

LE Protz
PCA

Case No.

1249

Application, Transcript,
Small Exhibits, Etc.

**BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 26, 1957**

*
IN THE MATTER OF: *
*
CASE NO. 1249 *
*

TRANSCRIPT OF PROCEEDINGS

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 26, 1957

IN THE MATTER OF:

The application of Hudson and Hudson, Inc. for an exception from the casing requirements in the Potash-Oil Area as established by Order R-111-A. Applicant, in the above-styled cause, seeks an order authorizing the following casing program, in lieu of the shallow zone casing requirements established by Order R-111-A for its proposed Hover-Federal No. 1 Well to be located 1980 feet from the South line and 660 feet from the East line of Section 28, Township 20 South, Range 34 East, Lea County, New Mexico:

CASE NO. 1249

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

18 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 Yates formation at approximately 3850 feet in the event oil or gas is encountered, in which case all of the larger pipe in the hole will be pulled.

BEFORE:

Daniel S. Nutter, Examiner

EXAMINER NUTTER: The Hearing will please come to order. The first case on the Docket this morning will be Case No. 1250, correction, Case 1249.

MR. COOLEY: Case 1249, the application of Hudson & Hudson Incorporated for an exception from the casing requirement in the Potash oil area as established by Order R-111-A.

MR. LUNT: Examiner Nutter please, I am Lamar Lunt, Petroleum Engineer, appearing in behalf of Hudson and Hudson Incorporated in Case 1249.

EXAMINER NUTTER: Mr. Lunt, will you be the only witness in this case?

MR. LUNT: Yes sir.

THE WITNESS, HAVING FIRST BEEN DULY SWORN IN, TESTIFIED AS FOLLOWS:

MR. LUNT: I have testified previously as an engineering witness before the New Mexico Oil Conservation Commission and if my qualifications are acceptable to the Examiner, I will proceed with the testimony.

EXAMINER NUTTER: Would you proceed, Mr. Lunt?

MR. LUNT: Hudson and Hudson filed an application for Case 1249 on April 10, 1957, for exception to Order R-111-A, which order covers casing programs in the potash area. Copies of the application were mailed to all Potash Companies in the area, offset operators, and U. S. Geological Survey. As stated in the application, Hudson and Hudson have attained operating rights in the S/2 of 28, Township 20 South, Range 34 East, Lea County, New Mexico. These rights are under Federal Oil and Gas Lease, Las Cruces Serial Number 067614, royalty being reserved by the United States. An ownership plat showing the proposed location of the well to be drilled is herewith submitted as Exhibit "A". The proposed location of the test Hudson and Hudson plan to drill is 1980 feet from the South and 660 feet from the East line of Section 28, Township 20 South, Range 34 East, Lea County, New Mexico. I submit Exhibit "B," tabulation of casing

records taken from the files of the New Mexico Oil Conservation Commission showing the size, depth, and method of setting casing in the wells in Township 20 South, Range 34 East. It is indicated that only four wells were drilled with rotary tools and thirty-nine wells with cable tools in this township. The cable tool wells were drilled dry through the salt section and so eliminated the contamination of the salt in the potash section with water from the overlying zone. I submit Exhibit "C" showing the diagram of the proposed casing program as set out in the application. From the diagram, it is shown that the plan is to set 13 3/8" casing in the top of the red beds, setting off any shallow fresh water zones. A string of 10 3/4" casing will be set at approximately 800 feet to shut off any water below the 13 3/8" casing point in control of caving red beds through this section. At approximately 1250 feet, a string of 8 5/8" casing will be set to seal off all water zones above this point. Water is not usually found in drilling to the Rustler in the Salado formation, and this part of the hole will be drilled dry. If water should be encountered below the point where the 8 5/8" casing is landed, it would become necessary to underream the casing and lower it to shut off the water before drilling the salt section. It is the operator's plan to drill into the Yates formation and in the event oil is encountered, a string of 5 1/2" casing will be run and set, and in the event commercial production is obtained, this string of casing will be cemented to the surface and the other strings of casing pulled. No contamination of the salt section and the overlying waters should occur using this casing program and there will be no contamination of the salt section by the lower oil or gas zones. It is our opinion that this program will adequately protect any possible potash deposits under conditions which are

expected to exist, however, if any unexpected conditions are shown to have developed, the operator will make adequate provisions for the protection of the potash deposits from contamination. In view of this possibility, it is requested that the New Mexico Oil Conservation Commission establish and maintain administrative jurisdiction over the drilling of the proposed well at the designated location. Copies of the application were filed with the following Potash Companies: Potash Company of America, National Potash Company, Duval Sulphur and Potash Company, International Mining and Chemical Company, Southwestern Potash Company, and Farmer's Chemical Resources Development Company. Exhibit "D" submitted being a letter received from the Potash Company of America, stating that they had no objections to the casing program provided that provisions as outlined previously were complied with.

MR. COOLEY: Is that Exhibit "D" as in dog?

A. Exhibit "D".

EXAMINER NUTTER: Mr. Lunt, do you care to offer Exhibits "A" through "D" in Case 1249 at this time?

A. Yes sir.

EXAMINER NUTTER: Without objections, Exhibits "A" through "D" in Case 1249 will be received in evidence. Does anyone have any questions of the witness?

MR. MANKIN: Mr. Lunt, it is noted that you notified six of the Potash companies, however, you did not notify the U. S. Potash Company.

A. Yes they were notified.

MR. MANKIN: I see.

A. We have a letter from them as Exhibit "T".

MR. MANKIN: No. U. S.

A. Oh, U. S., pardon me. They were notified, but apparently no reply was received from them. I did not include it in that list. I must have skipped it. They were notified.

MR. MANKIN: Mr. Lunt, is this casing program quite similar to the casing program previously approved in Case 1215 and Form R-968, the Wilson Oil Company, which is about a mile north of this particular well, a mile or a mile and one-half?

A. Yes, sir. Very similar.

MR. MANKIN: Actually the only Potash Company in the particular area surrounding this well is Potash Company of America, is that correct?

A. I believe they own the potash lease under this particular tract of land.

MR. MANKIN: There is to the best of your knowledge, no actual potash mining operations going on, on this area at the present time?

A. As far as I know, there is not.

EXAMINER NUTTER: Mr. Lunt, these first three strings of casing must be wrong, that is the 13 3/8, 10 3/4, and 8 5/8. Will those merely be landed or will there be some cement?

A. They will probably just be landed and mudded behind the shoes.

EXAMINER NUTTER: In the event that they fail to obtain a water shut-off upon landing this casing, what steps will be taken?

A. I am sure that they will do like most operators that have that condition occur, they will probably reset the pipe and either get a better shut-off as they really need to have the section dry when they drill through the salt, if they don't there are large cavities formed from this water acting on the salt section, making

it a little rough drilling with cable tools.

EXAMINER NUTTER: Will every effort be made to obtain a water shutoff?

MR. LUNT: Yes, sir.

Q. A water shutoff will be obtained.

A. That's right.

Q. Now, sir, in the event that water is encountered in the Rustler or Salado formation, you stated that the 8 5/8 would be underreamed and lowered.

A. Yes, sir. If it is found very much below the setting point, I would think they would probably set a string of 7" casing because they would have room to do that.

Q. They could run - - - - -

A. They could run an additional string of casing, yes, sir.

Q. So that in any event water shutoff will be obtained.

A. Yes, sir.

Q. Does anyone else have any questions? Mr. Mankin?

MR. MANKIN: Mr. Lunt, possibly if the mud is not adequate for a shutoff from these upper strings of casing, would not possibly attacking with a small amount of cement be - - - - -

A. Yes, sir. That would be done ordinarily, if mud does not give the necessary seal or they cannot find a sufficiently hard shoulder to set it on.

MR. MANKIN: Yes, sir.

EXAMINER NUTTER: Anyone else? Mr. Cooley?

MR. COOLEY: Mr. Lunt, in your professional opinion, will the casing program here proposed by the applicant provide as great a degree of safety for

the potash horizons in the area as would the shallow zone casing program set out in Order R-111-A?

A. I believe that it would, yes, sir, and a great saving in cost.

MR. COOLEY: That was my next question, then the applicant's objective in filing this application is an economic saving?

A. Yes, sir. That is correct.

MR. COOLEY: With equal protection?

A. With equal protection. Fully as good a protection.

MR. COOLEY: That's all, thank you.

EXAMINER NUTTER: Does anyone else have questions of the witness?

Mr. Protz?

MR. PROTZ: D. E. Protz, Potash Company of America. One thing - - - -

EXAMINER NUTTER: Would you come forward please, this recorder isn't picking you up from there. Would you state your name again?

MR. PROTZ: D. E. Protz, Potash Company of America. One thing that wasn't quite clear to me in reading your report - - - - was about the drilling in the salt section, it seems that - - - - I believe that the Wilson Oil Company suggested and went ahead and used brine for the drilling solution in the salt section and I don't know whether Hudson & Hudson suggested that or not - - - I forgot my file, I misplaced it or something and I would suggest that they use that - - - - -

MR. LUNT: Use brine?

MR. PROTZ: Use brine.

MR. LUNT: With a cable tool hole, there will be no fluid.

MR. PROTZ: Yes, I know but - - - - I was at the Wilson Oil Company operations and they mixed - - - -

MR. LUNT: They used the brine solution?

MR. PROTZ: They used the brine - - - -

MR. LUNT: They used the brine to keep from dissolving that section up.

MR. PROTZ: They used a minimum of solution.

MR. LUNT: Yes, sir.

MR. PROTZ: From dissolving out - - - -

MR. LUNT: What is the thing there - - - - you mean they use a saturated solution of brine.

MR. PROTZ: Yes.

MR. LUNT: So the salt wouldn't be washed out any further?

MR. PROTZ: That's right - - - - and they get a minimum of - - - - they get a straight hole. It saves in cementing - - - - it does give them a better hole and there is less - - - - well, there is no danger really, but it is just a suggestion for improvement, I think.

MR. LUNT: With all our rotary holes, I think that's absolutely necessary to keep the section saturated.

MR. PROTZ: Yes, I know.

MR. PROTZ: Yes, its better.

MR. LUNT: On this new - - - - the cable tool procedure, the only advice seems to be to pick up the samples then, wouldn't it?

MR. PROTZ: Yes, if it helps that - - - - that isn't really necessary - - -

MR. LUNT: Well, Mr. Protz, was the Wilson hole drilled with cable tools?

MR. PROTZ: Yes, and it just happens that the same driller is going to drill the other one - - - - I am not sure, but I rather suspect he would use it anyway, but I just wanted to make it a point of record.

EXAMINER NUTTER: This is merely a suggestion and not a request, Mr. Protz?

MR. PROTZ: Well, I don't know if I mentioned it in my letter or not, I don't have a copy of it.

MR. LUNT: I don't believe it was mentioned, but I'm sure that they will - - -

MR. PROTZ: Its in the R-111, I know for ordinary - - - - and it wasn't in my letter?

MR. PORTER: Mr. Nutter,

EXAMINER NUTTER: Yes, sir.

MR. PORTER: Lets go off the record here just a moment. (OFF THE RECORD.)

EXAMINER NUTTER: Mr. Lunt, would Hudson & Hudson be willing to abide by all the requirements of Order R-111-A?

A. Yes, sir.

Q. In drilling and completing this well?

A. Yes, sir.

Q. Except the specific exceptions to the casing program which are the subject of this Hearing today?

A. Yes, sir.

EXAMINER NUTTER: All right sir, Now does anyone else have any questions of the witness? Does anyone have any statements they wish to make in this case? If not, the witness may be excused and we will take the case under advisement.

STATE OF NEW MEXICO)
: ss
COUNTY OF SANTA FE)

I, Doris Arnold, do hereby certify that the foregoing
and attached transcript of proceedings before the New Mexico Oil
Commission Examiner at Santa Fe, New Mexico, is a true and
correct record, to the best of my knowledge, skill and ability.

Dated at Santa Fe, New Mexico, this 21st day of
May 1957.

Doris Arnold
Doris Arnold

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 1249.
heard by ES on 4-26 1957.

Samuel J. Tuttle Examiner
New Mexico Oil Conservation Commission

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a full telegram.	
TELEGRAM	<input type="checkbox"/>
DAY LETTER	<input type="checkbox"/>
NIGHT LETTER	<input type="checkbox"/>

WESTERN UNION TELEGRAM

1206 (4-55)

W. P. MARSHALL, President

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate.	
FULL RATE	<input type="checkbox"/>
LETTER TELEGRAM	<input type="checkbox"/>
SHORE SHIP	<input type="checkbox"/>

NO. AND CL. OF MSG.	TO: TO: CALL	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
	COMMINT			11:30 a.m.

Read the following conditions, which are hereby agreed to:

RECEIVED & RETURNED, INC.
RECEIVED & RETURNED, INC.
P.O. BOX 100, NEW YORK

APRIL 24, 1937

RE: NEW YORK, RECEIVED FROM CASHING AND CREDITING REQUIREMENTS FORTUNE-OIL AREA.
THE NEW YORK RECEIVED TO PROCEED WITH BILLING, CASHING, AND CREDITING NEW
JOURNAL NO. 1 WILL IN ACCORDANCE WITH YOUR APPLICATION DATED APRIL 10, 1937, AND
WITH THE NEW YORK RECEIVED AT NEWARK, PROVIDING SATURATED SALT SOLUTION IS USED IN
ACCORDANCE WITH SECTION V, ORDER B-111-A.

A. L. FORTER, JR.
N.E. OIL CONCENTRATION COMMISSION

TELETYPE CENTER DATED TO:

LOUIS LLOYD, SAKKA DE
PO BOX 10, OF AMERICA, BOX 31, CARLETON, N.E.
APR. 24, 1937

ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To insure prompt delivery or delivery, the sender of a message should order it repeated, should, telegraphed back to the originating office for comparison. For this, one-half the transmission charge is charged. In addition, unless otherwise indicated on its face, this is an unregistered message and paid for as such, in consideration whereof it is agreed between the sender of the message and the Telegraph Company as follows:

1. The Telegraph Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the originating office beyond the sum of five hundred dollars; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the destination beyond the sum of five hundred dollars, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of the lines.

2. In any event, the Telegraph Company shall not be liable for damages for mistakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether caused by the negligence of its servants or otherwise, beyond the actual loss, not exceeding in any event the sum of five hundred dollars, at which amount the sender of such message remains liable. The message is valued, unless a greater value is stated in writing by the sender thereof at the time the message is tendered for transmission, and unless the sender's message is paid, or agreed to be paid, an additional charge equal to one-tenth of one per cent of the amount by which such valuation shall exceed five hundred dollars.

3. The sender of a message should order it repeated, should, telegraphed back to the originating office for comparison. For this, one-half the transmission charge is charged. In addition, unless otherwise indicated on its face, this is an unregistered message and paid for as such, in consideration whereof it is agreed between the sender of the message and the Telegraph Company as follows:

4. The available toll charges on a message destined to any point in the continental United States listed in the Telegraph Company's Directory of Stations must be delivered within the stipulated day or maximum limits of the destination point. Beyond such limits and to points not listed in the Telegraph Company's Directory of Stations, the Telegraph Company will not undertake to make delivery but will endeavor to arrange for delivery by any available means at the agent of the sender, with the understanding that the sender shall be liable for any additional charge from the addressee and agree to pay such additional charge if it is not collected from the addressee.

5. No responsibility attaches to the Telegraph Company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the Telegraph Company's messengers, he acts for that purpose as the agent of the sender; except that when the Telegraph Company sends a messenger to pick up a message, the messenger in that instance acts as the agent of the Telegraph Company in accepting the message, the Telegraph Company assuming responsibility from the time of such acceptance.

6. The Telegraph Company will not be liable for damages or statutory penalties when the claim is not presented in writing to the Telegraph Company, (a) within thirty days after the message is filed with the Telegraph Company for transmission in the case of a message between points within the United States (except in the case of an interstate message in Texas or between a point in the United States on the one hand and a point in Alaska, Canada, Mexico, or St. Pierre-Miquelon Islands on the other hand, or between a point in the United States and a ship at sea or in the air, (b) within 90 days after the cause of action, if any, shall have accrued in the case of an interstate message in Texas, and (c) within 180 days after the message is filed with the Telegraph Company for transmission in the case of a message between a point in the United States and a foreign or overseas point other than the points specified above in this paragraph; provided, however, that this condition shall not apply to claims for damages or overcharges within the purview of Section 412 of the Communications Act of 1934, as amended.

7. It is agreed that in any action by the Telegraph Company to recover the tolls for any message or messages the prompt and correct transmission and delivery thereof shall be presumed, subject to rebuttal by competent evidence.

8. Special terms governing the transmission of messages subjecting to their choice, as enumerated below, shall apply to messages in each of such respective classes in addition to all the foregoing terms.

9. The employees of the Telegraph Company is authorized to vary the foregoing.

4-42

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OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

May 14, 1957

C
O
P
Y

Mr. Lamar Lunt
Zia Road
Santa Fe, New Mexico

Dear Sir:

We enclose two copies of Order R-999 issued May 10, 1957, by the Oil Conservation Commission in Case 1249, which was heard on April 26th at Santa Fe.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encs.

OIL CONSERVATION COMMISSION
P. O. BOX 671
SANTA FE, NEW MEXICO

May 14, 1957

C
O
P
Y

Mr. D. E. Prots
Petash Company of America
Box 51
Carlsbad, New Mexico

Dear Sir:

We enclose a copy of Order R-999 issued May 10, 1957, by the
Oil Conservation Commission in Case 1249, which was heard on
April 24th at Santa Fe.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encl.

**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. 1248
Order No. R-388**

**APPLICATION OF HUDSON AND HUDSON,
INCORPORATED FOR AN EXCEPTION TO
THE SHALLOW SOLE 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, 1937, at Santa Fe, New Mexico, before Daniel S. Matter, 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, 1937, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Matter, 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 Haver-Federal No. 1 Well, located 1900 feet from the South line and 600 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 80 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 1200 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 E-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 Haver-Federal Well No. 1 with cable tools in the potash-oil area at a point 1800 feet from the South line and 800 feet from the East line of Section 20, Township 20 South, Range 24 East, NEPM, Lea County, New Mexico, and to case said well in the following manner:

12 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;

6 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.

3. That the applicant shall comply strictly with all the provisions of Order E-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

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Order No. 2-000

well.

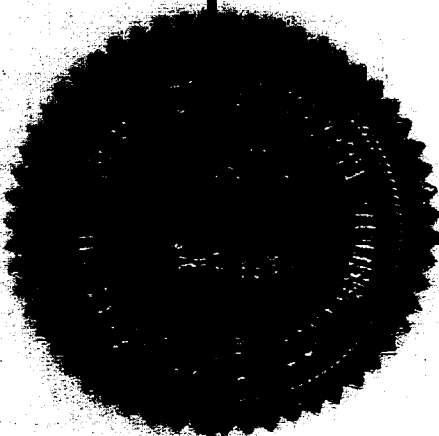
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

S. L. McKee
SEVIN L. MCKEE, Chairman

W. E. Morgan
MURRAY E. MORGAN, Member

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



12/

**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;

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

S E A L

ir/

Hudson & Hudson, Inc.
Electric Building

In reply refer to

our file No. 116

Ft. Worth, Texas

April 10th, 1957

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

Attention: Mr. A. L. Porter

Re: Exception to Rule R 111 A in
Regard to Casing Program

We own an undivided three-fourths interest and Cox & Hamon own an undivided one-fourth interest, subject to an Operating Contract in our favor granting us exclusive operations of the lease, in Federal Oil and Gas Lease LC-067614, and covering the S/2 of Section 28, and the NE/4 of the NE/4 of Section 29, T20S, R34E, N. M. P. M., in Lea County, New Mexico and containing 360 acres more or less. The royalty under this Lease is owned by the Federal Government and an overriding royalty of 3% is owned by Edith A. Hover. *LC 067614*

We propose to drill an oil and gas well on this Lease to be known as the Hover Federal No. 1, located 1980 feet from the South line and 660 feet from the East line of Section 28, T20S, R34E, N. M. P. M., Lea County, New Mexico. In accordance with a casing program that we have used successfully for drilling wells in this area for over twenty years, we plan to set approximately 60 feet of 13 3/8" casing to prevent caving, as there is no surface water in the area. We will then drill to the top of the water bearing strata of the Santa Rosa formation, which should be encountered at approximately 800 feet, and will run 10 3/4" casing on top of this formation. We will then drill into the water bearing strata and carry the water to approximately 1250 feet, where we will set 8 5/8" casing in the shale immediately above the anhydrite near the top of the salt section. We will then test this casing for a complete water shut-off and drill to test the Yates formation at approximately 3850 feet. In the event oil or gas is encountered we will set a formation bridging plug on a wire line above the oil and gas producing horizon and will cement 5 1/2" casing to the surface after pulling all of the larger pipe in the hole.

The plan for the drilling of this well as outlined above will adequately protect the entire salt section and any potash deposits contained therein, and we hereby request that an exception be granted to Rule R 111 A to allow us to drill this well in accordance with this program.

Will you kindly set the date for a hearing on this Application and after hearing and due deliberation, grant the exception requested.

In the event this well is abandoned, we will plug the well in accordance with the applicable rules and regulations.

The Oil and Gas Lease covering this property expires on November 30, 1957, unless oil and gas is being produced therefrom by that date.

Very truly yours,

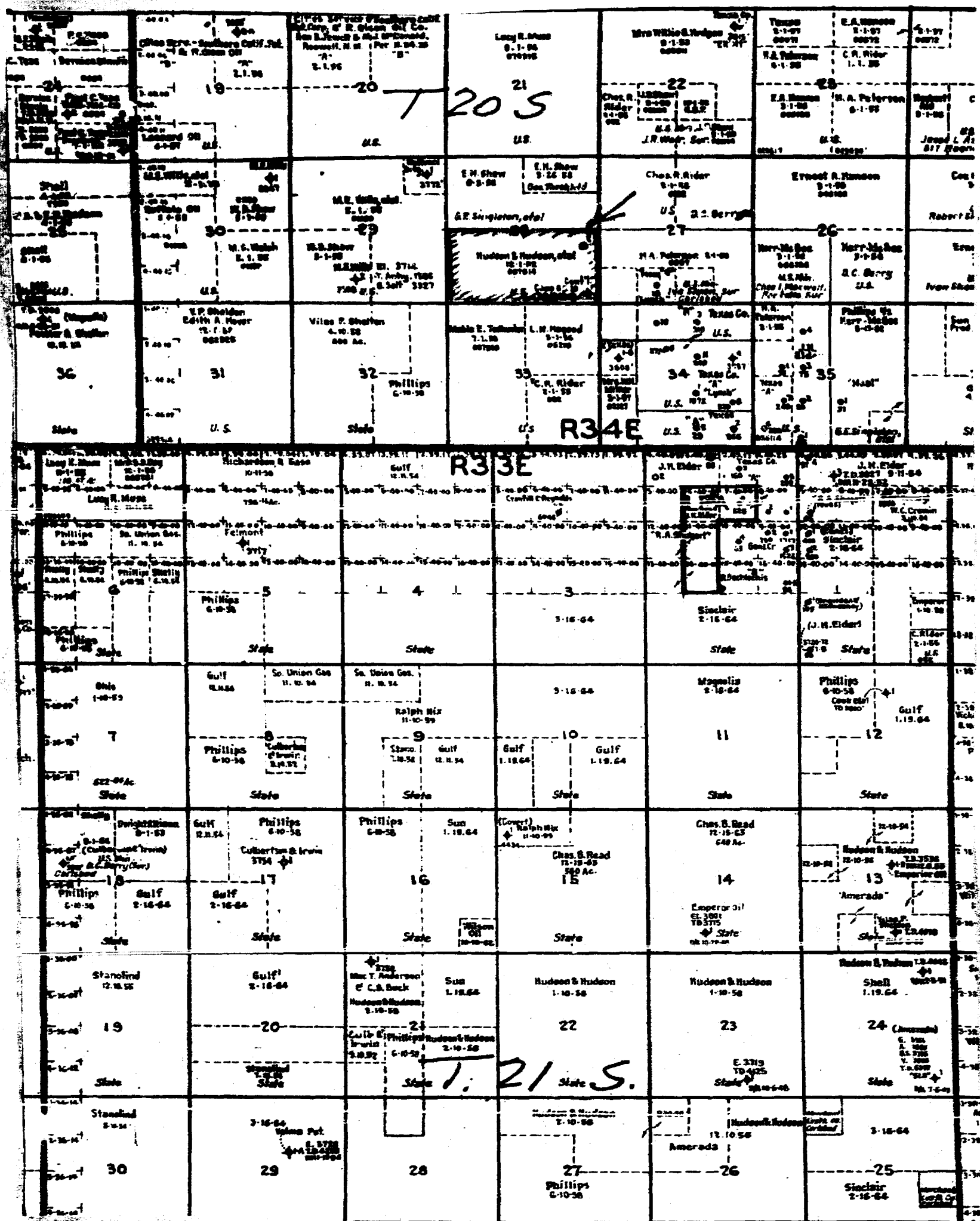
HUDSON & HUDSON, INC.

ERH:jbm

By: *Edward J. Hudson*

- CC: ✓ National Potash Company
P. O. Box 731
Carlsbad, New Mexico
- ✓ Potash Company of America
P. O. Box 31
Carlsbad, New Mexico
- ✓ Duvall Sulphur & Potash Company
P. O. Box 510
Carlsbad, New Mexico
- ✓ International Mining & Chemical Company
P. O. Box 71
Carlsbad, New Mexico
- ✓ Southwestern Potash Company
P. O. Box 472
Carlsbad, New Mexico
- ✓ Farmers Chemical Resources Development Company
P. O. Box 625
Carlsbad, New Mexico

U.S. Potash was notified as well - testimony



DOCKET: EXAMINED HEARING APRIL 26, 1957

Oil Conservation Commission 10:00 a.m. Mabry Hall, State Capitol, Santa Fe

The following case will be heard before Daniel S. Nutter, Examiner:

CASE 1249: Application of Hudson and Hudson, Inc. for an exception from the casing requirements in the Potash-Oil Area as established by Order R-111-A. Applicant, in the above-styled cause, seeks an order authorizing the following casing program in lieu of the shallow zone casing requirements established by Order R-111-A for its proposed Hover-Federal No. 1 Well to be located 1980 feet from the South line and 660 feet from the East line of Section 28, Township 20 South, Range 34 East, Lea County, New Mexico:

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 Yates formation at approximately 3850 feet in the event oil or gas is encountered, in which case all of the larger pipe in the hole will be pulled.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 4/26/57

CASE 1249

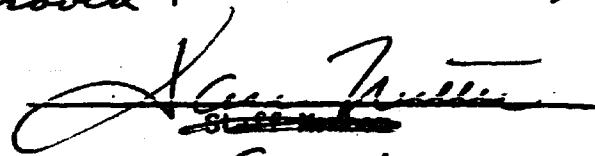
Hearing Date 4-26-57 D'U @ SF 10 am

My recommendations for an order in the above numbered cases are as follows:

Enter an order approving Hudson + Hudson Inc's request for exception to the casing and cementing requirements of ~~the~~ Order R-111-A.

Specifically describe the casing strings proposed as done in Order R 968, Case 1215, and be sure to include Findings 5, 6, + 7 and Order Paragraphs 2, 3, 4. Inclusion of these 6 items was one of the factors Potash Co of America considered in not objecting to the exceptions.

Add a paragraph to the effect that all of the provisions of Order R-111-A not specifically excepted by this order must be complied with. A finding ^{possibly} worthy of note is that considerable economic savings will result to applicant if this application is approved.


Examiner

Need

Examiners

Recommendations

CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 4/26/57

before DSN

CASE 1249

Hearing Date 4/26/57 @ 10 AM @ SF

My recommendations for an order in the above numbered cases are as follows:

OK to approve exception
to R-11A as to casing program
put in order to comply
with all other aspects of
R-11A - such as using
saturated salt solution in
drilling salt section.

Wm. H. Mante
Staff Member

Form 21 (10-1-42)

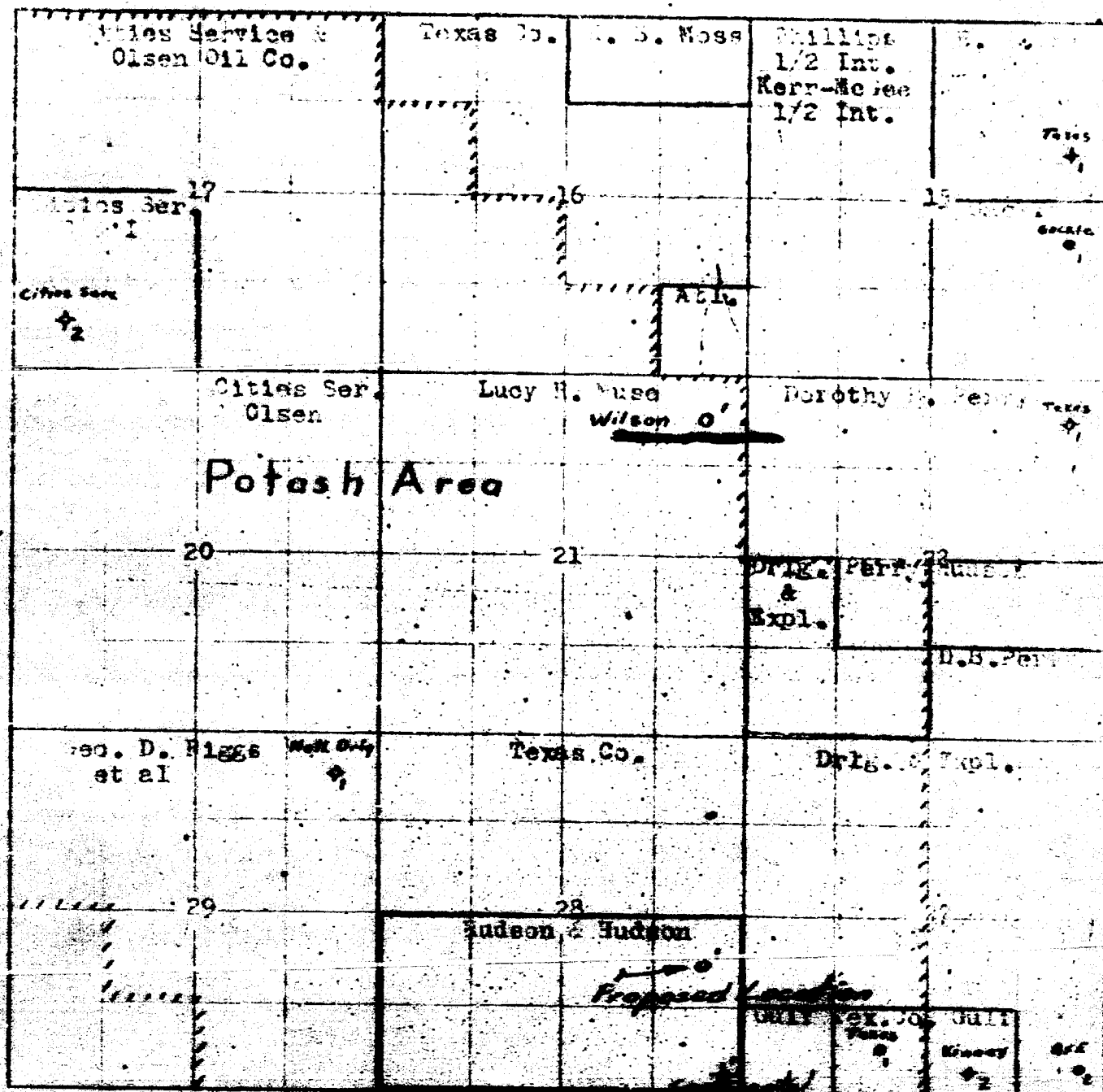
Scale 1 in. = 2400 ft. / NINE-SECTION PLAT

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Case 1249
ENROLL NO. A
1249

Case 1249

A

TOWNSHIP 20S RANGE 34E COUNTY 100 STATE New Mexico



POTASH OWNERSHIP

Oil Company of America holds Federal permits with lease on Sec. 15, 17, 20, 21, 22, 27, 29, and S/2 of Sec. 28. Oil Company of America holds State prospecting permit on North half Section 28. Potential land ownership unknown.

CASINO RECORD - 1205-1344, Los County

12. COMMISSION
12.12.12

5.1.1.1

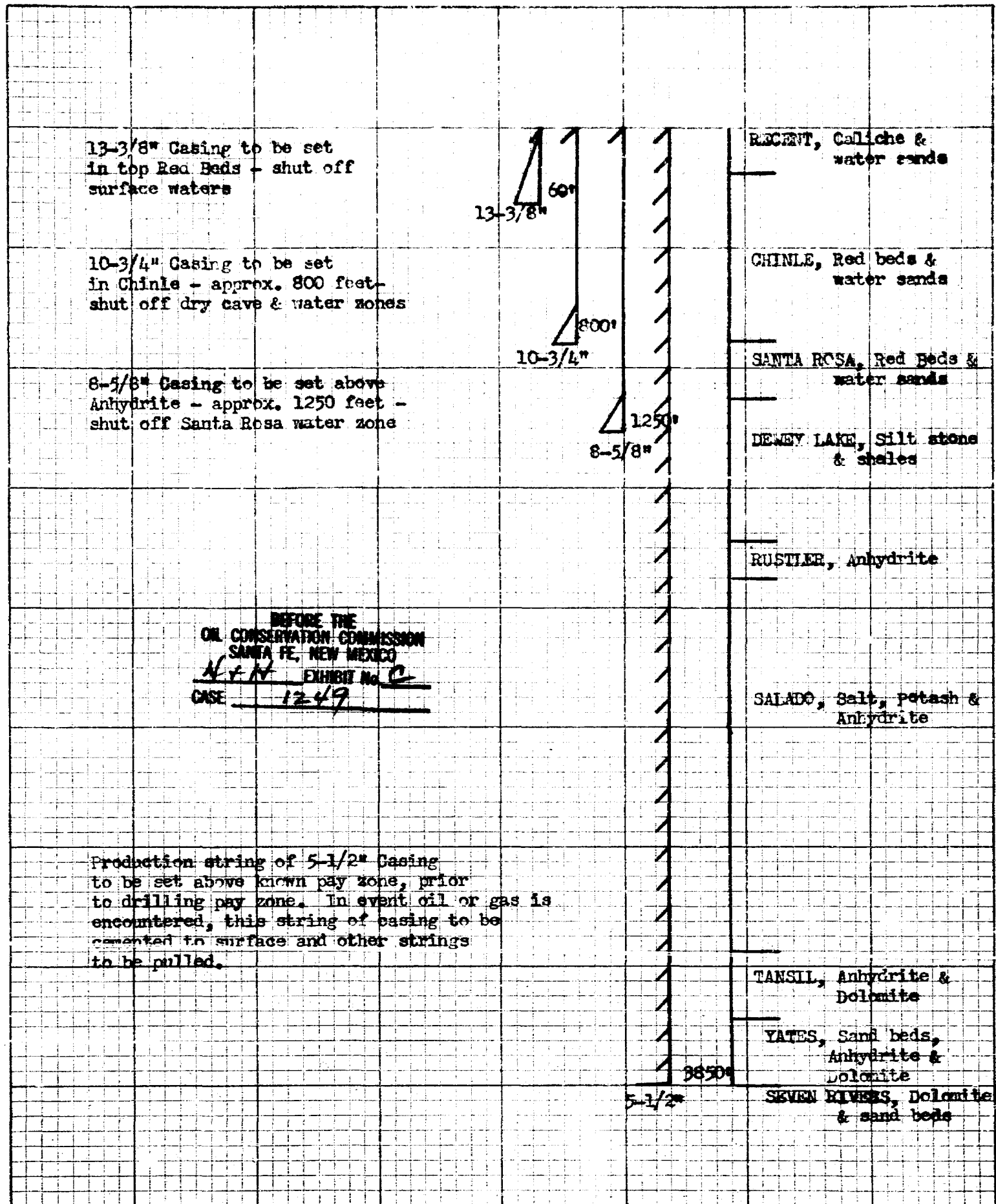
(Section)		Completion (Total)		(Casing)					
Date)		Depth)							
1.1.1.1	3	5-2-56	3759	13-3/8	125	508	10-3/4	747	508
2.1.1.1	4	10-6-57	4091	15-1/2	430	508	12-1/2	532	508
3.1.1.1	8	1-11-55	3909	15-1/2	304	508	10	775	508
4.1.1.1	9	12-4-56	4769	15	300	300	10-3/4	715	508
5.1.1.1	11	6-10-60	3061	15-1/2	440	500	10-3/4	1650	75
6.1.1.1	10	1-7-57	4145	8-5/8	375	501			
7.1.1.1	10	7-10-50	3400				10	1578	75
8.1.1.1	10	8-20-50	3007	15	401	500	6-5/8	1561	75
9.1.1.1	10	8-4-57	3905	15	300	500	6-5/8	1565	75
10.1.1.1	15	1-21-57	3900	8-5/8	300	500	5-1/2	2768	1500
11.1.1.1	17	3-3-50	3530	10	300	500	10	905	500
12.1.1.1	18	7-12-57	3012				10	805	500

The Texas Company
46 B. Lynch St.
The Texas Company
47 B. Lynch St.

35	8-1-92	3725	13-3-96	132	600	10-3-96	702	500	1-5-98	1311	500	5-1-98	2065	2700	52
36	10-10-92	2007	13	100	500	10-1-96	700	500	1-5-98	1312	500	5-1-98	2066	2700	53

DIAGRAM OF CASING PROGRAM - HUDSON AND HUDSON, INC.,
Proposed well # NE 1/4 SE 1/4
Sec. 28, T-20 S, R-34 E., Lea Co., N. Mex. CASE 1249

4-26-57 LL



POTASH COMPANY OF AMERICA

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



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

N+H EXHIBIT No. *D*
CASE *1249*

REPLY TO:

EXECUTIVE OFFICES
MINES AND REFINERY
CARLSBAD · NEW MEXICO

April 16, 1957

Hudson & Hudson, Inc.
1810 Electric Building
Ft. Worth, Texas

Re: Hudson & Hudson - Hover
Federal #1
NESE Sec. 28, T 20 S, R 34 E

Gentlemen:

A copy of your letter of April 10 to Mr. A. L. Porter and the New Mexico Oil Conservation Commission requesting a hearing for an exception to the casing program set forth in Rule R-111-A, relative to the above mentioned well, has been received.

Potash Company of America has no objections to your program as outlined, provided the order, when issued by the Oil Conservation Commission, contains the paragraphs quoted from Case No. 1215, Order No. R-968, dated March 22, 1957, listed below:

Findings - Nos. 5, 6 and 7
Ordered - Nos. 2, 3 and 4

Yours very truly,

D. E. Protz
Chief of Exploration

DEP. nina

4/26/57
@ 10:00 P. M.

MEMBER/AMERICAN POTASH INSTITUTE

Case No. 1215
Order No. R-968
March 22, 1957

FINDINGS:

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.

ORDERED:

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.
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.

SEP.