rivers Pool, as promulgated by Order No. R-4253 to encompass additional lands, including all or portions of Sections 20, 21, 27, 28, 33 and 34, Township 20 South, Range 34 East, Lea County, New Mexico.

(3) That potash development does not presently exist and is not presently known to be contemplated within the area described in Finding No. 2 above.

(4) That approval of the proposed extension of said special casing and cementing program, if amended to require

that the cavings casing string be set at a minimum depth of 225 feet beneath the surface, will afford the applicant and others the opportunity to produce their just and equitable share of the oil and gas in the subject area, will prevent unnecessary economic loss, prevent waste, protect correlative rights, assure maximum conservation of oil, gas, and potash resources, and permit the economic recovery of oil, gas, and potash minerals within the Potash-Oil Area as defined by Order No. R-111-A.

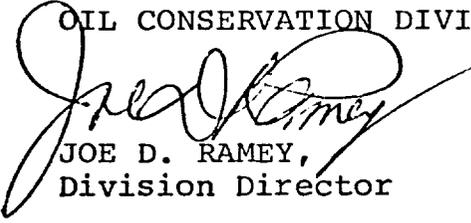
IT IS THEREFORE ORDERED:

(1) That the special cable tool casing and cementing rules and regulations promulgated for the North Lynch-Yates-Seven Rivers Pool by Commission Order No. R-4253 are hereby extended to encompass Sections 20, 21, 27, 28, 33, and 34, Township 20 South, Range 34 East, Lea County, New Mexico, provided however, that the cavings casing string in any well drilled in said area shall be set at a minimum depth of 225 feet beneath the surface and cement circulated to the surface.

(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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Division Director

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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 NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4650
Order No. R-4253

APPLICATION OF WALTER W. KRUG dba
WALLEN PRODUCTION COMPANY FOR AN
EXCEPTION TO ORDER NO. R-111-A AND
FOR SPECIAL POOL RULES, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 19, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 8th day of February, 1972, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Walter W. Krug dba Wallen Production Company, seeks an exception to the potash-oil area casing and cementing rules as set forth in Commission Order No. R-111-A for his Wallen Federal Well No. 2 to be drilled 990 feet from the North line and 1650 feet from the West line of Section 20, Township 20 South, Range 34 East, North Lynch Yates-Seven Rivers Pool, Lea County, New Mexico.

(3) That the applicant proposes to set a cavings casing string at approximately 90 feet, a water shut-off casing string at approximately 900 feet, a salt protection string at approximately 3150 feet, and a liner to total depth at approximately 3606 feet.

(4) That the applicant proposes to circulate cement to the surface on the cavings string, mud-in the water shut-off string, circulate cement to the surface on the salt protection string, and if production is encountered circulate cement on the liner back into the salt protection string approximately 100 feet.

(5) That the applicant further seeks the promulgation of special rules and regulations for the North Lynch Yates-Seven Rivers Pool whereby similar casing and cementing would be permitted for all wells drilled in the pool with cable tools.

(6) That potash development does not presently exist and is not presently known to be contemplated within the vicinity of the above-described Well No. 2.

(7) That potash development does not presently exist and is not presently known to be contemplated within the vicinity of the above-described pool.

(8) That approval of the proposed special casing and cementing program for the subject well and the promulgation of special rules and regulations as requested will afford the applicant and others the opportunity to produce their just and equitable share of the oil and gas in the subject pool, will prevent unnecessary economic loss, prevent waste, protect correlative rights, assure maximum conservation of oil, gas, and potash resources, and permit the economic recovery of oil, gas, and potash minerals within the Potash-Oil Area as defined by Order No. R-111-A.

IT IS THEREFORE ORDERED:

(1) That, effective the date of this order, Special Rules and Regulations for the North Lynch Yates-Seven Rivers Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
NORTH LYNCH YATES-SEVEN RIVERS POOL

RULE 1. All wells commenced in the North Lynch Yates-Seven Rivers Pool within the boundaries of the Potash-Oil Area, as defined by Order No. R-111-A, shall be drilled and operated in accordance with the provisions of Order No. R-111-A, provided

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however, that the operator of any such well drilled with cable tools shall have the option of following the casing, cementing, and abandonment procedures proscribed by Order No. R-111-A or the casing, cementing, and abandonment procedures as set forth below:

CASING, CEMENTING, AND ABANDONMENT PROCEDURE

1. Cavings Casing String:

- (a) Operator shall set oil field casing at a depth of approximately 100 feet below the surface. Cement shall be circulated back to the surface.
- (b) Cement shall set a minimum of 24 hours before drilling the plug or instituting tests.

2. Water Shut-Off Casing String:

- (a) Operator shall set oil field casing at a depth of approximately 900 feet below the surface or deeper if necessary to protect any potable water. Casing shall be mudded in or cement shall be circulated back to the surface.
- (b) If cemented, cement shall set a minimum of 24 hours before drilling the plug or instituting tests.
- (c) If mudded in, the water shut-off casing string may be pulled after the salt protection casing string has been run to total depth.

3. Salt Protection Casing String:

- (a) Before drilling into the pay, operator shall set oil field casing below the base of the salt section. Cement shall be circulated back to the surface.

- (b) Cement shall set a minimum of 24 hours before drilling the plug or instituting tests.

4. Production Casing String:

- (a) If production is encountered, applicant shall set a production liner through the productive interval and back into the salt protection string at least 100 feet. Cement shall be circulated at least 100 feet back into the salt protection string.

5. Cementing and Testing Procedure:

All cement mixtures and testing procedures shall be in accordance with the applicable provisions of Order No. R-111-A insofar as said provisions are not inconsistent with this order.

6. Abandonment Procedure:

Upon abandonment of the well, it shall be plugged and abandoned in accordance with the standard statewide rules and regulations of the New Mexico Oil Conservation Commission. Cement plugs of 25 sacks each (at least 100 feet in length) shall be spotted opposite the pay horizon, below the salt section, above the salt section, and at the base of the shoe of the surface casing, and 10 sacks shall be used at the surface. In addition, 25-sack cement plugs shall be spotted opposite any water bearing horizon encountered while drilling.

- 7. Applicant shall notify the Hobbs District Office of the date and hour casing is to be run and cemented and the date and hour the well is to be plugged.

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(2) That the applicant, Walter W. Krug dba Wallen Production Company, is hereby authorized to case, cement, and abandon his Wallen Federal Well No. 2 located 990 feet from the North line and 1650 feet from the West line of Section 20, Township 20 South, Range 34 East, NMPM, North Lynch Yates-Seven Rivers Pool, Lea County, New Mexico, in accordance with the above-described casing, cementing, and abandonment procedure.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

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

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