

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 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 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.

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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 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.

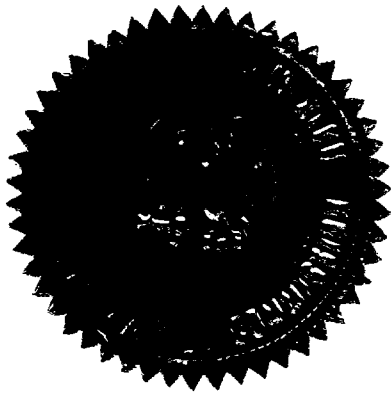
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Phil R. Lucero
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

jr/

Other _____