

CASE 3087: Application of WILLIAM
A. & EDWARD R. HUDSON for an
unorthodox location, Eddy County.

Memo

From
D. S. NUTTER
CHIEF ENGINEER

To application of William
A. and Edward R. Hudson
for an unorthodox location
Eddy Co. N. Mex.

Apprs. in the above-styled case
ask authority to drill their
Pickett "A" Well no 26 @
an unorthodox location
1295' from the north & west
lines of Sec 24, T17S, R31E
Eddy Co New Mex. Said well
would be projected to the
Paddock formation @ approx
5400 feet.

CASE NO.

3087

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

DRAFT

JMD/esr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CF Subj. _____

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3087

Order No. R- 2753

APPLICATION OF WILLIAM A. AND
EDWARD R. HUDSON FOR AN UNORTHO-
DOX LOCATION, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
July 22, 1964, at Santa Fe, New Mexico, before Examiner
Daniel S. Nutter.

NOW, on this _____ day of Aug, 1964, 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 applicants, William A. and Edward R. Hudson,
seek authority to complete their Puckett "A" Well No. 26 ~~to the~~
~~Paddock formation~~ ^{in the Paddock formation} at an unorthodox location, 1295 feet from the
North line and 1295 feet from the West line of Section 24, Town-
ship 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

(3) That Order No R-1693 authorized the drilling of the
subject well at an unorthodox location in the Maljamar Pool; that the
applicant proposes to deepen the subject well to test the Paddock
formation; and that the applicant proposes to plug back and utilize
the subject well as an injection well if the Paddock formation
is non-productive.

(4) That approval of the subject application will prevent the drilling of unnecessary wells and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicants, William A. and Edward R. Hudson, are hereby authorized to complete their Puckett "A" Well No. 26 *in the Paddock formation* ~~to the Paddock formation~~ at an unorthodox location, 1295 feet from the North line and 1295 feet from the West line of Section 24, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

MAIN OFFICE OCC

BEFORE THE OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
WILLIAM A. HUDSON AND EDWARD R. HUDSON
FOR APPROVAL OF AN UNORTHODOX LOCATION
FOR THEIR PUCKETT A-26 WELL, EDDY COUNTY,
NEW MEXICO.

Case No. 3087

A P P L I C A T I O N

Come now William A. Hudson and Edward R. Hudson and apply to the Oil Conservation Commission of New Mexico for approval of an unorthodox location for their Puckett "A" No. 26 well for production from the Paddock formation, and in support thereof would show the Commission:

That applicants propose to locate their "A" No. 26 well 1295 feet from the North line and 1295 feet from the West line of Section 24, Township 17 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.

The location of the "A" No. 26 well was approved for production from the Maljamar formation, or for water injection, or both. Applicant now proposes to deepen the well to test the Paddock formation at approximately 5,400 feet, and said location would be unorthodox for production from the Paddock formation.

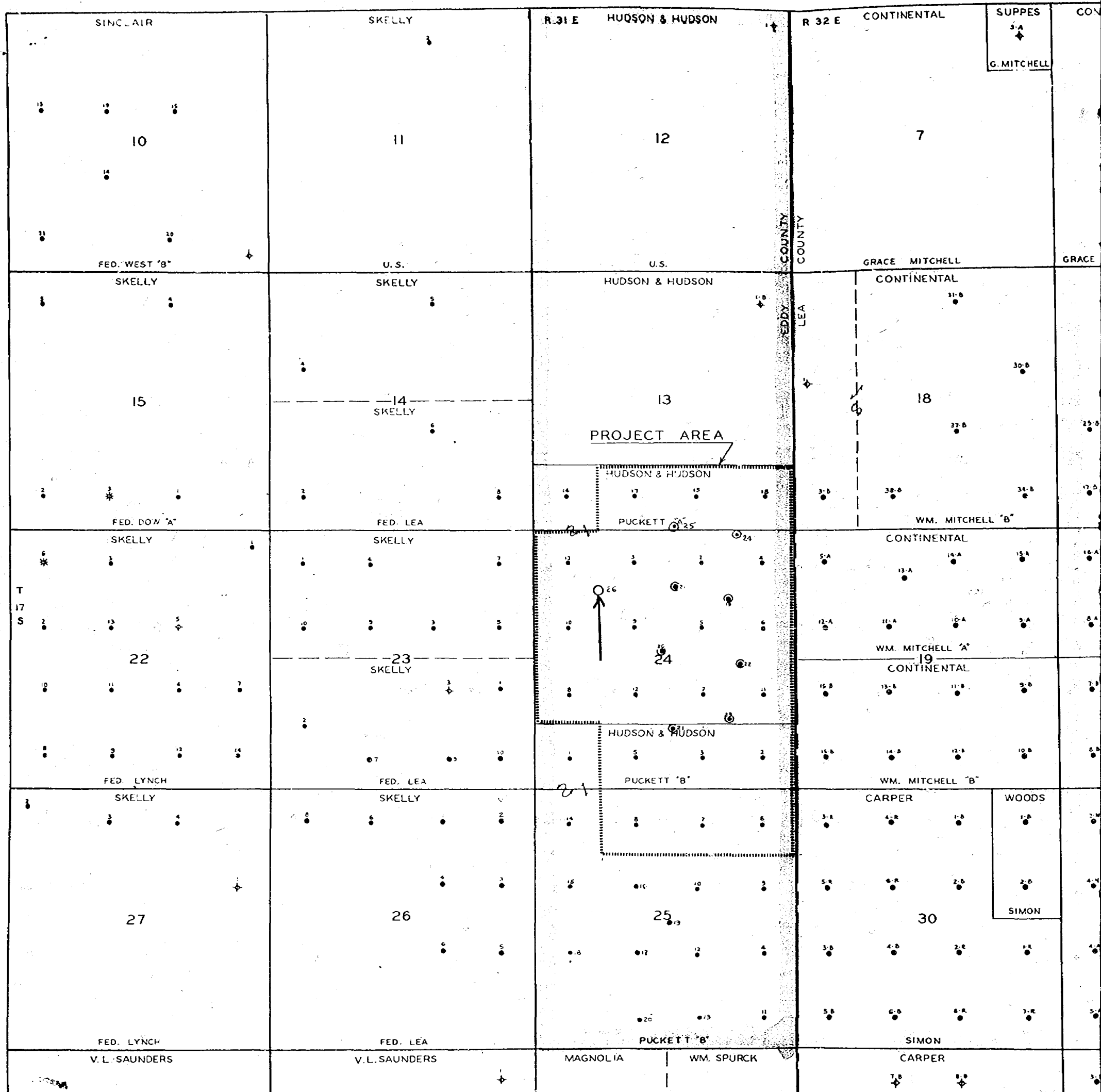
Approval of this application would be in the interests of conservation and the prevention of waste, in that it would prevent the drilling of an unnecessary well.

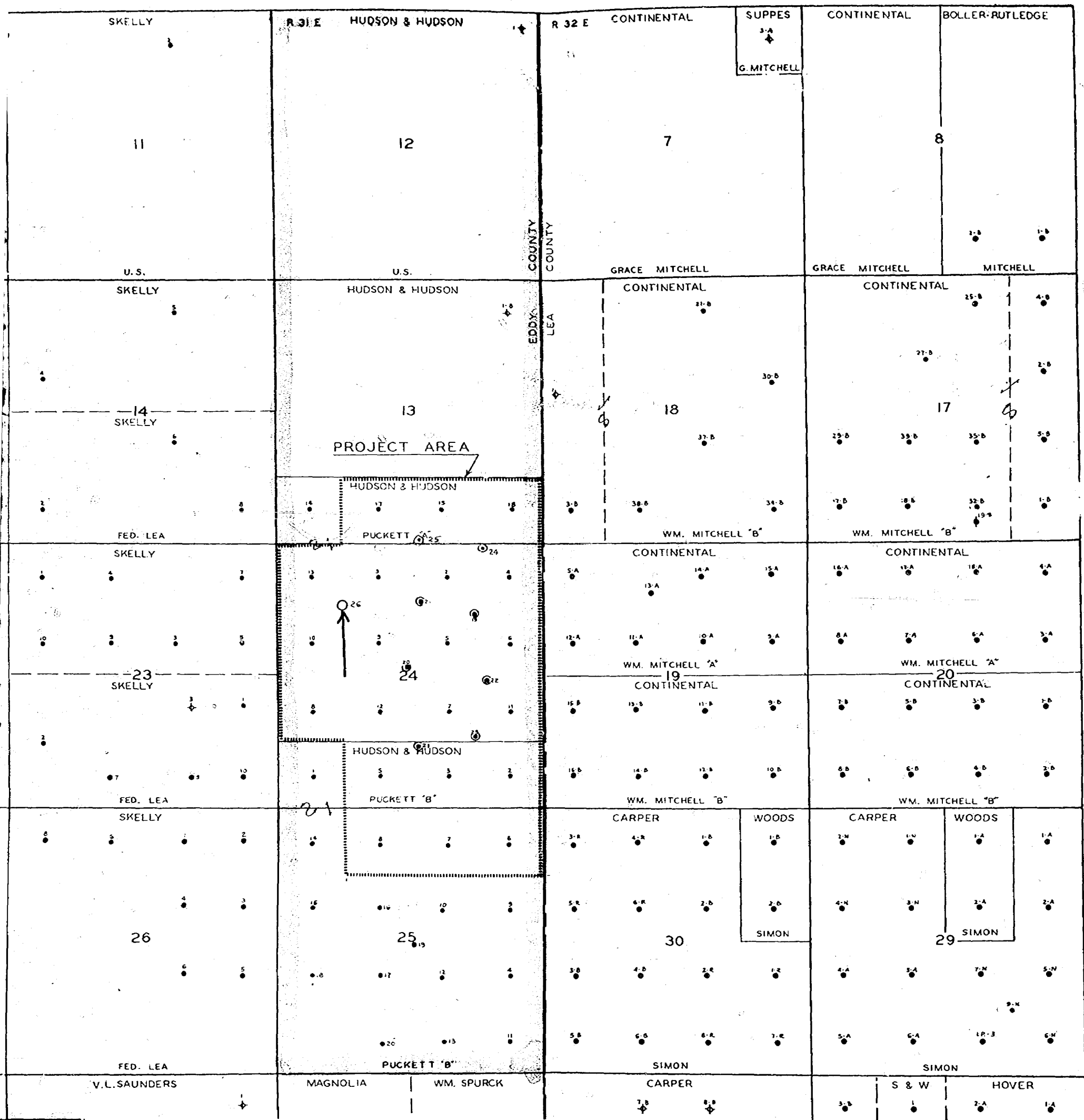
WHEREFORE, applicant requests that this application be set for hearing before the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order approving the location of the Puckett "A" No. 25 well as applied for.

Respectfully submitted,

KELLAHIN & FOX

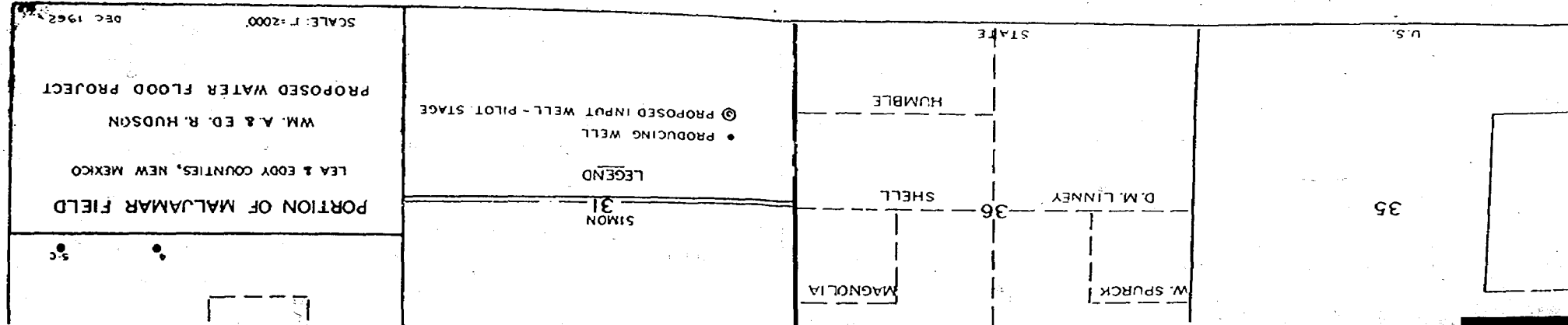
By Jason W. Kellahin
P. O. Box 1769
Santa Fe, New Mexico
ATTORNEYS FOR APPLICANTS

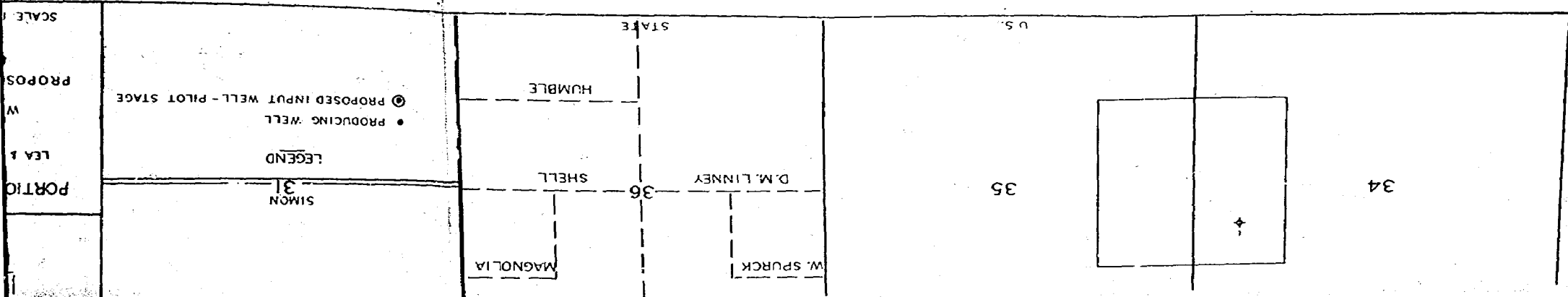




35

U.S.





Case 3087

JASON W. KELLAHIN
ROBERT E. FOX

KELLAHIN AND FOX
ATTORNEYS AT LAW
542 EAST SAN FRANCISCO STREET
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO

MAIN OFFICE OCC
TELEPHONES
983-9396
982-2991

1964 JUL 1 AM 7:40

June 30, 1964

Oil Conservation Commission
of New Mexico
Box 2088
Santa Fe, New Mexico

Gentlemen:

Enclosed you will find the original and two copies of
an application being filed on behalf of William A.
and Edward R. Hudson for approval of an unorthodox
location for their Puckett A-26 Well, Eddy County.

Very truly yours,

Jason W. Kellahin
JASON W. KELLAHIN

jwk:mas
enclosures

DOCKET MAILED

Date 7/8/64

- CASE 3087: Application of William A. and Edward R. Hudson for an unorthodox location, Eddy County, New Mexico. Applicants, in the above-styled cause, seek authority to drill their Puckett "A" Well No. 26 at an unorthodox location 1295 feet from the North and West lines of Section 24, Township 17 South, Range 31 East, Eddy County, New Mexico. Said well would be projected to the Paddock formation at approximately 5400 feet.
- CASE 3088: Application of Phillips Petroleum Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Ranger Lake Unit Area comprising 2,680 acres, more or less, of State land in Township 12 South, Range 34 East, Lea County, New Mexico.
- CASE 3089: Application of Phillips Petroleum Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Ranger Lake-Pennsylvanian Pool in its Ranger Lake Unit Area by the injection of water into the Pennsylvanian formation through nine wells in Sections 14, 23, 24, 25, 26, 27, 34 and 35, Township 12 South, Range 34 East, Lea County, New Mexico.
- CASE 3090: Application of Tenneco Oil Company for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Pictured Cliffs formation through its Callow Well No. 2 located in Unit B, Section 33, Township 29 North, Range 13 West, West Kutz-Pictured Cliffs Pool, San Juan County, New Mexico.
- CASE 3091: Application of The British-American Oil Producing Company for a dual completion and pool commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its North Wilson Deep Unit Well No. 1, located in Unit O of Section 31, Township 20 South, Range 36 East, Lea County, New Mexico, to produce oil from the Upper Bone Spring formation and the Lower Bone Spring formation through parallel strings of tubing. Applicant further seeks authority to commingle the production from said pools after separately metering the Lower Bone Spring production.
- CASE 3092: Application of The British-American Oil Producing Company for the creation of a new oil pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Upper Bone Spring production for its North Wilson Deep Unit Well No. 1, located in Unit O of Section 31, Township 20 South, Range 36 East, Lea County, New Mexico, which well is perforated from 7888 to 7901 feet. Applicant further seeks the promulgation of special rules for said pool, including a provision for 80-acre proration units.
- CASE 3093: Application of The British-American Oil Producing Company for the creation of a new oil pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Lower Bone Spring production for its North Wilson Deep Unit Well No. 1, located in Unit O of Section 31, Township 20 South, Range 36 East, Lea County, New Mexico, which well is perforated from 10,094 to 10,122 feet. Applicant further seeks the promulgation of special rules for said pool, including a provision for 80-acre proration units.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 22, 1964

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

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

- CASE 3081: Application of Shell Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Langlie-Mattix Pool by the injection of water through four wells at unorthodox locations in Section 21, Township 24 South, Range 37 East, Lea County, New Mexico.
- CASE 3082: Application of Union Oil Company of California for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation through perforations from 11,246 feet to 11,285 feet in its State-Gross Well No. 2 located in Unit L of Section 11, Township 12 South, Range 32 East, East Caprock Field, Lea County, New Mexico.
- CASE 3083: Application of General American Oil Company of Texas for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Premier Sand through twelve wells located in Sections 27, 28, 33 and 34, Township 17 South, Range 30 East, Eddy County, New Mexico. Certain of the aforesaid injection wells would be drilled at unorthodox locations.
- CASE 3084: Application of Fair Oil Company for a buffer zone extension and pool redelineation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment of Order No. R-2033 to extend the waterflood buffer zone authorized by said order to include the SE/4 NE/4 of Section 36, Township 17 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the extension of the Loco Hills Pool to include said quarter-quarter section, and the associated deletion of said acreage from the Grayburg-Jackson Pool.
- CASE 3085: Application of Humble Oil & Refining Company for two non-standard oil proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of two non-standard 80-acre oil proration units in Section 7, Township 19 South, Range 35 East, So'arb Bone Springs Pool, Lea County, New Mexico. The first unit would comprise the NW/4 NE/4 and the NE/4 NW/4 of Section 7 and be dedicated to applicant's Alves Well No. 1 located in Unit B of said Section 7. The second unit would comprise the SW/4 NE/4 and the SE/4 NW/4 of Section 7 and be dedicated to applicant's Alves Well No. 2, which would be drilled in Unit G of said Section 7.
- CASE 3086: Application of Texaco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Rhodes Yates Oil Pool by the injection of water into the Yates and Seven Rivers formations through two wells in Section 26, Township 26 South, Range 37 East, Lea County, New Mexico.

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

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

August 3, 1964

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: Case No. 3087
Order No. R-2753
Applicant:
William A. & Edward R. Hudson

Dear Sir:

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

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ix/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Antec OCC

OTHER

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. 3087
Order No. R-2753

APPLICATION OF WILLIAM A. AND
EDWARD R. HUDSON FOR AN UNORTHODOX
LOCATION, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 22, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 3rd day of August, 1964, 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 applicants, William A. and Edward R. Hudson, seek authority to complete their Puckett "A" Well No. 26 at an unorthodox location in the Paddock formation 1295 feet from the North line and 1295 feet from the West line of Section 24, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

(3) That Order No. R-1693 authorized the drilling of the subject well at an unorthodox location in the Maljamar Pool; that the applicant proposes to deepen the subject well to test the Paddock formation; and that the applicant proposes to plug back and utilize the subject well as a Maljamar injection well if the Paddock formation is non-productive.

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CASE No. 3087
Order No. R-2753

(4) That approval of the subject application will prevent the drilling of unnecessary wells and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicants, William A. and Edward R. Hudson, are hereby authorized to complete their Puckett "A" Well No. 26 at an unorthodox location in the Paddock formation 1295 feet from the North line and 1295 feet from the West line of Section 24, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

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

eer/

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 22, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of William A. and Edward R. Hudson for an unorthodox location, Eddy County, New Mexico. Applicants, in the above-styled cause, seek authority to drill their Puckett "A" Well No. 26 at an unorthodox location 1295 feet from the North and West lines of Section 24, Township 17 South, Range 31 East, Eddy County, New Mexico. Said well would be projected to the Paddock formation at approximately 5400 feet.

Case No. 3087

BEFORE: DANIEL S. NUTTER, Examiner.

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 963-3971

ALBUQUERQUE, N. M.
PHONE 243-6691



DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, N. M.
PHONE 243-6691

MR. NUTTER: We will call Case 3087.

MR. DURRETT: Application of William A. and Edward R. Hudson for an unorthodox location, Eddy County, New Mexico.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, Santa Fe, appearing for the Applicant. We have one witness I would like to have sworn, please.

(Witness sworn.)

RALPH L. GRAY

called as a witness, having been first duly sworn on oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Ralph L. Gray.

Q What business are you engaged in, Mr. Gray?

A Consulting petroleum engineer.

Q As a consulting petroleum engineer have you ever testified before the Oil Conservation Commission and made your qualifications a matter of record?

A Yes, sir.

MR. KELLAHIN: Are the witness's qualifications acceptable?

MR. NUTTER: Yes, sir.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, N. M.
PHONE 243-6691

Q Mr. Gray, in connection with your work, are you familiar with the application of William A. and Edward R. Hudson in Case 3087?

A Yes, I am.

Q Would you state briefly what's proposed in this case?

A William A. and Edward R. Hudson are presently conducting a waterflood project in the Maljamar Pool. At the present time there are eight injection wells, all of which have been drilled under Order No. R-1693. These injection wells are unorthodox locations and they're what we commonly refer to as five-spot locations.

Q Before you go any further, would you have this marked as Exhibit No. 1.

(Whereupon, Applicant's Exhibit No. 1 was marked for identification.)

Q Now, would you continue, please, Mr. Gray?

A The Applicant proposes to drill their Puckett "A" No. 26 well as a water injection well on a five-spot pattern when this location has been approved, also under Order R No. 1693. However, the Applicant wishes to carry this well down to the Paddock zone at approximately 5300 feet.

Q That was not approved by Order R-1693, was it?

A No. Order 1693 only approves the location down to the



Grayburg-San Andres zones.

Q What is the reason for deepening this particular well at this location to the Paddock, Mr. Gray?

A Well, previously the operator drilled their Puckett "A" No. 16-P well, which is shown on the map. This well is located in the Southeast Quarter of the Northeast Quarter of Section 24. This well was drilled as a Paddock test and was found to be dry in the Paddock zone.

Exhibit 1 shows the location, the approximate location of the Maljamar Paddock Pool which is approximately two miles east of the proposed location. Since the operator has drilled one dry hole to the Paddock zone, it doesn't appear too favorable that the producing well can be obtained at the Puckett "A" 26 location, but the operator would like to carry this on down inasmuch as he can utilize the upper portion of the hole for a water injection well in the event that the Paddock zone is dry.

Q In the event the Paddock zone is a producing zone, would it be your recommendation that the well be used as a dual completion for injection in the Maljamar too?

A Well, this question hasn't really been decided, but it's very doubtful in my mind that the well would be dually completed. I think more probably the operator would wish to drill a separate well as injection well.



Q And would utilize the 26 well, a producer from the Paddock, in the event it does produce?

A Yes.

Q Is all the lease ownership in Section 24 common throughout?

A Yes. This Exhibit 1 shows an outline of all of the Puckett leases in red and all of Section 24 is a common lease.

Q How far would the well be located from the nearest lease line?

A The well will be 2490 feet from the nearest lease line.

Q In drilling the well, will provision be made for utilizing it as an injection well in the Maljamar in the event it is dry in the Paddock?

A Yes. In our proposed casing program it is intended to cement 7-5/8ths casing at an approximate depth of 4150 feet. This would be well through all of the Maljamar pay, and in the event that the Paddock zone is dry it will be possible to come back and perforate the Maljamar zones and use it as a water injection well.

Q Was Exhibit No. 1 prepared by you or under your supervision?

A Yes, sir.

MR. KELLAHIN: I would like to offer in evidence Exhibit



DEARNLEY-MEIER REPORTING SERVICE, Inc.
ALBUQUERQUE, N. M.
PHONE 243-6691

No. 1.

MR. NUTTER: Applicant's Exhibit 1 will be admitted in evidence.

(Whereupon, Applicant's Exhibit No. 1 was offered and admitted in evidence.)

MR. KELLAHIN: That's all I have on direct examination.

MR. NUTTER: Are there any questions of Mr. Gray?

CROSS EXAMINATION

BY MR. NUTTER:

Q What are the blue wells on this exhibit?

A The blue circles indicate the present water injection wells.

Q They are on injection?

A They are on injection, yes.

Q Are there any other unorthodox locations which have been approved but which are not shown here?

A Yes. I believe there are two additional unorthodox locations which have been approved and they are not indicated on the map. One of them would be the five-spot location between No. 14, 17, 13 and 3, which would be just north of the proposed location, and an additional one just south of the proposed location.

Q Midway between 9, 10, 8 and 12?

A Right.



Q Then possibly one down there south of it?

A Well, actually the one south of that has not yet been approved.

Q In the event that you do get production in the Paddock, any additional wells in the Paddock would be drilled on orthodox locations?

A Yes, sir.

Q You said that after you have gone through the Maljamar pay you will set one size of pipe at 4150?

A 7-5/8ths OD casing.

Q That will be an intermediate string in the event the well is a Paddock producer?

A Yes.

Q But it will be a production casing in the event the No. 6 is dry at the Paddock?

A Yes.

Q If you have production pipe in injection wells?

A Yes.

MR. NUTTER: Are there any further questions of Mr. Gray?
He may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: That's all.



MR. NUTTER: Does anyone have anything they wish to offer in Case 3087? We will take the case under advisement.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

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

Witness my Hand and Seal this 31st day of July, 1964.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:

June 19, 1967.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3087 heard by me on July 22, 1964.

[Signature], Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.
ALBUQUERQUE, N. M.
PHONE 243-6691

