

CASE 5662: WALTER KRUG d~~h~~ WALLER
PRODUCTION CO. FOR AN EXCEPTION TO *d. Co.*
ORDER NO. R-111-A, LEA COUNTY, NM

CASE NO.

5662

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 31, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Walter W. Krug dba
Wallen Production Company for an
exception to Order No. R-111-A,
Lea County, New Mexico.

CASE
5662

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

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WALTER KRUG

Direct Examination by Mr. Carr

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EXHIBIT INDEX

Page

Applicant's Exhibit No. One, Plat

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Applicant's Exhibit No. Two, Schematic Drawing

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5 MR. STAMETS: Call for appearances in this case.

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12 called as a witness, having been first duly sworn, was

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17 Q Will you state your full name for the record, please?

18 A Walter Krug.

19 Q Mr. Krug, what is your interest in the application

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21 A I'm the engineer and owner of Wallen Production

22 Company that is doing the work.

23 Q And you are doing the work in the area which is

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6 A. The two hundred and twenty-five feet?

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11 A. A hundred and eight has been the minimum, a hundred
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1 drill here and pick up some points we can limit this movement
2 at least one and a half locations which is quite a step in
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4 over here and every indication is that we will have a well
5 here, that means we have one here and two more up here. So,
6 if it is moved to here I don't have to come back a lot more
7 times.

8 Q So, you are planning to drill five wells in the
9 area?

10 A Yes, five, plus the one that is here. I discussed
11 that with Mr. Nutter, so that was no secret.

12 Q You prepared two exhibits, one a plat with the area
13 involved in this application marked in orange which has been
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15 schematic drawing of your present and proposed casing program
16 which is Exhibit Number Two. Would you like to offer them
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18 A Yes, please.

19 MR. STAMETS: These exhibits will be admitted.

20 (THEREUPON, Applicant's Exhibits One and
21 Two were admitted into evidence.)

22 MR. STAMETS: What was that case number?

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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
Sidney F. Morrish, C.S.R.

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I hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5662
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Richard R. Hunt, Examiner
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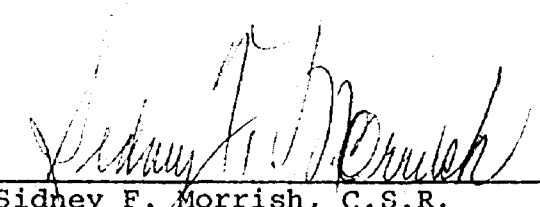
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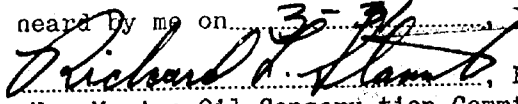
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ability.


Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5662
heard by me on 3-31-76, 19 76.


Richard J. Stant, Examiner
New Mexico Oil Conservation Commission

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

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. 5662
Order No. R-5203

APPLICATION OF WALTER W. KRUG
dba WALLEN PRODUCTION COMPANY
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 March 31, 1976, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 20th day of April, 1976, 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 the following described area, Lea County, New Mexico:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 20: S/2 NE/4 & SE/4
Section 21: S/2 SW/4
Section 28: N/2 NW/4

(3) That within that area described in Finding No. (2) above, the applicant proposes to set a 13-3/8 inch shallow "cavings" casing string at approximately 225 feet and cement same to the surface, to mud-in the 10 3/4-inch water shut-off casing string at approximately 900 feet, and to set the 7-inch salt protection string below the base of the salt and circulate cement to the surface whereupon the water shut-off casing string would be pulled, and, if production is obtained, to cement a 4 1/2-inch liner through the pay and back into the 7-inch casing.

-2-

Case No. 5662
Order No. R-5203

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

(5) That approval of the proposed special casing and cementing program for the subject area will afford the applicant the opportunity to produce his just and equitable share of the oil and gas within the 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, as an exception to the casing and cementing rules prescribed for the Potash-Oil Area by Order No. R-111-A, the special rules hereinafter set forth shall apply to the following described area, Lea County, New Mexico.

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 20: S/2 NE/4 & SE/4

Section 21: S/2 SW/4

Section 28: N/2 NW/4

RULE 1. 13 3/8-inch oil field casing shall be set at a depth of approximately 225 feet and cemented. Cement shall be circulated to the surface and shall stand a minimum of 24 hours before drilling the plug or initiating tests.

RULE 2. A water shut-off casing string shall be set at a depth of approximately 900 feet and shall be mudded in.

RULE 3. A salt protection casing string shall be set below the base of the salt, the water protection string pulled, and the salt protection string cemented to the surface. Cement shall stand a minimum of 24 hours before drilling the plug or initiating tests.

RULE 4. If production is obtained, a production casing liner shall be set at a total depth extending back into the salt protection string a minimum of 100 feet and shall be cemented its entire length.


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

-3-

Case No. 5662
Order No. R-5203

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

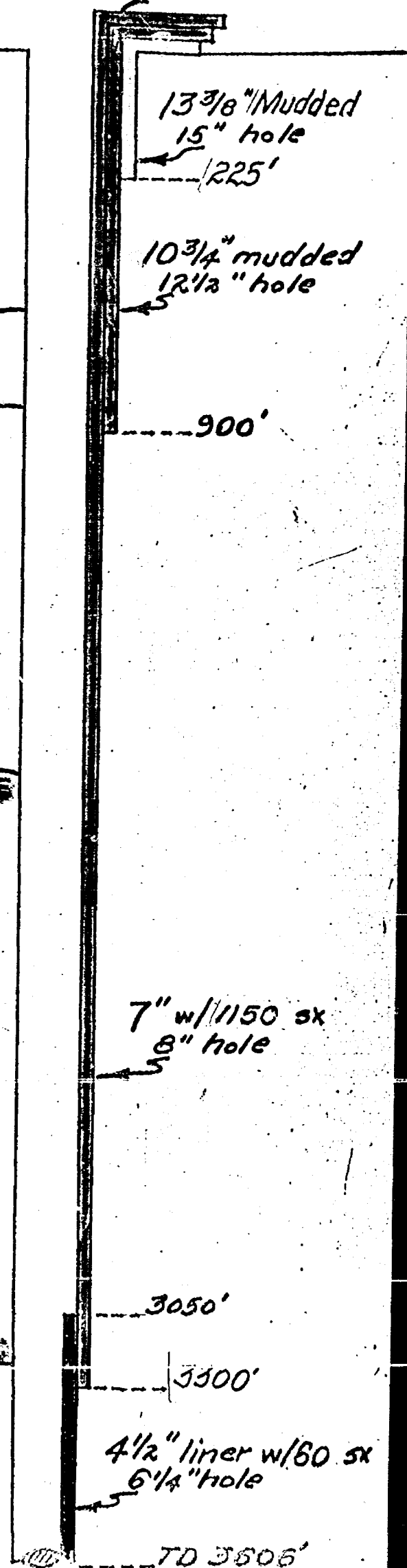
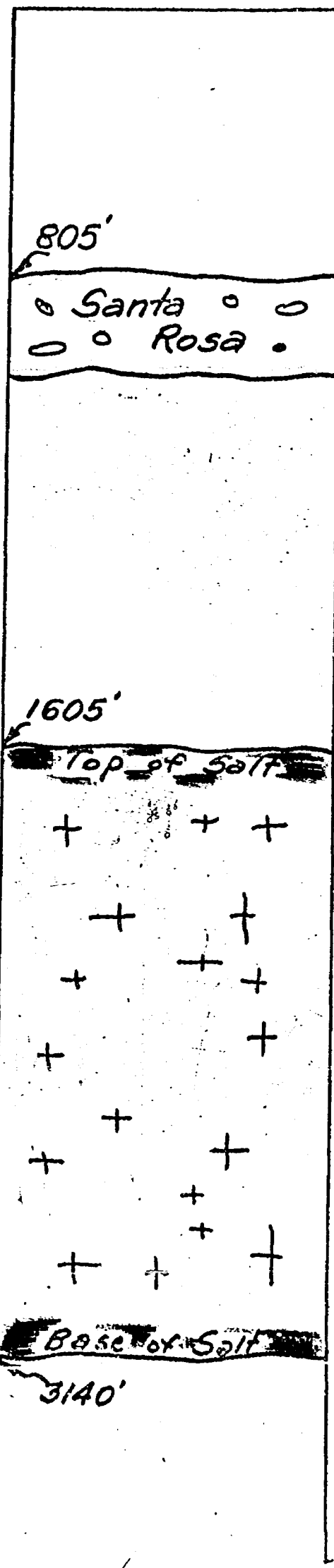
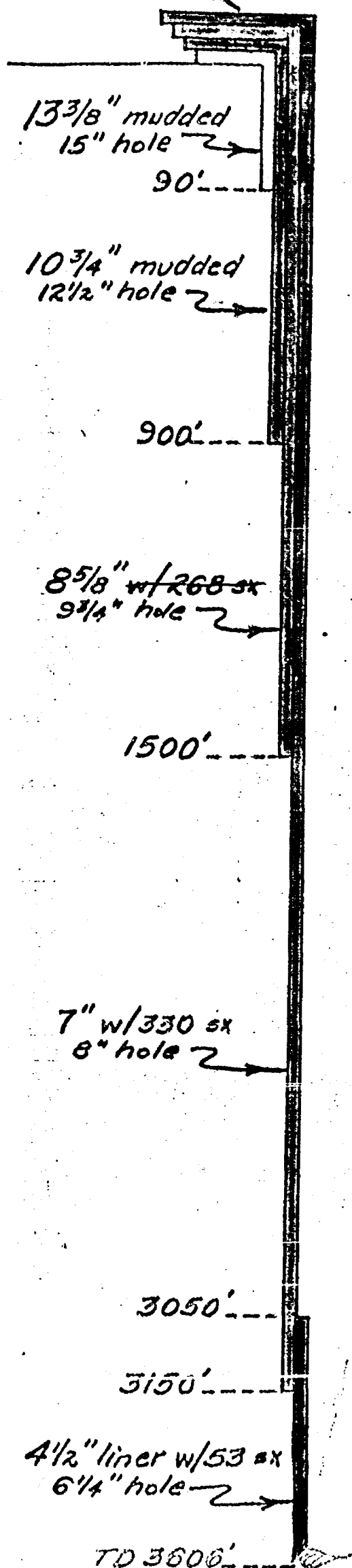
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jr/

<p>U.S. 32</p> <p>U.S. 33</p> <p>U.S. 34</p> <p>U.S. 35</p> <p>U.S. 36</p> <p>U.S. 37</p> <p>U.S. 38</p> <p>U.S. 39</p> <p>U.S. 40</p> <p>U.S. 41</p> <p>U.S. 42</p> <p>U.S. 43</p> <p>U.S. 44</p> <p>U.S. 45</p> <p>U.S. 46</p> <p>U.S. 47</p> <p>U.S. 48</p> <p>U.S. 49</p> <p>U.S. 50</p> <p>U.S. 51</p> <p>U.S. 52</p> <p>U.S. 53</p> <p>U.S. 54</p> <p>U.S. 55</p> <p>U.S. 56</p> <p>U.S. 57</p> <p>U.S. 58</p> <p>U.S. 59</p> <p>U.S. 60</p> <p>U.S. 61</p> <p>U.S. 62</p> <p>U.S. 63</p> <p>U.S. 64</p> <p>U.S. 65</p> <p>U.S. 66</p> <p>U.S. 67</p> <p>U.S. 68</p> <p>U.S. 69</p> <p>U.S. 70</p> <p>U.S. 71</p> <p>U.S. 72</p> <p>U.S. 73</p> <p>U.S. 74</p> <p>U.S. 75</p> <p>U.S. 76</p> <p>U.S. 77</p> <p>U.S. 78</p> <p>U.S. 79</p> <p>U.S. 80</p> <p>U.S. 81</p> <p>U.S. 82</p> <p>U.S. 83</p> <p>U.S. 84</p> <p>U.S. 85</p> <p>U.S. 86</p> <p>U.S. 87</p> <p>U.S. 88</p> <p>U.S. 89</p> <p>U.S. 90</p> <p>U.S. 91</p> <p>U.S. 92</p> <p>U.S. 93</p> <p>U.S. 94</p> <p>U.S. 95</p> <p>U.S. 96</p> <p>U.S. 97</p> <p>U.S. 98</p> <p>U.S. 99</p> <p>U.S. 100</p>	<p>U.S. 101</p> <p>U.S. 102</p> <p>U.S. 103</p> <p>U.S. 104</p> <p>U.S. 105</p> <p>U.S. 106</p> <p>U.S. 107</p> <p>U.S. 108</p> <p>U.S. 109</p> <p>U.S. 110</p> <p>U.S. 111</p> <p>U.S. 112</p> <p>U.S. 113</p> <p>U.S. 114</p> <p>U.S. 115</p> <p>U.S. 116</p> <p>U.S. 117</p> <p>U.S. 118</p> <p>U.S. 119</p> <p>U.S. 120</p> <p>U.S. 121</p> <p>U.S. 122</p> <p>U.S. 123</p> <p>U.S. 124</p> <p>U.S. 125</p> <p>U.S. 126</p> <p>U.S. 127</p> <p>U.S. 128</p> <p>U.S. 129</p> <p>U.S. 130</p> <p>U.S. 131</p> <p>U.S. 132</p> <p>U.S. 133</p> <p>U.S. 134</p> <p>U.S. 135</p> <p>U.S. 136</p> <p>U.S. 137</p> <p>U.S. 138</p> <p>U.S. 139</p> <p>U.S. 140</p> <p>U.S. 141</p> <p>U.S. 142</p> <p>U.S. 143</p> <p>U.S. 144</p> <p>U.S. 145</p> <p>U.S. 146</p> <p>U.S. 147</p> <p>U.S. 148</p> <p>U.S. 149</p> <p>U.S. 150</p> <p>U.S. 151</p> <p>U.S. 152</p> <p>U.S. 153</p> <p>U.S. 154</p> <p>U.S. 155</p> <p>U.S. 156</p> <p>U.S. 157</p> <p>U.S. 158</p> <p>U.S. 159</p> <p>U.S. 160</p> <p>U.S. 161</p> <p>U.S. 162</p> <p>U.S. 163</p> <p>U.S. 164</p> <p>U.S. 165</p> <p>U.S. 166</p> <p>U.S. 167</p> <p>U.S. 168</p> <p>U.S. 169</p> <p>U.S. 170</p> <p>U.S. 171</p> <p>U.S. 172</p> <p>U.S. 173</p> <p>U.S. 174</p> <p>U.S. 175</p> <p>U.S. 176</p> <p>U.S. 177</p> <p>U.S. 178</p> <p>U.S. 179</p> <p>U.S. 180</p> <p>U.S. 181</p> <p>U.S. 182</p> <p>U.S. 183</p> <p>U.S. 184</p> <p>U.S. 185</p> <p>U.S. 186</p> <p>U.S. 187</p> <p>U.S. 188</p> <p>U.S. 189</p> <p>U.S. 190</p> <p>U.S. 191</p> <p>U.S. 192</p> <p>U.S. 193</p> <p>U.S. 194</p> <p>U.S. 195</p> <p>U.S. 196</p> <p>U.S. 197</p> <p>U.S. 198</p> <p>U.S. 199</p> <p>U.S. 200</p>	<p>U.S. 201</p> <p>U.S. 202</p> <p>U.S. 203</p> <p>U.S. 204</p> <p>U.S. 205</p> <p>U.S. 206</p> <p>U.S. 207</p> <p>U.S. 208</p> <p>U.S. 209</p> <p>U.S. 210</p> <p>U.S. 211</p> <p>U.S. 212</p> <p>U.S. 213</p> <p>U.S. 214</p> <p>U.S. 215</p> <p>U.S. 216</p> <p>U.S. 217</p> <p>U.S. 218</p> <p>U.S. 219</p> <p>U.S. 220</p> <p>U.S. 221</p> <p>U.S. 222</p> <p>U.S. 223</p> <p>U.S. 224</p> <p>U.S. 225</p> <p>U.S. 226</p> <p>U.S. 227</p> <p>U.S. 228</p> <p>U.S. 229</p> <p>U.S. 230</p> <p>U.S. 231</p> <p>U.S. 232</p> <p>U.S. 233</p> <p>U.S. 234</p> <p>U.S. 235</p> <p>U.S. 236</p> <p>U.S. 237</p> <p>U.S. 238</p> <p>U.S. 239</p> <p>U.S. 240</p> <p>U.S. 241</p> <p>U.S. 242</p> <p>U.S. 243</p> <p>U.S. 244</p> <p>U.S. 245</p> <p>U.S. 246</p> <p>U.S. 247</p> <p>U.S. 248</p> <p>U.S. 249</p> <p>U.S. 250</p> <p>U.S. 251</p> <p>U.S. 252</p> <p>U.S. 253</p> <p>U.S. 254</p> <p>U.S. 255</p> <p>U.S. 256</p> <p>U.S. 257</p> <p>U.S. 258</p> <p>U.S. 259</p> <p>U.S. 260</p> <p>U.S. 261</p> <p>U.S. 262</p> <p>U.S. 263</p> <p>U.S. 264</p> <p>U.S. 265</p> <p>U.S. 266</p> <p>U.S. 267</p> <p>U.S. 268</p> <p>U.S. 269</p> <p>U.S. 270</p> <p>U.S. 271</p> <p>U.S. 272</p> <p>U.S. 273</p> <p>U.S. 274</p> <p>U.S. 275</p> <p>U.S. 276</p> <p>U.S. 277</p> <p>U.S. 278</p> <p>U.S. 279</p> <p>U.S. 280</p> <p>U.S. 281</p> <p>U.S. 282</p> <p>U.S. 283</p> <p>U.S. 284</p> <p>U.S. 285</p> <p>U.S. 286</p> <p>U.S. 287</p> <p>U.S. 288</p> <p>U.S. 289</p> <p>U.S. 290</p> <p>U.S. 291</p> <p>U.S. 292</p> <p>U.S. 293</p> <p>U.S. 294</p> <p>U.S. 295</p> <p>U.S. 296</p> <p>U.S. 297</p> <p>U.S. 298</p> <p>U.S. 299</p> <p>U.S. 300</p>	<p>U.S. 301</p> <p>U.S. 302</p> <p>U.S. 303</p> <p>U.S. 304</p> <p>U.S. 305</p> <p>U.S. 306</p> <p>U.S. 307</p> <p>U.S. 308</p> <p>U.S. 309</p> <p>U.S. 310</p> <p>U.S. 311</p> <p>U.S. 312</p> <p>U.S. 313</p> <p>U.S. 314</p> <p>U.S. 315</p> <p>U.S. 316</p> <p>U.S. 317</p> <p>U.S. 318</p> <p>U.S. 319</p> <p>U.S. 320</p> <p>U.S. 321</p> <p>U.S. 322</p> <p>U.S. 323</p> <p>U.S. 324</p> <p>U.S. 325</p> <p>U.S. 326</p> <p>U.S. 327</p> <p>U.S. 328</p> <p>U.S. 329</p> <p>U.S. 330</p> <p>U.S. 331</p> <p>U.S. 332</p> <p>U.S. 333</p> <p>U.S. 334</p> <p>U.S. 335</p> <p>U.S. 336</p> <p>U.S. 337</p> <p>U.S. 338</p> <p>U.S. 339</p> <p>U.S. 340</p> <p>U.S. 341</p> <p>U.S. 342</p> <p>U.S. 343</p> <p>U.S. 344</p> <p>U.S. 345</p> <p>U.S. 346</p> <p>U.S. 347</p> <p>U.S. 348</p> <p>U.S. 349</</p>
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PRESENTS

PROPOSED



CASE 5662: Application of Walter W. Krug dba Wallen Production Company 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-cementing rules for Yates-Seven Rivers wells to be drilled in the following-described lands, Lea County, New Mexico:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 20: S/2 NW/4 & SE/4
Section 21: S/2 SW/4
Section 28: N/2 NW/4

Applicant proposes rules for said area which would permit completion of said wells with a shallow cavings string cemented in and with 7-inch production casing to the top of the pay and a 4 1/2-inch liner through the pay, all cemented to the surface.

OFFICE PHONE
A/O 915 683-2600
A/O 915 683-6526

WALTER W. KRUG
BOX 1960
MIDLAND, TEXAS 79701

HOME PHONE
A/O 915 663-0048
MAR 15 1976
OIL CONSERVATION COMM.
Santa Fe

March 12, 1976

Mr. D. S. Nutter
New Mexico Oil & Gas Comm.
Box 2088
Santa Fe, New Mexico 87501

Re: Provisions covered by Order No.
R-4253
S/2 of NE and SE/4 of Sec. 20
S/2 of SW/4 of Sec. 21
N/2 of NW/4 of Sec. 28
All in T 20 S, R 34 E, Lea
County, New Mexico

Dear Sir:

Would you please consider this letter as a request for a hearing to extend the provisions of Order No. R-4253 to cover the above subject area?

Your favorable consideration and reply will be appreciated.

Very truly yours,

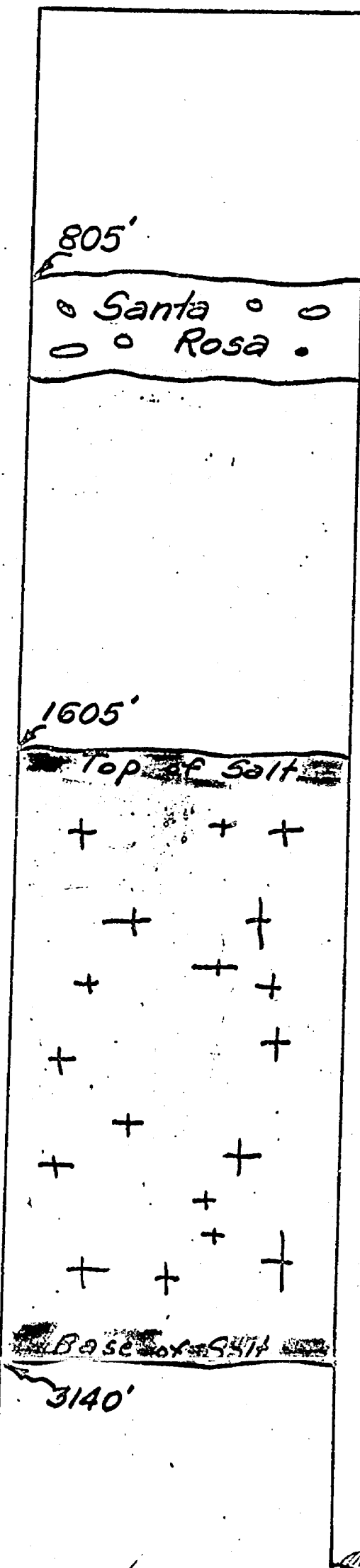
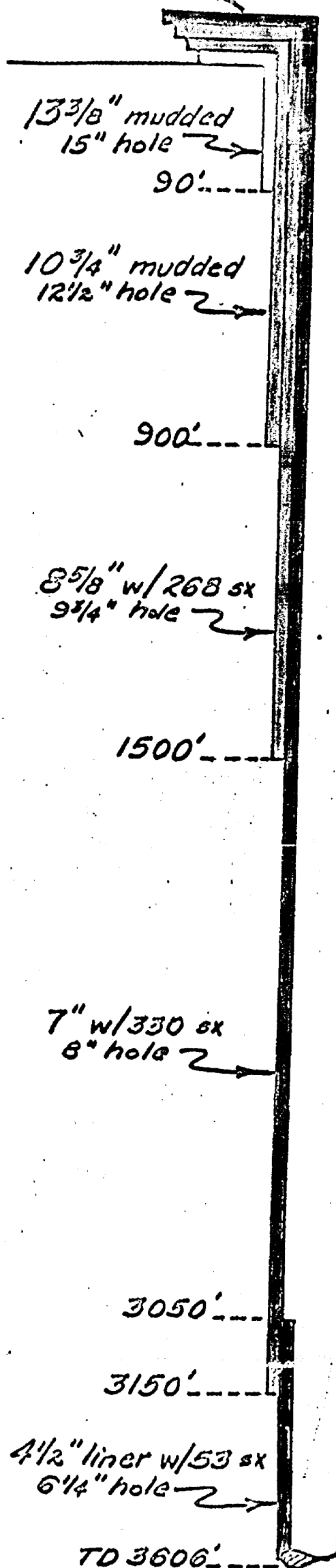
Walter W. Krug

Walter W. Krug
Wallen Production Company

CASING PROGRAM

PRESENT

PROPOSED



Case 5642
Exhibit 2

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. ⁵⁶⁶² 5625
Order No. ~~R-5163~~

R-5203

APPLICATION OF WALTER W. KRUG
dba WALLEN PRODUCTION COMPANY 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 ~~February 4,~~ ^{March 31,}
1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this ~~10th~~ ^{17th} day of ~~February,~~ ^{April} 1976, 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 Produc-
tion 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 Fee Well No. 1, located 330 feet from the North for the~~
~~line and 990 feet from the West line of Section 28, Township 20~~
~~South, Range 34 East, Lea County, New Mexico:~~

(3) That the applicant proposes to set a 13-3/8 inch
shallow "cavings" casing string at approximately 225 feet and
cement same to the surface, to mud-in the 10 3/4-inch water
shut-off casing string at approximately 900 feet, and to set
the 7-inch salt protection string below the base of the salt and
circulate cement to the surface whereupon the water shut-off
casing string would be pulled, and, if production is obtained,
to cement a 4 1/2-inch liner through the pay and back into the
7-inch casing.

(4) That potash development does not presently exist and
is not presently known to be contemplated within the vicinity of ~~the~~
~~the above described Well No. 1.~~
~~area described in Finding No(2) above.~~

following described
area,

Within that
area described
in Finding No(2)
above

Township 20 South Range 34 East
Section 20: S/2 NE/4 & SE/4
Section 21: S/2 SW/4
Section 28: N/2 NW/4

(5) That approval of the proposed special casing and cementing program for the subject ~~well~~ ^{lease} will afford the applicant the opportunity to produce his just and equitable share of the oil and gas ~~under the subject lease~~, 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, as an exception to the casing and cementing rules prescribed for the Potash-Oil Area by Order No. R-111-A, the special rules hereinafter set forth shall apply to the following described area, Lea County, New Mexico:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 20: $\frac{3}{2}$ NE/4 & SE/4

Section 21: $\frac{3}{2}$ SW/4

Section 28: $\frac{1}{2}$ NW/4

Special Rule 1. $1\frac{3}{8}$ -inch oil field casing shall be set at a depth of approximately 225 feet and cemented. Cement shall be circulated to the surface and shall stand a minimum of 24 hours before drilling the plug or initiating tests.

Special Rule 2. A water shut-off ^{casing} string shall be set at a depth of approximately 900 feet and shall be mudded in.

Special Rule 3. A salt protection casing string shall be set below the base of the salt, the water protection string pulled, and the salt protection string cemented to the surface. Cement shall stand a minimum of 24 hrs before drilling the plug or initiating tests.

Special Rule 4. If production is obtained, a production casing liner shall be set at total depth extending back into the salt protection string a minimum of 100 feet and shall be cemented its entire length.

(2) That jurisdiction

New
by
(2)
of this
completes

Case 5662
Walter Krug DBA Wallen Prod
Exception to R-111-A

Wants to make provisions
of Order No R-4253
applicable to the
following lands:

T 20 S, R 34 E Lea

Sec 20: $\frac{1}{2}$ NE $\frac{1}{4}$ & SE $\frac{1}{4}$

Sec 21: $\frac{1}{2}$ SW $\frac{1}{4}$

Sec 28: N $\frac{1}{2}$ NW $\frac{1}{4}$

Case 5625
2/11/76

Special Rules

Case 4650

No delay for Survey

Texas State Survey

1001
525

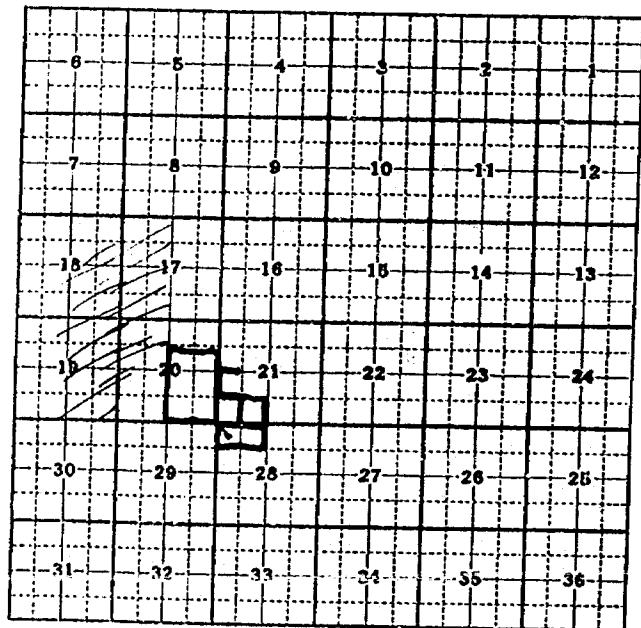
Case 5662

Name

Address

Remarks:

Ph.



T R State
or County