

CASE 4445: Application of BYRON
McKNIGHT FOR AN EXCEPTION TO ORDER
NO. R-111-A, LEA COUNTY, N. MEX.

Case. Number.

4445

Application,
Transcripts.

Sm all Exhibts.

ETC.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

October 28, 1970

EXAMINER HEARING

IN THE MATTER OF:

Application of Byron McKnight for an
exception to Order No. R-111-A, Lea
County, New Mexico.

Case No. 4445

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. HATCH: This is the application of Byron McKnight for an exception to Order No. R-111-A, Lea County, New Mexico.

MR. LOSEE: Mr. Examiner, A. J. Losee from Artesia appearing on behalf of the applicant. I have one witness, Mr. McKnight.

BYRON MCKNIGHT,

a witness, having been first duly sworn according to law, upon his oath, testified as follows:

DIRECT EXAMINATION

BY MR. LOSEE:

Q Would you state your name, please?

A Byron McKnight.

Q Where do you live, Mr. McKnight?

A Hobbs, New Mexico.

Q What is your occupation?

A I am a Consulting Geologist.

Q You have previously testified before this Commission and had your qualifications accepted?

A Yes. I have.

Q Now, would state the purpose of this application?

A The purpose of this application is to get an exception from the State's R-111- Rule stating casing requirements

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PAGE 3

in the potash area.

Q What is the location of the proposed wells?

A The one is located in the northwest, northwest of Section 35, 19, 33, Lea County. The footage location there would be three hundred thirty feet from the north, three hundred thirty feet from the west.

Q What is the designation or name of that well?

A That well is the Mark Smith Ranch No. 1. The second well we are asking exception for is located in Section 34 of the same Township, northeast, northeast that section, three hundred thirty from the north, three hundred thirty from the east.

Q Please refer to what has been marked as Exhibit 1 and explain what is portrayed on this exhibit.

A This exhibit, the plat, indicates the acreage in question with the proposed wells indicated. Also indicated is the discovery well in Section 26, Pan American State Federal No. 1.

Q Now, which potash operators are located within a distance of one mile of these two locations?

A The Potash Corporation of America and U. S. Potash and Chemical Company.

Q They hold leases within that distance, do they not?

A Yes, but not on the property, not on the lease.

Q Where is the closest potash development to these well locations?

A It would be west of this location, about fifteen or twenty miles.

Q Whose mine is that?

A I think that would be Kerr McGee's.

Q Have you prepared and filed with the U. S. G. S., the lessor of both of these leases, notice of intention and plats showing the location of these two wells?

A I have filed that information concerning the Mark Smith No. 1, the well located in Section 35. They are holding those in abeyance until the outcome of this hearing. However, they have indicated their willingness to approve them.

Q Now, your exhibits 2 and 2A are the notice of intention and the plat showing the location of the Mark Smith No. 1, is that correct?

A That is correct.

Q And the U. S. G. S., pending the outcome of this hearing, has advised you that they will approve that proposed casing program?

A Yes, sir, in both their Hobbs and Roswell offices and

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they have advised the mining supervisor in Crosby of this. He has also indicated his willingness to let us drill these wells.

Q Now, you have also prepared a notice of intention to drill and a plat on your J. Craig No. 1 well, have you not?

A This is true.

Q Did you cause copies of these notices of intention and plats to be furnished to the P C A and the United Chemical?

A Yes. I did.

Q Please refer to what has been marked as Exhibit 3, being the gamma ray log of this Pan American Bates Federal No. 1 and explain what is important on this log.

A Well, firstly note that the R-111-A rule would not apply to this well in that Pan American set two hundred and seventy-five feet of eight and five-eighths inch casing, cementing it with one hundred seventy-five sacks and did not set a salt string. The next string of pipe that was run in the well was set at a total depth of three thousand and three hundred ninety-seven feet, cemented with thirteen hundred eighty-five sacks of cement. Also this exhibit demonstrates the top of the Rustler formation, the top of

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the salt, the base of the salt, top of the Yates and the pay in this particular well.

Q Let me ask you, referring, really, back to your Exhibit No. 1, do you know where the boundary of the potash oil area is in order R-111-A with relationship to the two locations?

A Yes. We were just barely inside that and that R-111-A encompasses the northwest quarter of Section 34 -- northwest, northwest quarter of Section 34. The remainder of that section is not in the R-111-A area.

Q How do you propose to drill these two wells; what type of casing program and fluid program?

A Well, this would be demonstrated on our Exhibit No. 4. We propose to set three hundred feet of surface casing; drill the well with Briney fluid, using brine as a drilling fluid and then in the event of a pay encountered, we complete the well to circulate the cement to the surface on the long string, the production string.

Q You didn't mention it, but your diagram shows that your surface is going to be circulated?

A Yes.

Q And prior to drilling into the pay would you have your hole filled with mud?

A Yes.

Q Do you have an opinion as to whether this proposed casing program will protect the potash deposits, if any, in this area?

A Yes. It will. There will be, since we are drilling with brine, there will be no excessive enlargement of the salt section due to dissolving of the salt by fresh water or relatively fresh water.

Q Will this proposed casing program prevent waste and protect correlative rights?

A Yes. It will.

MR. LOSEE: If the Examiner please, if you do not have letters from the United Chemical and P C A, I will introduce them. They indicated they were going to advise the Commission.

MR. UTZ: I think we have a letter from both of them.

Q Mr. McKnight, were Exhibits 1 through 4 prepared by you or under your direction?

A Yes, sir. They were.

MR. LOSEE: We move the introduction of Exhibits 1 through 4.

MR. UTZ: Without objections, Exhibits 1 through 4

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will be entered into the record of this case.

(Whereupon, Applicant's Exhibits 1 through 4 were marked into the record.)

MR. LOSEE: I have no further direct examination.

CROSS EXAMINATION

BY MR. UTZ:

Q Where was the Pan American well on which you have the log drilled?

A It is in Section 26, three hundred thirty from the south line -- no -- six hundred sixty from the south line, nineteen eighty from the west line. It is indicated on the diagram with a green circle.

Q Oh, yes. Now, the only way that you propose to deviate from the casing program of R-111-A is that you will leave the intermediate salt string out?

A Yes. This is true.

Q And that your production string cement will be circulated?

A Yes.

Q You anticipate any problems circulating cement?

A Well, none other than just an excessive volume of cement, excessive to which you'd normally use to set a string in this field.

Q Your cavities in the salt section, you mean?

A Well, by drilling the well with brine we anticipate a minimal amount of hole enlargement.

Q Has anyone else that you know of in this area had any problem circulating cement on the production string?

A No. The Pan American well was circulated -- well, let me retract that -- I don't know whether it was or not. They did use thirteen hundred sacks of cement. It is a lot of cement for a string of pipe to be set in.

MR. UTZ: Any other questions of the witness?

MR. HATCH: The Commission has received letters from Potash Company of America and U. S. Potash and Chemical Company saying they are not entering a formal protest and it should not be considered as an approval.

MR. UTZ: The witness may be excused.

Is that all the correspondence?

MR. HATCH: Yes.

MR. UTZ: Any statements?

The case will be taken under advisement.

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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss.

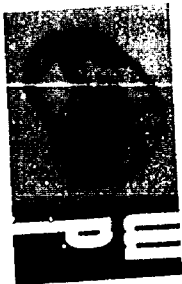
I, PETER A. LUMIA, a Court Reporter in and for the County of Bernalillo, State of New Mexico do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

Peter A. Lumia
Peter A. Lumia, C.S.R.

I do hereby certify that the foregoing is a true and correct record of the hearing of the New Mexico Oil Conservation Commission on 10-28-70. 4445
[Signature]
New Mexico Oil Conservation Commission

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I N D E X

WITNESS:

BYRON MCKNIGHT

Direct Examination by Mr. Losee

Cross Examination by Mr. Utz

PAGE:

2

8

E X H I B I T S

APPLICANT'S

Nos. 1 through 4

MARKED

OFFERED AND
ADMITTED

8

DOCKET: EXAMINER HEARING - WEDNESDAY- OCTOBER 28, 1970

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 4443: Application of Pan American Petroleum Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the BS Mesa-Gallup and Basin-Dakota Gas Pools in the wellbores of its Jicarilla Apache 102 Wells Nos. 7, 9, 11, and 12, located respectively in Sections 3, 4, 10, and 9, Township 26 North, Range 4 West, Rio Arriba County, New Mexico. Applicant further seeks a procedure whereby other wells on said Jicarilla Apache 102 lease now dually completed in said pools may be approved administratively for downhole commingling.
- CASE 4444: Application of Tenneco Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the rules governing the Allison-Pennsylvanian Pool to permit the completion of an oil well at an unorthodox location 1830 feet from the North line and 660 feet from the West line of Section 10, Township 9 South, Range 36 East, Lea County, New Mexico.
- CASE 4445: Application of Byron McKnight for an exception to Order No. R-111-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the potash-oil area casing and cementing rules as set forth in Commission Order No. R-111-A. Applicant proposes to drill two exploratory wells in the NW/4 NW/4 of Section 35 and the NE/4 NE/4 of Section 34, both in Township 19 South, Range 33 East, Lea County, New Mexico, in such a manner as to eliminate the necessity of running the salt protection string required by said Order No. R-111-A, provided the production string would be cemented to the surface.
- CASE 4446: Application of Ford Chapman for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the open-hole interval from 2899 feet to 2905 feet in his Gulf Pipkin Federal Well No. 1 located 330 feet from the South line and 605 feet from the East line of Section 34, Township 26 South, Range 29 East, Pecos-Delaware Pool, Eddy County, New Mexico.

CASE 4447: Application of Morris R. Antweil for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of his Allen Well No. 1 located in Unit J of Section 31, Township 22 South, Range 27 East, Eddy County, New Mexico, in such a manner as to permit the production of gas from the South Carlsbad-Strawn and South Carlsbad-Morrow Gas Pools through parallel strings of tubing.

CASE 4173: Reopened - (Continued from the September 30, 1970 Examiner Hearing)

In the matter of Case 4173 being reopened pursuant to the provisions of Order No. R-3811-A, which order extended 80-acre spacing units and a limiting gas-oil ratio of 4000 cubic feet of gas per barrel of oil for the Hobbs-Drinkard Pool, Lea County, New Mexico, for a period of 90 days. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing, why the limiting gas-oil ratio should not revert to 2000 to one, and/or why all casinghead gas produced by wells in the pool should not be reinjected.

CASE 4448: Application of MWJ Producing Company for pool redelineation and the creation of a new pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the redelineation of the Mescalero Permo-Pennsylvanian Pool by the deletion of all lands in Sections 28 and 33, Township 10 South, Range 32 East, Lea County, New Mexico, from said pool. Applicant further seeks the creation of a new pool for the production of oil from the Permo-Pennsylvanian formation for its Huber State Well No. 1 located in Unit K of said Section 33, and for the promulgation of special rules therefor including a provision for 160-acre spacing units and the assignment of 80-acre allowables.

CASE 4449: Application of Petro-Thermo Corporation for authority to operate an oil treating plant, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to install and operate a water-bath and heat-treatment type oil treating plant in the SW/4 NW/4 of Section 31, Township 18 South, Range 37 East, Lea County, New Mexico, for the reclamation of sediment oil.

CASE 4450: Application of Anderson Oil and Gas Company for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete the New Mexico State B. T. (Q) Well No. 1 located 660 feet from the South and East lines of Section 33, Township 11 South, Range 33 East, Lea County, New Mexico, in such a manner as to permit the production of oil through tubing from the Bagley-Pennsylvanian Pool and the disposal of produced salt water through tubing into the Devonian formation, Bagley-Siluro-Devonian Pool at a depth of approximately 11,075 feet.

CASE 4451: Application of Union Oil Company of California for a non-standard oil proration unit, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard oil proration unit comprising the SW/4 SE/4 of Section 17 and the NW/4 NE/4 of Section 20. Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, to be dedicated to a well to be drilled at a standard location in the SW/4 SE/4 of said Section 17.

CASE 4423: Continued from the September 30, 1970 Examiner Hearing

Application of Union Oil Company of California for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the San Andres formation underlying the N/2 NE/4 of Section 20, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico. Said acreage to be dedicated to a well to be drilled at an orthodox location in the NW/4 NE/4 of said Section 20. Also to be considered will be the cost of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4434: (Continued from the September 30, 1970, Examiner Hearing)
Application of Union Oil Company of California for the creation of a new gas pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for its Pipeline Federal Well No. 1 located in Section 4, Township 19 South, Range 34 East, Lea County, New Mexico. Applicant further seeks the promulgation of special rules therefor, including a provision for 640-acre spacing and proration units and fixed well location requirements.

CASE 4452: Application of David C. Collier for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by injection into the Queen formation through 4 wells located in Sections 1 and 12 of Township 19 South, Range 29 East, and Section 6 of Township 19 South, Range 30 East, East Turkey Track-Queen Pool, Eddy, County, New Mexico.



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMijo
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

November 6, 1970

Mr. A. J. Losee
Attorney at Law
Post Office Box 239
Artesia, New Mexico 88210

Re: Case No. 4445
Order No. R-4055
Applicant:
Byron McKnight

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

Other Potash Company of America



POTASH COMPANY OF AMERICA

MINE AND REFINERY: P. O. BOX 31 • CARLSBAD, NEW MEXICO 88220 • AREA CODE 505 • TU 7-2844

October 21, 1970

H. N. CLARK
VICE PRESIDENT OF PRODUCTION

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

Attn: Mr. A. L. Porter, Secretary-Director

Re: Byron McKnight
c/o A. J. Losee, Esq.
P. O. Drawer 239
Artesia, New Mexico
NE/4NE/4 Sec. 34 T.19S., R. 33 E., Lea County, New Mexico
NW/4NW/4 Sec. 35

Gentlemen:

We enclose a copy of our letter of even date addressed to Mr. Losee concerning a well location on the property described above.

We are not entering a formal protest in this matter for the reason that the evidence which would be presented at a hearing before the Commission in opposition to the proposed location would be substantially similar to the evidence presented in Cases 2182 and 2183 which were heard February 13, 1961. Under the circumstances, it would appear that those cases would be followed by the Commission, at least until further evidence becomes available or changed circumstances warrant further consideration.

Our failure to protest should not be construed as approval of a well at the proposed location since we feel that any further drilling in the Lea County R-111-A area will be detrimental to ultimate recovery of the potash reserves.

Very truly yours,

HNC:mw
cc: USGS, Carlsbad
USGS, Roswell



MEMBER: AMERICAN POTASH INSTITUTE

70 OCT 22 PM 1 00

file - Case 4445

Case 4445
Signed 10-28-70
Recd 10-30-70

Sr. Asst. Byron McKnight in re-
ception to the casing program
set out in R-III-A for drilling wells
in the Potash Area.

The well to be drilled are his.

Mark Smith Ranch #1 330/N+W -35-19-33

J. Craig #1 330/N+E L L 2
both offsets to the East Sem-Yates
oil pool.

The casing program for both
wells is:

8 5/8 Surface - 300' Circulated w/ Cem.
4 1/2 Production L L

Thos. M. [Signature]

POTASH COMPANY OF AMERICA
CARLSBAD, NEW MEXICO

October 21, 1970

70 OCT 22 PM 3 54

YMA
file
Case 4445

A. J. Losee, Esq.
P. O. Drawer 239
Artesia, New Mexico 88210

Re: NE/4NE/4 Sec. 34, NW/4NW/4 Sec. 35, T.19S., R. 33E.,
Lea County, New Mexico, Byron McKnight

Dear Mr. Losee:

This will advise you that we do not intend to file a formal protest to a proposal to drill an oil or gas test well on the above described property.

Will you please ask your principal to notify our Mr. J. B. Cummings, Administrative Assistant, Exploration, P. O. Box 31, Carlsbad, before completion of the well or plugging operations commence.

Very truly yours,

H. Melick

HNC:mw
cc: OCC, Santa Fe
USGS, Roswell
USGS, Carlsbad

C
O
P
Y

U. S. POTASH & CHEMICAL CO.

SUBSIDIARY OF CONTINENTAL AMERICAN ROYALTY COMPANY

P. O. BOX 101

CARLSBAD, NEW MEXICO 88220

TELEPHONE
505-745-3541

TW X--
910-986-0048



770 OCT 26 AM 8 45

John

October 23, 1970

Mr. A. L. Porter, Secretary - Director
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico 87501

Re: Byron McKnight, Two Exploratory Oil
& Gas Tests NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 34 and
NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 35, Both in Township
19 South, Range 33 East, Lea County,
New Mexico. We understand this to be
OCC Case 4445, Docket No. 24-70 to be
heard on October 28, 1970

Dear Mr. Porter:

Please substitute this letter for letter on same subject matter dated October 22, 1970 to correct typographical errors contained therein.

We are not entering a formal protest in this matter since we understand there has been substantial oil and gas drilling permitted by the New Mexico Oil Conservation Commission in this general area.

Our failure to protest should not be construed as approval of a well at the two proposed locations since we feel that any further drilling in the Lea County R-111-A area as amended will be detrimental to ultimate recovery of the Potash Reserves.

Very truly yours,

Earl H. Miller

Earl H. Miller,
Executive Vice President

EHM:jj

cc: Mr. Bob Fulton,
USGS, Carlsbad, N. M.

U. S. POTASH & CHEMICAL CO.

SUBSIDIARY OF CONTINENTAL AMERICAN ROYALTY COMPANY

P. O. BOX 101

CARLSBAD, NEW MEXICO 88220

TELEPHONE
505-745-3541

T W X --
910-986-0048



70 OCT 23 AM 8 13

October 22, 1970

file - Case 4445

Mr. A. L. Porter, Secretary - Director
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico 87501

Re: Byron McKnight, Two Exploratory Oil
& Gas Tests NE $\frac{1}{4}$, NE $\frac{1}{4}$, Section 34 and
NW $\frac{1}{4}$, NW $\frac{1}{4}$, Section 35, Both in Town-
ship 19 South, Range 33 East, Lea County,
New Mexico. We Understand this to be
OCC Case 4445, Docket No. 24-70 to be
Heard on October 28, 1970

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We are not entering a formal protest in this matter since we understand there has been substantial oil and gas drilling permitted by the New Mexico Oil Conservation Commission in this general area.

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Very truly yours,

Earl H. Miller

Earl H. Miller,
Executive Vice President

EHM:jj

cc: Mr. Bob Fulton,
USGS, Carlsbad, N. M.

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. 4445
Order No. R-4055

APPLICATION OF BYRON MCKNIGHT
FOR AN EXCEPTION TO ORDER
NO. R-111-A, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 28, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 6th day of November, 1970, 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, Byron McKnight, seeks authority to drill two exploratory wells at standard locations in the NE/4 NE/4 of Section 34 and in the NW/4 NW/4 of Section 35, both in Township 19 South, Range 33 East, NMPM, Lea County, New Mexico, said area being situated in the Potash-Oil Area governed by Order No. R-111-A.

(3) That the applicant also seeks approval of the special cementing and casing program for the subject wells as an exception to the casing and cementing rules prescribed for the Potash-Oil Area by said Order No. R-111-A.

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CASE No. 4445

Order No. R-4055

(4) That potash development does not presently exist and is not presently known to be contemplated within the vicinity of the proposed wells.

(5) That approval of the proposed special casing and cementing program for the subject wells will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Byron McKnight, is hereby authorized to drill two exploratory wells at standard locations in Township 19 South, Range 33 East, NMPM, East Gem-Yates Pool, Lea County, New Mexico, as follows:

Byron McKnight J. Craig Well No. 1, to be located 330 feet from the North line and 330 feet from the East line of Section 34; and

Byron McKnight Mark Smith Ranch Well No. 1, to be located 330 feet from the North line and 330 feet from the West line of Section 35.

(2) That as an exception to the provisions of Order No. R-111-A, the applicant is hereby authorized to complete and abandon the aforesaid two wells as follows:

CASING, CEMENTING, AND ABANDONMENT PROCEDURE

1. Surface Casing String:

- (a) Applicant shall set 8 5/8-inch new oil field casing at a depth of 300 feet below the surface or deeper if necessary to protect any potable water. 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. Salt Protection Casing String:

In lieu of utilizing a salt protection string the operator shall, while drilling the salt

section, employ a drilling fluid consisting of water, to which has been added sufficient salts of a character common to the zone penetrated to completely saturate the mixture. Other admixtures may be added to the fluid by the operator in overcoming any specific problem. This requirement is specifically intended to prevent enlarged drill holes. Prior to drilling into the uppermost pay zone, the hole shall be filled with mud and the level of mud maintained to the surface during drilling and testing of pay zones.

3. Production Casing String:

- (a) If production is encountered, applicant shall set a production string of 4 1/2-inch or 5 1/2-inch casing through the productive interval.
- (b) The production casing string shall be cemented with sufficient cement to circulate back to the surface.

4. Cementing and Testing Procedure:

All cement mixtures and testing procedures shall be in accordance with the applicable provisions of Order No. R-111-A.

5. 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.

-4-

CASE No. 4445

Order No. R-4055

6. 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.

(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.

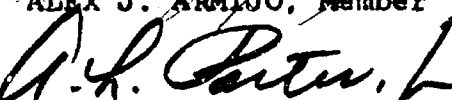
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



DAVID F. CARGO, Chairman



ALEX J. ARMILLO, Member



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



ear/

DRAFT

GMH/esr

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. 4445

Order No. R-4055

APPLICATION OF BYRON MCKNIGHT
FOR AN EXCEPTION TO ORDER
NO. R-111-A, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 28, 1970,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this _____ day of November, 1970, 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, Byron McKnight, seeks authority to
drill two exploratory wells at standard locations in the NE/4 NE/4
of Section 34 and in the NW/4 NW/4 of Section 35, both in Township
19 South, Range 33 East, NMPM, Lea County, New Mexico, said area
being situated in the Potash-Oil Area governed by Order No.
R-111-A.

(3) That the applicant also seeks approval of the special
cementing and casing program for the subject wells as an excep-
tion to the casing and cementing rules prescribed for the
Potash-Oil Area by said Order No. R-111-A.

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(4) That potash development does not presently exist and is not presently known to be contemplated within the vicinity of the proposed wells.

(5) That approval of the proposed special casing and cementing program for the subject wells will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Byron McKnight, is hereby authorized to drill two exploratory wells at standard locations in Township

19 South, Range 33 East, NMPM, East Arm - Yates

Pool, Lea County, New Mexico, as follows:

Byron McKnight J. Craig Mark Smith Ranch Well No. 1,
to be located 330 feet from the North line
and 330 feet from the East line of Section 34;
and

Byron McKnight Mark Smith Ranch Well No. 1,
to be located 330 feet from the North line
and 330 feet from the West line of Section 35.

(2) That as an exception to the provisions of Order No. R-111-A, the applicant is hereby authorized to complete and abandon the aforesaid two wells as follows:

CASING, CEMENTING, AND ABANDONMENT PROCEDURE

1. Surface Casing String:

(a) Applicant shall set 8 5/8-inch new oil field casing at a depth of 300 feet below the surface or deeper if necessary to protect any potable water. 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. Salt Protection Casing String:

In lieu of utilizing a salt protection string the operator shall, while drilling the salt

section, employ a drilling fluid consisting of water, to which has been added sufficient salts of a character common to the zone penetrated to completely saturate the mixture. Other admixtures may be added to the fluid by the operator in overcoming any specific problem. This requirement is specifically intended to prevent enlarged drill holes. Prior to drilling into the uppermost pay zone, the hole shall be filled with mud and the level of mud maintained to the surface during drilling and testing of pay zones.

3. Production Casing String:

- or 5 1/2-inch*
- (a) If production is encountered, applicant shall set a production string of 4 1/2-inch casing through the productive interval.
 - (b) The production casing string shall be cemented with sufficient cement to circulate back to the surface.

4. Cementing and Testing Procedure:

All cement mixtures and testing procedures shall be in accordance with the applicable provisions of Order No. R-111-A.

5. 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.

-4-

CASE No. 4445
Order No. R-

6. 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.

(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

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

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

S E A L

esr/

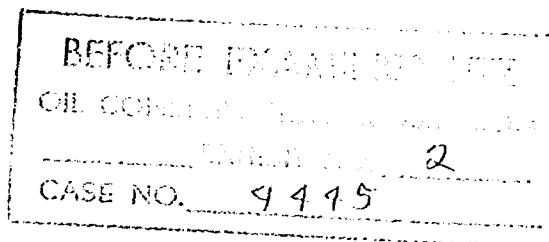
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM 12024	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR BYRON M. McKNIGHT			7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR Box 297, Hobbs, New Mexico 88240			8. FARM OR LEASE NAME Mark Smith Ranch	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 330 ft FNL & 330 ft FWL At proposed prod. zone			9. WELL NO. 1	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 30 miles west of Hobbs, New Mexico			10. FIELD AND POOL, OR WILDCAT Gem East Yates	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. line, if any) 330 ft.			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 35, T-19-S, R-33-E	
16. NO. OF ACRES IN LEASE 120			12. COUNTY OR PARISH Lea	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40			13. STATE N. M.	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. ---			20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.)			22. APPROX. DATE WORK WILL START*	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	34#	300 ft	300 SX
7 7/8"	4 1/2"	9.5#	3800 ft	2500 SX

Cement will be circulated to surface on both strings of pipe.



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24. SIGNED Byron M. McKnight TITLE Operator DATE October 9, 1970
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator BYRON MCKNIGHT			Lease MARK SMITH RANCH		Well No. 1
Unit Letter D	Section 35	Township 19 SOUTH	Range 33 EAST	County LEA	
Actual Footage Location of Well: 330 feet from the NORTH line and 330 feet from the WEST line					
Ground Level Elev.	Producing Formation	Pool		Dedicated Acreage: Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

	<p>CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p>
	<p>Name _____</p> <p>Position _____</p>
	<p>Company _____</p>
	<p>Date _____</p> <p><i>Oct 9, 1970</i></p>
	<p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p>
	<p>Date Surveyed 10-9-1970</p> <p>Registered Professional Engineer and/or Land Surveyor <i>John W. West</i></p> <p>Certificate No. 676</p>

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 9992
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR BYRON M. McKNIGHT		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR Box 297, Hobbs, New Mexico 88240		8. FARM OR LEASE NAME J. Craig
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 330 FNL & 330 FEL At proposed prod. zone		9. WELL NO. 1
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 30 miles west of Hobbs, New Mexico		10. FIELD AND POOL, OR WILDCAT East Gem
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. line, if any) 330 ft		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 35 T-19-S R-33-E
16. NO. OF ACRES IN LEASE 640		12. COUNTY OR PARISH Lea
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE N. M.
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3800 ft		20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.)		22. APPROX. DATE WORK WILL START*

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	34#	300 ft	300 sx
7 7/8"	4 1/2"	9.5#	3800 ft	2500 sx

Cement on both casing strings will be circulated to the surface.

BEFORE EXAMINER UTZ
OIL CONSERVATION DISTRICT NO. 1
EXPLORATION NO. 26
CASE NO. 4445

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Byron M. McKnight TITLE Operator DATE 10/15/70
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator BYROM MCKNIGHT		Lease J. CRAIG		Well No. 1
Unit Letter A	Section 34	Township 19 SOUTH	Range 33 EAST	County LEA
Actual Footage Location of Well: 330 feet from the NORTH line and 330 feet from the EAST line				
Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage: Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

Position

Company

Date

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

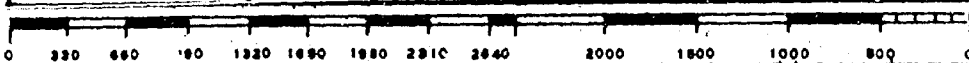
OCTOBER 15, 1970

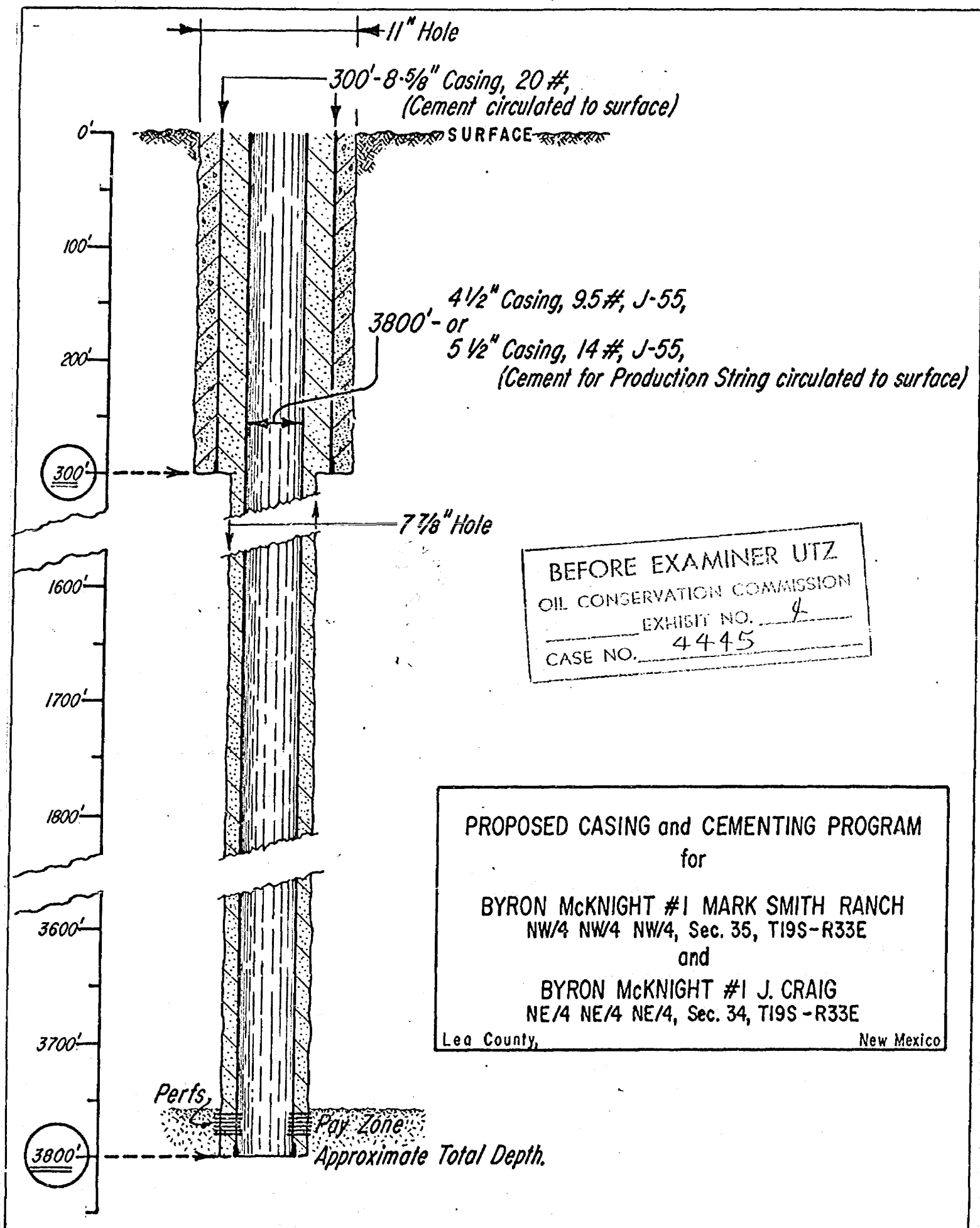
Registered Professional Engineer
and/or Land Surveyor

John W. West

Certificate No.

676





JOEL M. CARSON

LAW OFFICES
A. J. LOSEE
CARPER BUILDING - P. O. DRAWER 239
ARTESIA, NEW MEXICO 88210

AREA CODE 505
746-3508

15 October 1970

770 OCT 15 1970

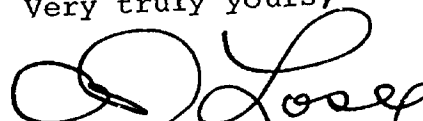
Mr. A. L. Porter, Jr., Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

Enclosed herewith, please find triplicate copies of Application of Byron McKnight for permission to drill two exploratory test wells in the Potash-Oil Area, Lea County, New Mexico, and for an exception to Order R-111-A to the casing requirements for the two exploratory wells.

I understand this application will be set for hearing before an examiner on October 28, 1970. At the date of this writing, we do not anticipate any protest from the Potash-Oil operators.

Very truly yours,


A. J. Losee

AJL:jw
Enclosures

cc: Mr. Byron McKnight

76 OCT 19 AM 9 35

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
BYRON MCKNIGHT FOR PERMISSION TO :
DRILL TWO EXPLORATORY TEST WELLS IN :
THE POTASH-OIL AREA, LEA COUNTY, :
NEW MEXICO, AND FOR AN EXCEPTION TO :
ORDER R-111-A TO THE CASING REQUIRE- :
MENTS FOR THE TWO EXPLORATORY WELLS :

Case No. _____

APPLICATION

COMES BYRON MCKNIGHT by his attorney and in support
of this application, states:

1. Applicant is the operator of the Yates Forma-
tion underlying the NE/4 NE/4 Section 34, NW/4 NW/4 Section
35, Township 19 South, Range 33 East, N.M.P.M., Lea County,
New Mexico, and operator proposes to drill two exploratory
wells, one on each of said 40-acre tracts, to a depth of
approximately 3,800 feet below the surface.

2. In the drilling of said well, applicant pro-
poses to utilize the following casing and cementing program,
to-wit:

8-5/8 inch casing set at approximately 300
feet, with such casing to be cemented with
approximately 300 sacks necessary to circu-
late the cement to the ground surface

4-1/2 or 5-inch casing set at approximately
3,800 feet, and if production is obtained
such casing shall be cemented with suffi-
cient cement to circulate the same to the
surface of the ground.

3. The two exploratory well locations are within
the Potash-Oil Area, Lea County, New Mexico, defined in Order
R-111-A, and the applicant's proposed casing and cementing

programs for the two exploratory test wells are not in compliance with said Order R-111-A.

4. That United States Potash and Chemical Company, P. O. Box 101, Carlsbad, New Mexico, and Potash Company of America, P. O. Box 31, Carlsbad, New Mexico, are all of the potash operators holding Potash Leases within a radius of one mile of the two exploratory wells. The applicant has furnished each of said potash operators with the well location plat and the notice of intention to drill each of the exploratory wells, and the Return Receipts for such Certified Mail will be filed with the Commission at the time of hearing on this application.

5. The approval of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing, the Commission enter its Order granting permission to applicant to drill the two exploratory test wells in the Potash-Oil Area, Lea County, New Mexico, and grant to applicant an exception to the casing requirements of Order R-111-A for the two exploratory wells.

C. And for such other relief as may be just in the premises.

BYRON MCKNIGHT

By: 

A. J. Losee
P. O. Drawer 239
Artesia, New Mexico 88210

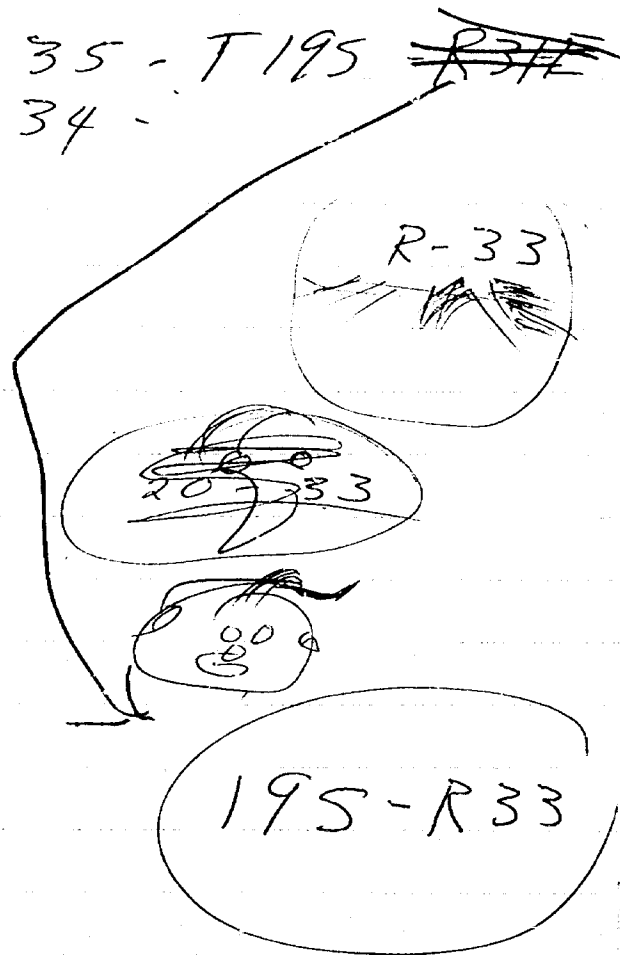
Attorney for Applicant

Jerry

Ap of Byron McKnight for
permission to drill two exploratory
test wells in Potash Area
~~Edley~~ Co. N.M. & for an
exception to the casing requirements
of Order R-111-A.

NW/NE Sec 35 - T19S ~~R33E~~
NE/NE Sec 34 -

See



CASE 4446: Application of FORD
CHAPMAN FOR SALT WATER DISPOSAL,
EDDY COUNTY, NEW MEXICO