

CASE 1990: Application of HUBBON &
HUBBON for a northern location
on its PUCKETT "A" lease.

Case No.

1980

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION

P. O. BOX 671

SANTA FE, NEW MEXICO

June 10 1960

Mr. Edward Hudson, Jr.
1810 Electric Building
Fort Worth, Texas

Dear Sir:

We enclose herewith a copy of Order R-1693 in Case
1930 issued by the Oil Conservation Commission this
date.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of Order R-1693 sent to:

Oil Conservation Commission
Hobbs
Artesia

C
O
P
Y

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. 1980
Order No. R-1693

APPLICATION OF HUDSON AND HUDSON
FOR NINE UNORTHODOX OIL WELL
LOCATIONS IN THE MALJAMAR POOL,
LEA AND EDDY COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 1, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, 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 June, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDINGS:

(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, Hudson and Hudson, is the owner and operator of the Puckett "A" Lease in the Maljamar Pool comprising in part the following described acreage:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 13: SW/4 SE/4

Section 24: N/2 N/2, SE/4 NW/4, NE/4 SW/4
S/2 NE/4 and NE/4 SE/4

(3) That the applicant proposes to drill nine oil wells at unorthodox locations on the above-described Puckett "A" Lease, with the wells to be located in the 40-acre units hereinafter described and within 100 feet of the indicated corner thereof but not closer than 25 feet to any quarter-quarter section line:

SW corner of Unit O, Section 13
SE corner of Unit D, Section 24
NW corner of Unit C, Section 24
SW corner of Unit B, Section 24

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CASE No. 1980
Order No. R-1693

NW corner of Unit A, Section 24
SE corner of Unit F, Section 24
NE corner of Unit G, Section 24
NW corner of Unit K, Section 24
NW corner of Unit I, Section 24

all in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

(3) That inasmuch as the applicant eventually proposes to utilize the above-described wells for purposes of water injection, the casing and cementing program should be such that the wells will be able to adequately withstand any anticipated injection pressures.

(4) That so long as each 40-acre tract receives only one normal unit allowable for the said Maljamar Pool, notwithstanding the number of wells located thereon, approval of the subject application will neither cause waste nor impair correlative rights since the proposed unorthodox locations will not crowd any offset operator.

IT IS THEREFORE ORDERED:

(1) That the applicant be and the same is hereby authorized to drill nine unorthodox oil well locations in the Maljamar Pool, Lea and Eddy Counties, New Mexico, with the wells to be located in the 40-acre units hereinafter described and within 100 feet of the indicated corner thereof but not closer than 25 feet to any quarter-quarter section line:

SW corner of Unit O, Section 13
SE corner of Unit D, Section 24
NW corner of Unit C, Section 24
SW corner of Unit B, Section 24
NW corner of Unit A, Section 24
SE corner of Unit F, Section 24
NE corner of Unit G, Section 24
NW corner of Unit K, Section 24
NW corner of Unit I, Section 24

all in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

(2) That each of the 40-acre units on which more than one well is located shall be assigned only a normal unit allowable for a 40-acre oil proration unit in the Maljamar Pool which may be produced from the two wells in any proportion.

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CASE No. 1980
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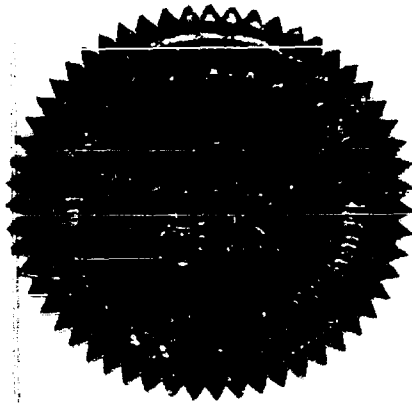
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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



esx/

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 6-2-60

CASE 1980 Hearing Date 6-1-60

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

1. Grant. Hudson and Hudson request for nine northdax locations as follows:

175-31E

Sec: 13, SW corner unit O,

" 24, SW NW "	" A
NW SW "	" B
NW "	" C
SE "	" D
SE "	" F
NE "	" G
NW "	" I
NW "	" H

such wells shall be drilled not closer than 25 ft. from any $\frac{1}{4}$ section subdivision line.

2. Applicant proposes to convert the wells to waterflood injection wells at some later date and should therefore show at that time that the casing & cementing program is adequate to withstand the injection pressures at that time.

[Signature]

1960 1980
Artesia, New Mexico
May 6, 1960

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

Attn: Mr. A. L. Porter, Jr., Sec'y. - Director

Dear Sir:

On April 12, 1960, William A. and Edward R. Hudson made application for exceptions to Rule 104(c), in order to permit the drilling of several five-spot locations on their Puckett "A" lease in the Maljamar Field, Eddy County, New Mexico. This letter will supplement their application by specifically designating the 40-acre tracts on which they propose to drill a second well. It is requested that approval be given for the drilling of said five-spot locations within 100 feet of the corners of the 40-acre tracts as designated and shown on the attached map.

Location of wells to be drilled are as follows:

- (a) Southwest corner - SW/4 of the SE/4
Section 13-17S-31E.
- (b) Southeast corner - NW/4 of the NW/4
Section 24-17S-31E.
- (c) Northwest corner - NE/4 of the NW/4
Section 24-17S-31E.
- (d) Southwest corner - NW/4 of the NE/4
Section 24-17S-31E.
- (e) Northwest corner - NE/4 of the NE/4
Section 24-17S-31E.
- (f) Southeast corner - SE/4 of the NW/4
Section 24-17S-31E.
- (g) Northeast corner - SW/4 of the NE/4
Section 24-17S-31E.
- (h) Northwest corner - NE/4 of the SW/4
Section 24-17S-31E.
- (i) Northwest corner - NE/4 of the SE/4
Section 24-17S-31E.

Respectfully submitted,

William A. & Edward R. Hudson

By:

Ralph L. Gray
Consulting Engineer

Goethe
Mailed
5-19-60
RG:jd

No. 15-60

DOCKET: EXAMINER HEARING JUNE 1, 1960

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, N.M.
The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, Attorney, as alternate Examiner:

CASE 1970: Application of Gulf Oil Corporation for approval of a gas-oil dual completion. Applicant, in the above-styled cause, seeks permission to dually complete its Lea-State "AQ" Well No. 8, located in Unit E of Section 32, Township 19 South, Range 35 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the East Pearl-Seven Rivers Gas Pool and the production of oil from the Pearl Queen Pool through the casing-tubing annulus and 2-3/8 inch tubing respectively, utilizing a retrievable type packer to separate the two producing horizons.

CASE 1971: Application of Gulf Oil Corporation for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the Blinebry oil production with the Tubb gas condensate from all wells presently completed or hereafter drilled on its Evelyn Lineberry lease, consisting of the N/2 SW/4 of Section 29, Township 22 South, Range 38 East, Lea County, New Mexico, after separately metering the Blinebry oil production.

CASE 1972: Application of Gulf Oil Corporation for permission to commingle the production from several separate pools. Applicant, in the above-styled cause, seeks permission to commingle the Blinebry oil production with the Blinebry gas condensate and Tubb gas condensate from all wells on its T. R. Andrews lease comprising the E/2 of Section 32, Township 22 South, Range 38 East, Lea County, New Mexico, after separately metering the Blinebry oil production.

ASE 1973: Application of Graridge Corporation for approval of the unorthodox locations of three water injection wells. Applicant, in the above-styled cause, seeks approval of an unorthodox location for three water injection wells to be located in the SE/4 NE/4 of Section 28, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico.

Docket No. 15-60

CASE 1974:

Application of C. T. Robertson for an order authorizing a water flood project. Applicant, in the above-styled cause, seeks an order authorizing him to institute a water flood project in the Coyote-Queen Pool, Chaves County, New Mexico, by the injection of water into the Queen formation through six wells located in Sections 11 and 14, Township 11 South, Range 27 East.

CASE 1975:

Application of Amerada Petroleum Corporation for approval of, an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State LM "T" Well No. 5, located in Unit A, Section 36, Township 23 South, Range 36 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Jalmat Gas Pool and the production of oil from the Langlie-Mattix Pool through parallel strings of 1-inch tubing and 2-3/8 inch tubing respectively, utilizing a retrievable type packer to separate the two producing horizons.

CASE 1976:

Application of Caulkins Oil Company for approval of a gas-gas dual completion and for the establishment of a non-standard gas unit. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Reuter FC-297 well in such a manner as to permit the production of gas from the South Blanco-Pictured Cliffs Gas Pool and the production of gas from the Dakota Producing Interval through parallel strings of 1 1/4-inch and 2 3/8 inch tubing respectively. Applicant further seeks an order establishing a non-standard gas unit to be dedicated to the subject well in the Dakota Producing Interval consisting of the SW/4 of Section 15 and the NW/4 of Section 22, Township 26 North, Range 6 West, Rio Arriba County, New Mexico.

CASE 1977:

Application of Hondo Oil & Gas Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Empire-Abo Pool from all wells presently completed or hereafter drilled on the Hondo-Western-Yates State 647 lease, which consists of acreage in Sections 25, 26, 34, 35, and 36, all in Township 17 South, Range 28 East, Eddy County, New Mexico.

CASE 1978: Application of Shell Oil Company for an order authorizing two salt water disposal wells. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through its State ETA Well No. 1, located in the NE/4 NE/4 of Section 8, Township 16 South, Range 35 East, Lea County, New Mexico, with the injection to be in the Wolfcamp formation in the interval from 10,365 feet to 10,463 feet. Applicant further seeks an order authorizing the disposal of produced salt water through its State EDA Well No. 2, located in the SW/4 SW/4 of Section 7, Township 16 South, Range 35 East, Lea County, New Mexico, with injection to be in the Wolfcamp formation in the interval from 10,712 feet to 10,734 feet.

CASE 1979: Application of The Atlantic Refining Company for an order authorizing a water injection project in the Horseshoe-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the injection of water, for purposes of pressure maintenance and/or secondary recovery, into the Horseshoe-Gallup Oil Pool through 15 wells located in Sections 19, 20, 29, 30 and 31, Township 31 North, Range 16 West, San Juan County, New Mexico. Applicant further requests that special rules and regulations be promulgated governing the operation of this water injection project including the assignment of a project allowable.

CASE 1980: Application of Hudson and Hudson for nine unorthodox locations. Applicant, in the above-styled cause, seeks an order authorizing the drilling of wells at nine 5-spot locations on its Puckett "A" Lease, Maljamar Pool, Lea and Eddy Counties, New Mexico, said wells to be located in the 40-acre units hereinafter described, and within 100 feet of the indicated corner thereof.

SW Corner Unit O, Section 13, and the following wells in Section 24:

SE Corner Unit D; SE Corner Unit F;

NW Corner Unit C; NE Corner Unit G;

SW Corner Unit B; NW Corner Unit K;

NW Corner Unit A; NW Corner Unit I;

all in Township 17 South, Range 31 East, Eddy County.

- CASE 1981: Application of El Paso Natural Gas Company for an order amending the special pool rules for the Blanco-Mesaverde Gas Pool. Applicant, in the above-styled cause, seeks an order amending the special pool rules for the Blanco-Mesaverde Gas Pool, Rio Arriba and San Juan Counties, New Mexico, to authorize district supervisors to approve "slim hole" completions in the Blanco-Mesaverde Gas Pool, regardless of depth.
- CASE 1982: Application of Otto Reynolds for an unorthodox oil well location. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for his Wood Well No. 1, located 330 feet from the South line and 1629 feet from the West line of Section 14, Township 29 North, Range 11 West, San Juan County, New Mexico.
- CASE 1983: Application of Ralph Lowe for permission to commingle the production from several separate leases. Applicant, in the above-styled cause, seeks permission to commingle the production from an undesignated Delaware pool from several separate leases comprising the N/2 NW/4 of Section 17 and the E/2 NE/4 and the E/2 NW/4 of Section 18, Township 25 South, Range 30 East, Eddy County, New Mexico.
- CASE 1984: Application of Mountain States Petroleum Corporation for an unorthodox gas well location and for a 183-acre non-standard gas unit. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for a well to be drilled 1050 feet from the North line and 750 feet from the West line of partial Section 31, Township 26 North, Range 2 West, Rio Arriba County, New Mexico. Applicant further seeks the establishment of a 183-acre non-standard gas unit in the Pine Lakes-Pictured Cliffs Gas Pool consisting of all of said partial Section 31 to be dedicated to the subject well.
- CASE 1985: Application of Charles Loveless, Jr. for a 280-acre non-standard gas unit. Applicant, in the above-styled cause, seeks the establishment of a 280-acre non-standard gas unit in the Atoka-Pennsylvanian Gas Pool consisting of the NE/4 NE/4, W/2 NE/4, NW/4 of Section 11, Township 18 South, Range 26 East, or in the alternative to force pool all mineral interest owners in the SE/4 NE/4 of said Section 11 in the Atoka-Pennsylvanian Gas Pool with the interests of those in the above-described non-standard unit in said pool. Said unit is to be dedicated to a well to be drilled 1650 feet from the North and West lines of said Section 11, Township 18 South, Range 26 East, Eddy County, New Mexico.

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Docket No. 15-60

CASE 1996:

Application of J. M. Welch for a gas-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of his Etz Well No. 3, located in the NE/4 SE/4 of Section 13, Township 16 South, Range 30 East, Eddy County, New Mexico, in such a manner as to produce gas from the Penrose sand of the Queen formation and to produce oil from the Lovington sand of the San Andres formation in the Henshaw (San Andres) Pool, through the casing-tubing annulus and 2-inch tubing respectively, utilizing a retrievable type packer to separate the two producing horizons.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE

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APPLICATION OF WILLIAM A. HUDSON AND
EDWARD R. HUDSON, FOR EXCEPTIONS TO
RULE 104 (c), in the MALJAMAR FIELD
EDDY COUNTY, NEW MEXICO.

APPLICANTS are WILLIAM A. HUDSON and EDWARD R. HUDSON,
1810 Electric Building, Fort Worth, Texas, Operators of Oil
and Gas Lease LC-029415(a) covering:

Township 17 South, Range 31 East, N. M. P. M.

Section 13: The S/2 of the S/2
Section 24: The N/2, and the N/2 of the S/2

in Eddy County, New Mexico; and

Oil and Gas Lease LC-029415(b), covering:

Township 17 South, Range 31 East, N. M. P. M.

Section 12: All
Section 13: The N/2 and the N/2 of the S/2
Section 24: The S/2 of the S/2
Section 25: All

in Eddy County, New Mexico,

all as shown on the enclosed Plat of said Oil and Gas Leases.

That the discovery well on the "A" Lease described above
was completed in February, 1936, and said lease is now fully
developed with sixteen (16) producing wells.

That all but two of these wells have been producing in
excess of ten (10) years and some of the older wells in ex-
cess of twenty (20) years. That said wells are now approach-
ing their economic producing limits.

That it is the desire of the Operators, in preparation for eventually waterflooding said "A" Lease, to drill five spot locations, each well to be drilled within one hundred (100) feet of a five spot location the center of which would be the common corner for each tract assigned to four of said producing wells, but shall be included in one of the forty-acre tracts assigned to a presently producing well.

That said wells will be drilled with either rotary or cable tools and $4\frac{1}{2}$ " casing cemented through all of the producing zones in the Maljamar Field, down to and including the ninth zone. The casing will be selectively perforated in said zones.

The Continental Oil Company, owners of the Leases offsetting this property to the east, have accepted notice of this Application and have no objection to the granting of the exceptions requested herein.

The Skelly Oil Company, owners of the Leases to the west offsetting this property, have accepted notice of this Application and have no objection to the granting of the exceptions requested herein.

WHEREFORE, the Applicants pray that after due consideration, the Commission grant an exception to Rule 104 (c) to drill said five spot locations in accordance with the above, and that each well so drilled be assigned to the forty-acre tract upon which a presently producing well is

now located.

Respectfully submitted,

WILLIAM A. HUDSON and
EDWARD R. HUDSON

By: Edward R. Hudson
Joint Operator and Attorney

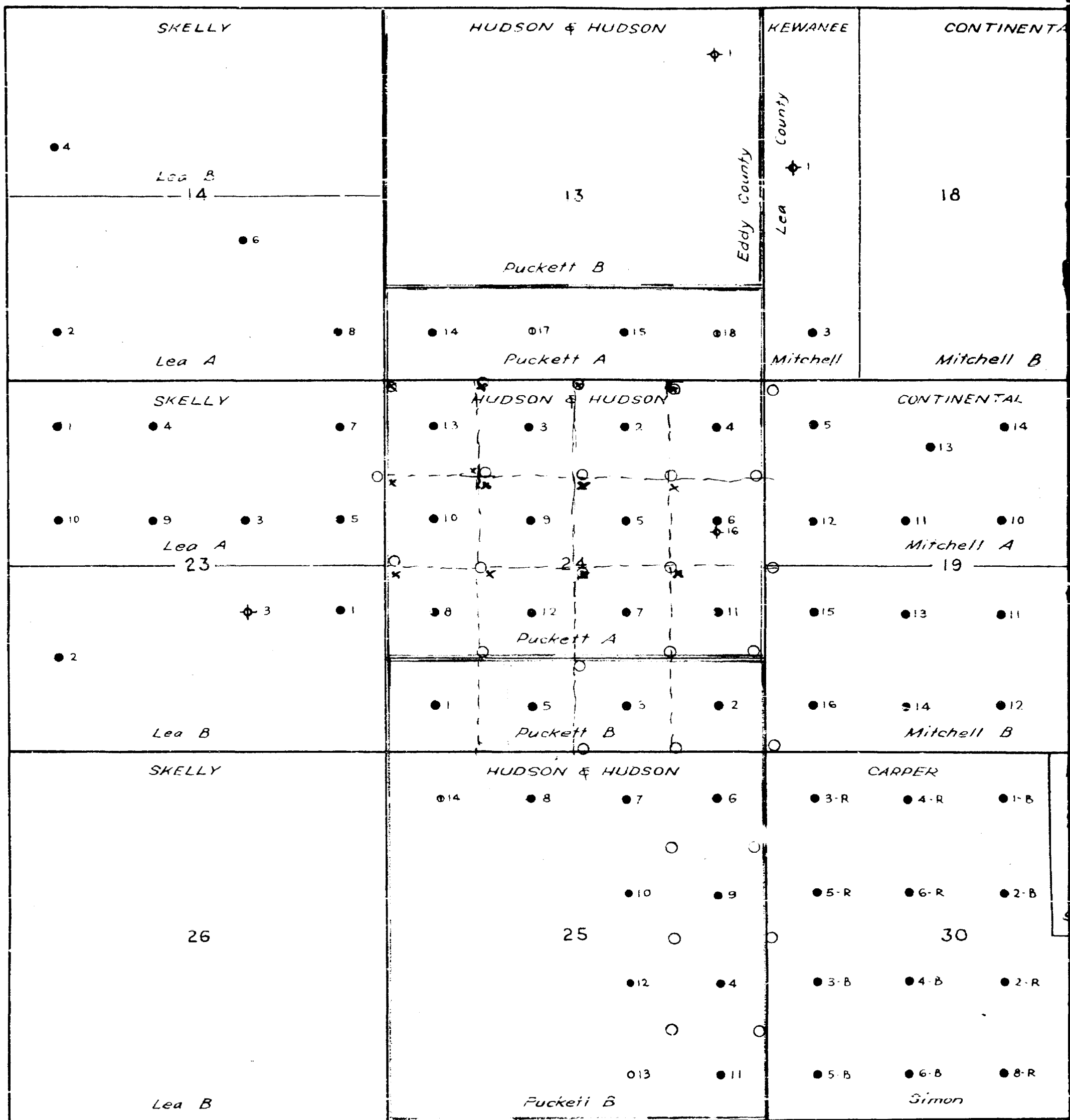
Edward R. Hudson
Attorney

(ERHJR)

Dated at Fort Worth, Texas,
this 12th day of April, 1960.

R 31 E

R 32 E



PORTION OF

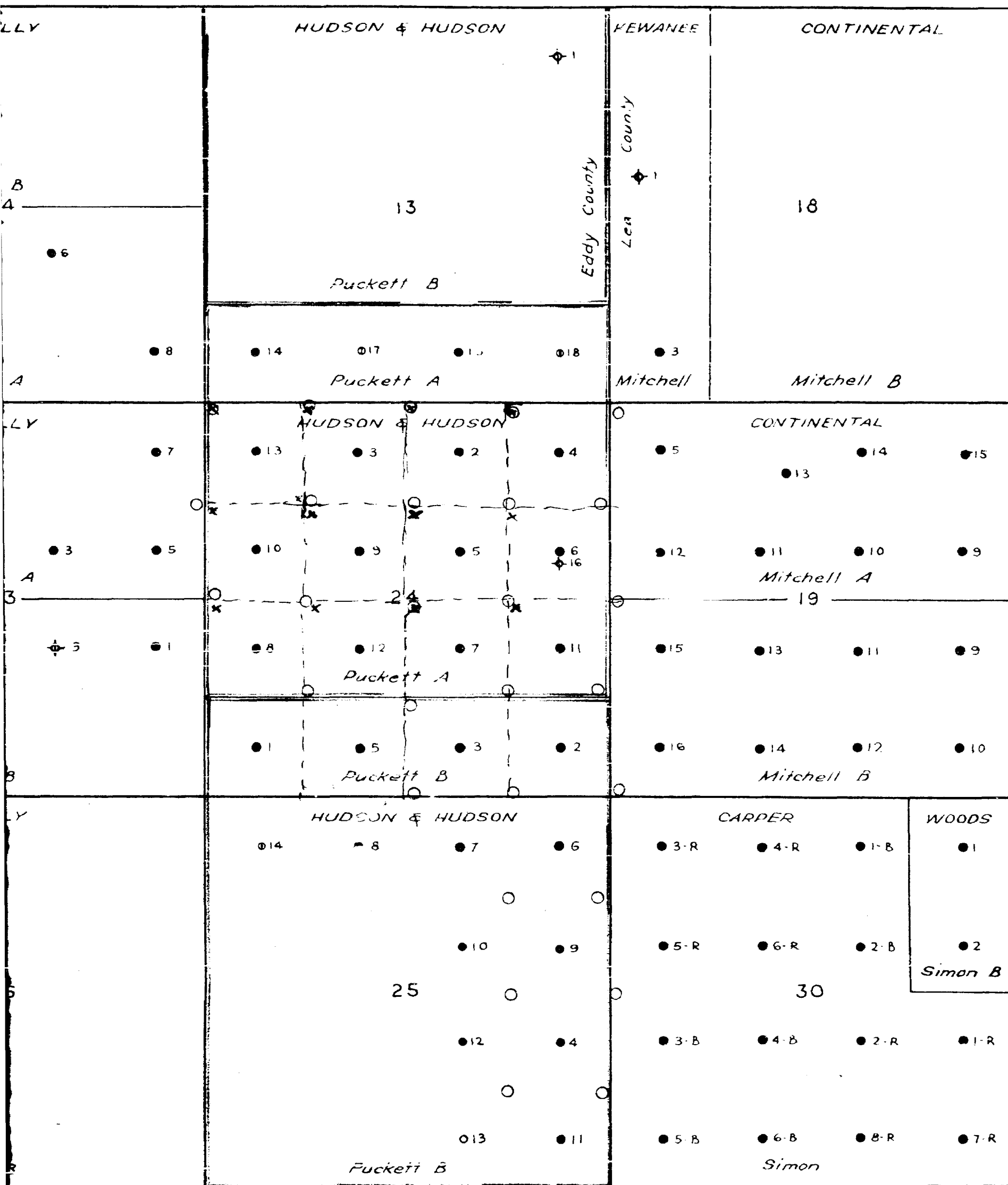
MALJAMAR FIELD

Lea & Eddy Co., N. Mex.

Scale: 4" = 1 mile

R 31 E

R 32 E



- FIRST STAGE FLOOD
- ◐ SECOND STAGE FLOOD
- THIRD STAGE FLOOD

PORTION OF

MALJAMAR FIELD

Lea & Eddy Co., N. Mex.

Scale: 1" = 1 mile

Hudson & Hudson
Electric Building

April 1960

William A. Hudson
Edward R. Hudson

Fort Worth, Texas

April 28th, 1960

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

Gentlemen:

We are enclosing an Application for the internal five-spotting of our Puckett "A" lease, in the Maljamar Field, Eddy County, New Mexico, the original and two copies.

The Continental Oil Company, on April 19th, 1960, forwarded to you a waiver of notice and hearing on the enclosed Application. and the Skelly Oil Company will forward to you a similar waiver.

If a hearing is necessary on this Application, will you kindly set it at an early date, so that we may get started on this program.

Very truly yours,

Edward R. Hudson

ERH:jbm
Encls

EDWARD R. HUDSON, FOR
WILLIAM A. & EDWARD R. HUDSON

Via Certified Mail
Return Receipt Requested

Rocky
Marked
5-1-60

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 1, 1960

EXAMINER HEARING

IN THE MATTER OF:

Application of Hudson and Hudson for nine unorthodox locations. Applicant, in the above-styled cause, seeks an order authorizing the drilling of wells at nine 5-spot locations on its Puckett "A" Lease, Maljamar Pool, Lea and Eddy Counties, New Mexico, said wells to be located in the 40-acre units hereinafter described and within 100 feet of the indicated corner thereof.

Case
1980

SW Corner Unit 0, Section 13, and the following wells in Section 24:
SE Corner Unit D;
NW Corner Unit C;
SW Corner Unit B;
NW Corner Unit A;
SE Corner Unit F;
NE Corner Unit G;
NW Corner Unit K;
NW Corner Unit I;
all in Township 17 South, Range 31 East, Eddy County.

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 1980.

MR. PAYNE: Application of Hudson and Hudson for nine unorthodox locations.

MR. HUDSON: Edward Hudson, Fort Worth, representing Hudson and Hudson. You had better put Jr. on there.

(Witness sworn.)

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



MR. PAYNE: Incidentally, Hudson and Hudson is not a corporation, Mr. Hudson, is it?

MR. HUDSON: It is not.

RALPH L. GRAY

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. HUDSON:

Q State your name, where you live, and your profession.

A Ralph L. Gray, Artesia, New Mexico; petroleum engineer.

Q Have you appeared before this Commission in the past?

A Yes, I have.

MR. HUDSON: Will you all accept his qualifications?

MR. UTZ: Yes, sir.

Q (By Mr. Hudson) In what capacity do you serve at Hudson?

A I am a consulting petroleum engineer and supervise drilling and producing operations.

Q What experience have you had in the Maljamar field?

A I have had approximately one year's experience in drilling and producing operations in a large part of the Maljamar field.

Q Have you prepared a map of this area showing ownership and wells within the area concerned?

A Yes, I have.

MR. HUDSON: We would like to offer this as Exhibit 1.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



(Applicant's Exhibit 1 marked for identification.)

Q Would you explain this map, stating what the Hudsons propose to do?

A This is a map showing the Hudson and Hudson Puckett "A" and Puckett "B" leases and the present wells thereon, and also the offsetting leases and wells. This map also shows the proposed 5-spot locations which are indicated by the red circles on this map. Also, the map indicates the boundaries of the 40-acre production units on which these wells would be located.

Q Did you prepare this map yourself?

A Yes, I did.

Q How far will the proposed wells be drilled from the closest lease line?

A These 5-spots will be drilled within 100 feet of the corners of the regular 40-acre tracts, and the closest distance from any of these wells to a lease line will be approximately 1220 feet.

Q Who owns the north and south offsetting?

A Hudson and Hudson.

Q Who owns the east and west offsetting?

A Skelly Oil Company owns the west offsetting acreage, and Continental Oil Company owns the east offsetting acreage.

Q Have Skelly and Continental been notified of this proceeding?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



A Yes, they have.

Q I believe you have two letters.

MR. PAYNE: Yes, we have letters from Skelly.

MR. HUDSON: May we have them marked and made a part of the record, sir?

MR. PAYNE: All right, sir.

Q (By Mr. Hudson) Will you state exactly why it is desirable to drill these 5-spots?

A Two reasons; first, we have evidence that the present spacing may not be adequately draining the property, and the drilling of 5-spot locations will permit a more efficient drainage of the oil in place. Secondly, a report has been prepared on waterflooding this property, and it has been determined that a 5-spot spacing program would be more efficient for waterflooding program, so the drilling of these 5-spots will fit into a waterflood program.

Q Would you state how these 5-spots will be used?

A At the present time these wells will be completed as producing wells. They will be produced with the other wells on the lease, and later, at such time as a waterflood project is installed, they may be converted for input purposes.

Q At what rate is it planned to produce these 5-spot locations?

A These wells will be produced in such a manner that the production from any 40-acre proration unit will not exceed the State's top allowable.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

Q Have you prepared a typical well log of the wells in this area?

A Yes, I have.

Q May we offer this as our Exhibit No. 4. Will you explain this?

A Exhibit 4 is a typical log showing the zones that are encountered in this field, and the method in which these wells will be completed. The diagram is marked "water input well" but it also is typical of the completion of a producing well. They are identical. You will note that production is being obtained from the Grayberg and San Andres formations, and that there are possibly five zones which will contribute to production. These are numbered from five through nine on this diagram. Also, the diagram shows that the casing will be set close to bottom, and will be perforated opposite the producing zones.

Q Will you explain how these wells will be completed?

A They will be completed by perforating the casing and fracturing each zone separately.

Q Do you feel that the drilling of these 5-spot locations will be in the interest of conservation and prevention of waste?

A Yes. We feel that drilling of these 5-spots will result in a more efficient recovery of the oil in place, and in so doing, it will prevent waste.

MR. HUDSON: I would like to offer these Exhibits 1



through 4, and ask that they may be a part of the record.

MR. UTZ: Without objection, Exhibits 1 through 4 will be accepted into the record.

MR. HUDSON: I have no further questions.

CROSS EXAMINATION

BY MR. PAYNE:

Q Each of these wells is going to be drilled within a hundred feet of the corner; is that correct?

A That's right. We requested some flexibility because in certain areas there are surface facilities that will interfere in some cases with a location, so with that flexibility they could be drilled within 100 feet of the corner there on all of those.

Q You are willing to not drill closer than five feet of the corner, so that we can be absolutely sure of which proration units the wells are located on?

A I might state, the closest to a corner we had in mind was 25 feet.

Q And you are aware that the two wells together will be able to produce only a 40-acre allowable?

A That's right; yes, sir.

MR. PAYNE: Thank you.

BY MR. UTZ:

Q Mr. Gray, I don't know whether you said or not; what is your cementing program on this 4-1/2 inch you intend to set through?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE 24 3-6691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6891

ALBUQUERQUE, NEW MEXICO

A Usually enough cement is used to come up to about the base of the salt, which in this area would be 3000 feet.

Q Do you intend to use these, is there a possibility of using these wells as water injection wells later on?

A That is a possibility; yes, sir.

Q Will this be new pipe?

A Yes.

Q And how about the surface casings?

A Our program followed in the shallow strings calls for the setting of string, usually 8-5/8 inch, at approximately 550 feet, and that is usually cemented with about 200 sacks of cement.

Q It is not circulated?

A No, it isn't.

Q Could it be?

A Yes, it is possible to circulate enough to come to the surface.

Q Is this in the clear water basin, do you know?

MR. HUDSON: Are you familiar with the surface waters in the area? Are there any surface waters?

A There are no surface waters in this area.

MR. HUDSON: I mean, shallow or subsurface?

A There are some brackish waters in the Santa Rosa formation, a small amount; that is why the 8-5/8 casing is set down to that depth.



MR. HUDSON: There is no fresh water?

A No fresh shallow water.

Q (By Mr. Utz) What did you say, 200 sacks?

A Usually 200; from 100 to 200 depending on size pipe and size hole.

Q 8-5/8; how high will the cement come on the 200 sacks?

A We don't run temperature surveys to see just where the cement comes to. I don't really know just exactly how far that would come, offhand. You see, the purpose of the 8-5/8 casing is to shut off the small amount of brackish water that is encountered in the Santa Rosa formation at about 500 feet. These are cable-tool holes, by the way, and there is no water zone above that. So really, the only requirement is to have enough cement to adequately shut off the Santa Rosa water at about 500 feet.

Q What type of water would you use for injection in the event you made injection wells out of these wells?

A Well, of course, that is getting into a waterflood program, and we have made some preliminary studies, but we are actually not to the point where we have actually worked the complete program out. I will say, however, that there are a number of water facilities available for use, and mostly fresh water from the Cap. There are companies that are in the business of selling that water for waterflooding, and that water could be used for this project in the event that it should be started.



MR. HUDSON: Does Hudson and Hudson have any water leases available in the water basin that could be used in the event this other water wasn't available?

A Yes; Hudson and Hudson do have water leases on the Cap Rock, and have been granted appropriation for water in the event that would be used.

MR. UTZ: Any other questions of the witness? If not, the witness may be excused.

Any other statements in this case? Case will be taken under advisement.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-5691

ALBUQUERQUE, NEW MEXICO



STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

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

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 10th day of June, 1960.

June Paige
Notary Public-Court Reporter

My commission expires:
May 13, 1964

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1980, heard by me on June 1, 1960.
John H. H. Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION

EXHIBIT NO. 2

CASE NO. 1-2



CONTINENTAL OIL COMPANY

FAIR BUILDING
FT. WORTH 2, TEXAS

H. L. JOHNSTON
REGIONAL MANAGER OF PRODUCTION
SOUTHWESTERN REGION

April 19, 1960

*Conditional
waiver
See Hudson
application
Case 1850*

New Mexico Oil Conservation Commission
107 Mabry Hall, Capitol Building
Santa Fe, New Mexico

Gentlemen:

Continental Oil Company has been notified of the application of William A. Hudson and Edward R. Hudson for exception to Rule 104 (c) with regard to future locations on their Puckett "A" Lease covering S/2 S/2 Section 13 and N/2 and N/2 S/2 Section 24, T-17-S, R-31-E N.M.P.M., Eddy County, Maljamar Field, New Mexico. It is understood that the applicants desire to drill additional wells at locations within one hundred (100) feet of the centers of common corners of existing forty acre proration units but said new locations shall be within one of the forty acre tracts assigned to a presently producing well and that a single normal forty acre unit allowable will be divided among the wells on any single forty acre proration unit.

You are respectfully advised that Continental Oil Company hereby waives notice and hearing on the application described above, providing the wells to be drilled are

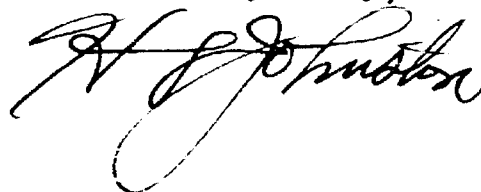
*Puckett
Applied
5-14-60*

PIONEERING IN PETROLEUM PROGRESS SINCE 1875

7
New Mexico Oil Conservation Commission
Page 2

located within one hundred (100) feet of the centers of
common corners of standard forty acre proration units, are
at least six hundred and sixty (660) feet from any lease line,
and are completed within the vertical limits of the Maljamar
Pool.

Yours very truly,

A handwritten signature in cursive script, appearing to read "W. J. Johnston", written in dark ink.

HLJ-SL

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

We have received a copy of the Application of William A. & Edward R. Hudson, dated April 12th, 1960, for exceptions to Rule 104(c) in the Maljamar Field, Eddy County, New Mexico, covering their Oil and Gas Lease LC-029415(a), and waive notice and hearing on the Application described above, and have no objection to the granting of the exceptions requested therein.

Very truly yours,

SKELLY OIL COMPANY

By

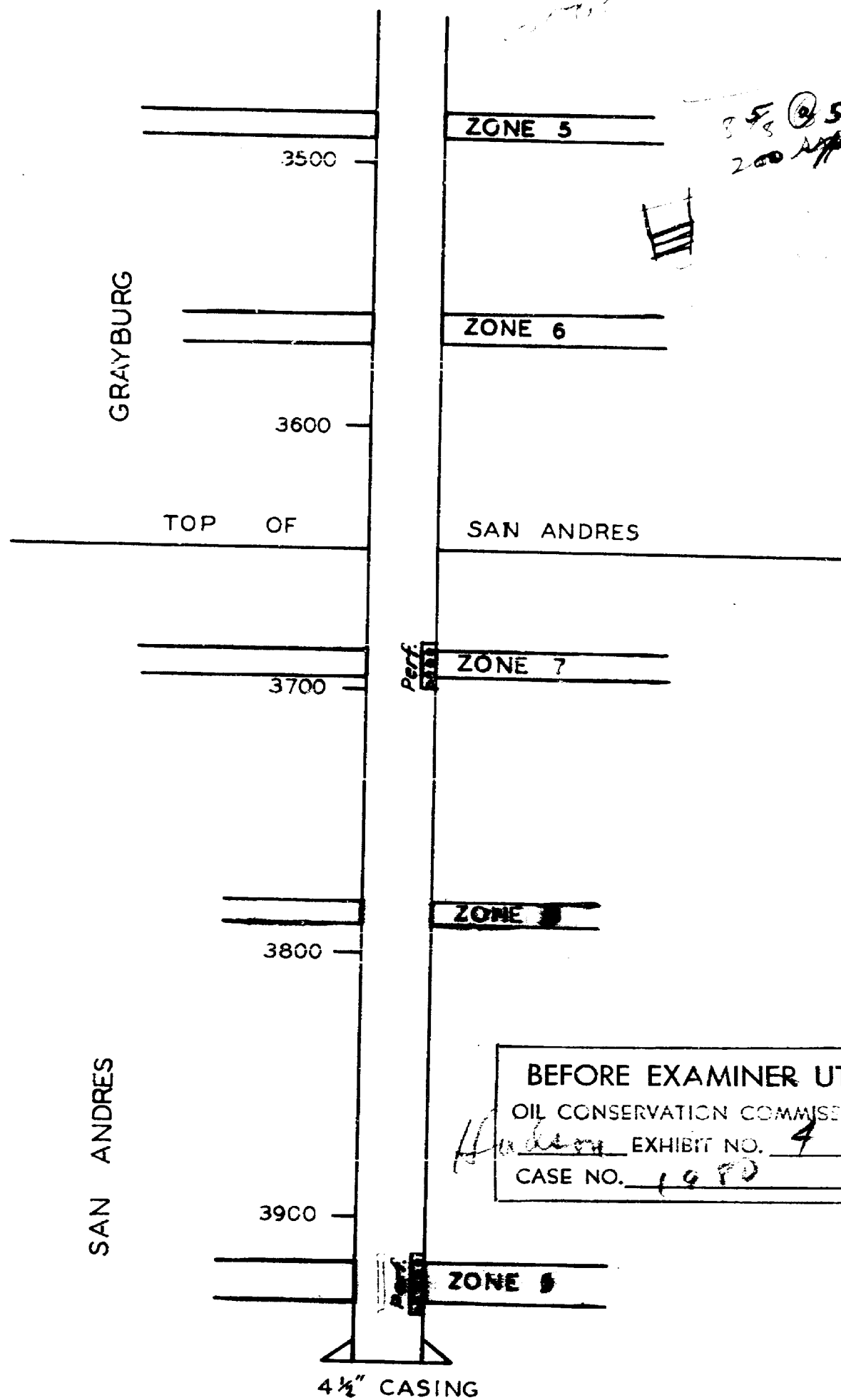
Gary W. Seuniger

May 2, 1960

*Rechecked
mailed
5-19-60*

EXAMINER	3
EXHIBIT	3
CASE	1960

TYPICAL LOG



35 @ 550
200

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 4
CASE NO. 1980

WATER INPUT WELL