

W. A. & E. R. HUDSON INC.
616 TEXAS STREET
FORT WORTH, TEXAS 76102-4612

'95 AUG 14 AM 8 52

EDWARD R. HUDSON JR
E. RANDALL HUDSON III

817-336-7109

August 9, 1995

FAX 817-334-0442

WILLIAM A. HUDSON II
LINDY HUDSON

Mike Stogner
Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, New Mexico 87505

Re: Puckett B 33 2620' FWL 1300' FNL
Puckett B 34 2630' FEL 20' FNL
Section 25, T17S R331E
Eddy County, New Mexico
Federal Lease No. LCNM 029415B

Dear Mike:

W. A. & E. R. Hudson, Inc., hereby requests State approval for the above two non-standard locations on our Puckett Waterflood (plat enclosed). Please note that the section line is not the lease line - the B lease includes the S/2S/2 of Section 24 as well as all of Section 25. We have received approved permits from the Bureau of Land Management for both of these wells and are ready to spud as soon as the State authorizes them.

If you should need anything further, please contact me at the above number.

Sincerely,



E. Randall Hudson III

ERHIII/vc

Enclosures

cc: Jon Smith
P. O. Box 9
Maljamar, New Mexico 88264

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name PUCKETT B	Well Number 33
OGRID No.	Operator Name HUDSON & HUDSON	Elevation 3869

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	25	17 S	31 E		1300	NORTH	2620	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Robert G. Setzner
Signature

ROBERT G. SETZNER
Printed Name

CONSULTANT
Title

6.26.95
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JUNE 19, 1995
Date Surveyed

Gary G. Eidson
Signature of Professional Surveyor

GARY G. EIDSON
Professional Surveyor

NEW MEXICO
Professional Surveyor

12641
Certificate

JOHN W. WEST
676
RAMBLA J. BRIDSON
3239
GARY EIDSON
12641

DISTRICT I
P.O. Box 1999, Hobbs, NM 88241-1999

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088

DISTRICT IV
P.O. Box 2088, SANTA FE, N.M. 87504-2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name PUCKETT B	Well Number 34
OGRID No.	Operator Name HUDSON & HUDSON	Elevation 3875

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	25	17 S	31 E		20	NORTH	2631	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

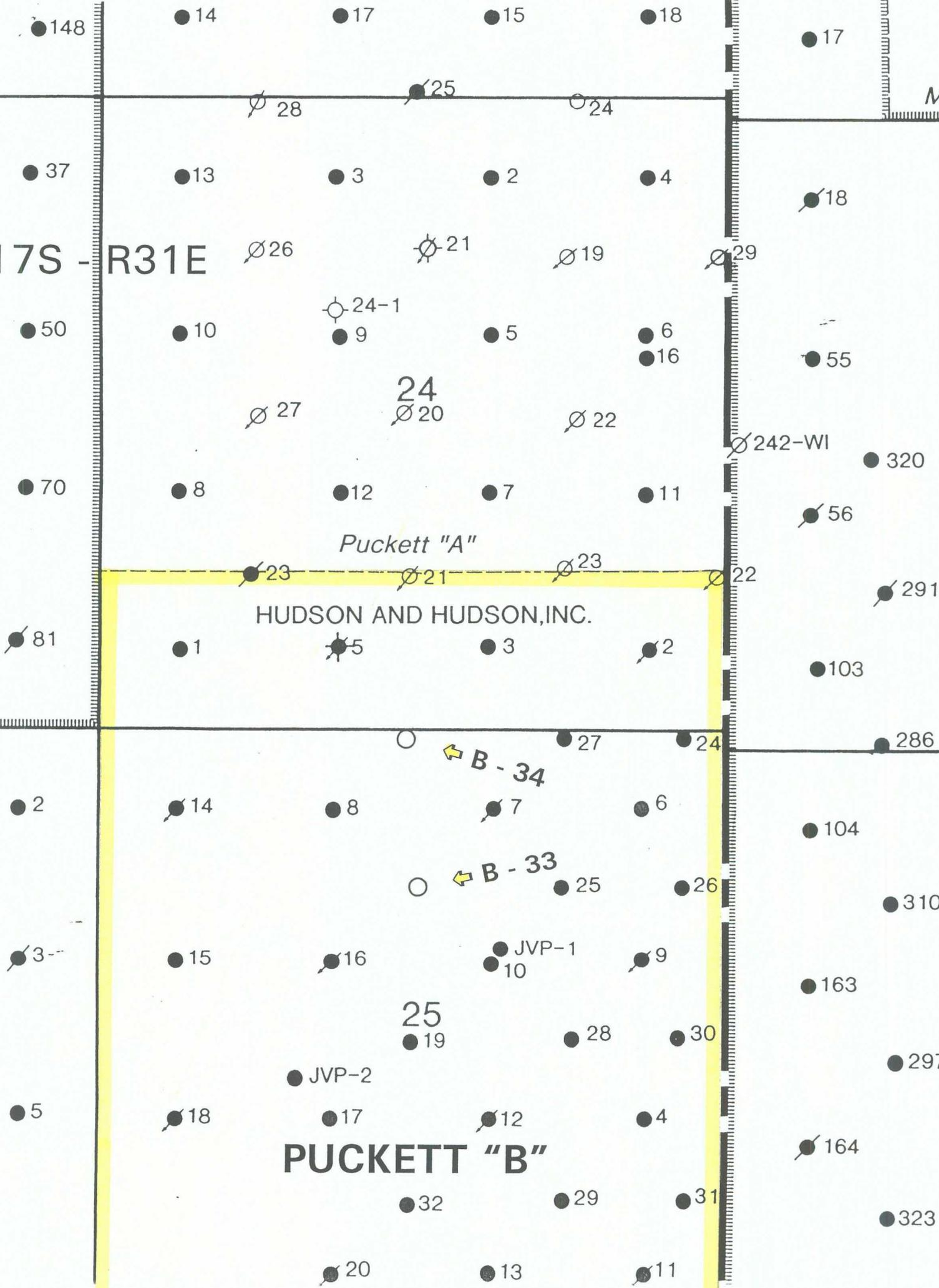
	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JUNE 19, 1995</p> <p>Date Surveyed _____ DAM</p> <p>Signature <i>John G. Eidson</i> Professional Surveyor</p> <p><i>John G. Eidson</i> NEW MEXICO 12681-23-95 95-11-0983</p>
	<p>Certificate No. _____</p> <p>JOHN W. WESTCOTT 676 GREGORY J. HUDSON 3239 GREGORY J. HUDSON 12641</p>

T17S - R31E

Puckett "A"

HUDSON AND HUDSON, INC.

PUCKETT "B"



[Handwritten mark]
W. A. & E. R. HUDSON INC.
616 TEXAS STREET
FORT WORTH, TEXAS 76102-4612

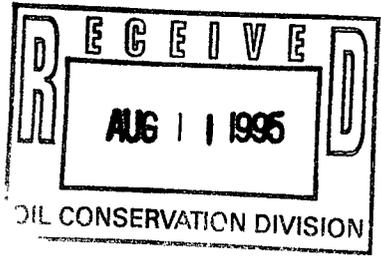
EDWARD R. HUDSON JR
E. RANDALL HUDSON III

817-336-7109

August 10, 1995

FAX 817-334-0442

WILLIAM A. HUDSON II
LINDY HUDSON



Mike Stogner
Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, New Mexico 87505

Re: Puckett B 33 2620' FWL 1300' FNL
Puckett B 34 2630' FEL 20' FNL
Section 25, T17S R331E
Eddy County, New Mexico
Federal Lease No. LCNM 029415B

(1962)

Dear Mike:

Enclosed are copies of the Bureau of Land Management's Form 3160-3 approving the drilling of the captioned wells, subject to like State approval. Please attach these forms to our letter of August 9 (copy attached).

Sincerely,

E. Randall Hudson III

ERHIII/

*(All of 25
5/2 of 24)*

*Send to
Jon Smith
505-676-2266*

OPERATOR'S COPY
 UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

FORM APPROVED
 OMB NO. 1004-0136
 Expires: February 28, 1995

RECEIVED
 AUG 10 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 William A. & Edward R. Hudson

3. ADDRESS AND TELEPHONE NO.
 P.O. Box 9, Maljamar, New Mexico 88264

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface: 2631' FEL & 20' FNL Sec 25-17S-31E
 At proposed prod. zone

5. LEASE DESIGNATION AND SERIAL NO.
 LC-029415 B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
 Puckett "B" 34

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT
 Maljamar (G-SA)

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec 25-17S-31E

12. COUNTY OR PARISH | 13. STATE
 Eddy | NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 6 miles SW of Maljamar, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 20'

16. NO. OF ACRES IN LEASE
 640

17. NO. OF ACRES ASSIGNED TO THIS WELL
 Waterflood Project (40)

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 930'

19. PROPOSED DEPTH
 4000'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3875 GR

22. APPROX. DATE WORK WILL START*
 July 20, 1995

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8" OD	48# J-55	600'	700 sx. Class "C" +2%CaCl CIRCULATE
14-1/2" or 12-1/4"	8-5/8" OD*	24# J-55	1900'	1100 sx class "C" (see stips)
7-7/8"	5-1/2" OD	15.5 J-55	4000'	860 sx class "C" (see stips)

per telecon w/ S. Setzler, 7/25/95.

It is proposed to drill this well with rotary tools to a depth of approximately 4000'. Surface and production strings will have cement circulated to surface. The pay zones will be perforated and treated with acid followed w/frac. It is anticipated that approximately six weeks will be required to drill and complete this infill development well. The unorthodox location was approved by the New Mexico Oil Conservation Division, Order No. R-5473, dated June 21, 1977. If the well is found to non-commercial, the well bore will be plugged to and abandoned per Federal Regulations. Programs to adhere to onshore oil and gas regulations as outlined in the following exhibits and attachments.

Drilling Program

Surface Use and Operating Plan

- Exhibits #1/1-A = Blowout Prevention Equipment
- Exhibit #2 = Location and Elevation Plat
- Exhibit #3/3-A = Road Map and Topo Map
- Exhibit #4 = Wells within 1 Mile Radius
- Exhibit #5 = Rotary Rig Layout
- Exhibit #6 = H2S Operating Plan

*To be run only if waterflow is encountered, otherwise only 5-1/2" csg and 13-3/8" csg will be run with cmt to surface.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED Robert Setzler TITLE Consultant DATE 6/22/95

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Joan R. Hruz TITLE for AREA MANAGER DATE 7/27/95

*See Instructions On Reverse Side

**SUBJECT TO
 LIKE APPROVAL
 BY STATE**

RECEIVED
 JUN 28 10 35 AM '95

OPERATOR'S COPY
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
 Other than reverse side
AUG 10 1995

FORM APPROVED
 OMB NO. 1004-0136
 Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 William A. & Edward R. Hudson

3. ADDRESS AND TELEPHONE NO.
 P.O. Box 9, Maljamar, New Mexico 88264

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface
 2620' FWL & 1300' FNL Sec 25-17S-31E
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 6 miles SW of Maljamar, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
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19. PROPOSED DEPTH
 4000'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3869 GR

22. APPROX. DATE WORK WILL START*
 July 20, 1995

5. LEASE DESIGNATION AND SERIAL NO.
 LC-029415 B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
 Puckett "B" 33

9. AP WELL NO.

10. FIELD AND POOL, OR WILDCAT
 Maljamar (G-SA)

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 Sec 25-17S-31E

12. COUNTY OR PARISH
 Eddy

13. STATE
 NM

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SJS → per telecon w/s. Setzler, 7/25/95

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- Exhibit #5 = Rotary Rig Layout
- Exhibit #6 = H2S Operating Plan

Non standard Location...

SUBJECT TO LIKE APPROVAL BY STATE

*To be run only if waterflow is encountered, otherwise only 5-1/2" csg and 13-3/8" csg will be run with cmt to surface.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Robert Setzler TITLE Consultant DATE 6/22/95

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Jan R. Lopez TITLE for ADPR MANAGER DATE 7/26/95

*See Instructions On Reverse Side

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

August 9, 1995

Mike Stogner
Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, New Mexico 87505

Re: Puckett B 33 2620' FWL 1300' FNL
Puckett B 34 2630' FEL 20' FNL
Section 25, T17S R331E
Eddy County, New Mexico
Federal Lease No. LCNM 029415B

Dear Mike:

W. A. & E. R. Hudson, Inc., hereby requests State approval for the above two non-standard locations on our Puckett Waterflood (plat enclosed). Please note that the section line is not the lease line - the B lease includes the S/2S/2 of Section 24 as well as all of Section 25. We have received approved permits from the Bureau of Land Management for both of these wells and are ready to spud as soon as the State authorizes them.

If you should need anything further, please contact me at the above number.

Sincerely,

E. Randall Hudson III

ERHIII/vc

Enclosures

cc: Jon Smith
P. O. Box 9
Maljamar, New Mexico 88264

GALLEGOS-GALLUP OIL POOL
(Gallegos-Gallup Sand Unit Waterflood)
San Juan County, New Mexico

Order No. R-2220, Authorizing Skelly Oil Company to Institute the Gallegos-Gallup Sand Unit Waterflood Project in the Gallegos-Gallup Oil Pool, San Juan County, New Mexico, April 18, 1962.

Application of Skelly Oil Company for a Waterflood Project, Gallegos-Gallup Oil Pool, San Juan County, New Mexico.

CASE NO. 2513
Order No. R-2220

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on March 28, 1962, 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 9th day of May, 1962, 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,

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, Skelly Oil Company, seeks permission to institute the Gallegos-Gallup Sand Unit Waterflood Project in the Gallegos-Gallup Oil Pool by the injection of water initially through six wells located within said unit in Township 26 North, Range 12 West, NMPM, San Juan County, New Mexico.

(3) That the proposed waterflood project should be authorized and should be governed by the provisions of Rule 701 of the Commission Rules and Regulations, including those provisions regarding allocation of allowables.

IT IS THEREFORE ORDERED:

(1) That the applicant, Skelly Oil Company, is hereby authorized to institute the Gallegos-Gallup Sand Unit Waterflood Project in the Gallegos-Gallup Oil Pool by the injection of water initially through the following-described wells:

Skelly-Goddard Well No. 6, located in Unit O of Section 2;
Skelly-Goddard Well No. 7, located in Unit M of Section 1;
Skelly-Goddard Well No. 8, located in Unit M of Section 2;
Skelly-Goddard Well No. 9, located in Unit E of Section 11;
Skelly-Navajo "F" Well No. 2, located in Unit E of Section 12; and
Skelly-Navajo "J" Well No. 2, located in Unit G of Section 11;

all in Township 26 North, Range 12 West, NMPM, San Juan County, New Mexico.

(2) That the operation of the waterflood project herein authorized shall be governed by the provisions of Rule 701 of

the Commission Rules and Regulations, including those provisions regarding allocation of allowables.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1119 of the Commission Rules and Regulations.

(4) 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.

MALJAMAR POOL
(Wm. A. & Edw. R. Hudson Waterflood)
Eddy County, New Mexico

Order No. R-2239, Authorizing William A. & Edward R. Hudson to Institute a Waterflood Project in the Maljamar Pool, Eddy County, New Mexico, May 9, 1962.

Application of William A. & Edward R. Hudson for a Secondary Recovery Project, Maljamar Pool, Eddy County, New Mexico.

CASE NO. 2536
Order No. R-2239

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on April 25, 1962, 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 9th day of May, 1962, 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,

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, are the owners of the Puckett "A" and "B" Leases located in part in Sections 13, 24, and 25, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

(3) That the applicants seek permission to institute a secondary recovery project in the Maljamar Pool on their Puckett "A" and "B" Leases by the injection of water into the Gray-

(MALJAMAR (WM. A. & EDW. R. HUDSON WATERFLOOD)
POOL - Cont'd.)

burg-San Andres formation initially through 6 wells on said leases.

(4) That the wells on the subject leases have reached an advanced stage of depletion and should be classified as "stripper" wells; that, accordingly, the subject project should be governed by the waterflood provisions of Rule 701.

IT IS THEREFORE ORDERED:

(1) That William A. and Edward R. Hudson are hereby authorized to institute a waterflood project in the Maljamar Pool on their Puckett "A" and "B" Leases located in Sections 13, 24, and 25, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico, by the injection of water into the Grayburg-San Andres formation initially through the following-described wells:

Puckett "A" Well No. 19, Unit G;
Puckett "A" Well No. 20, Unit F;
Puckett "A" Well No. 21, Unit B;
Puckett "A" Well No. 22, Unit J;
Puckett "A" Well No. 23, Unit J; and
Puckett "B" Well No. 21, Unit O;

all in Section 24, Township 17 South, Range 31 East.

(2) That the subject waterflood project shall be governed by the provisions of Rule 701.

(3) 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.

LA PLATA-GALLUP POOL
(BMG La Plata Mancos Pressure Maintenance Project)
San Juan County, New Mexico

Order No. R-3714, Authorizing Benson-Montin-Greer Drilling Corporation to Institute the BMG La Plata Mancos Pressure Maintenance Project in the La Plata-Gallup Pool, San Juan County, New Mexico, April 1, 1969.

Application of Benson-Montin-Greer Drilling Corporation for a Pressure Maintenance Project, San Juan County, New Mexico.

CASE NO. 4074
Order No. R-3714

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on March 5, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 1st day of April, 1969, 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, Benson-Montin-Greer Drilling Corporation, seeks authority to institute a pressure maintenance project in its La Plata Mancos Unit Area, La Plata-Gallup Oil Pool, San Juan County, New Mexico, by the injection of gas into the Niobrara member of the Mancos shale through its La Plata Mancos Unit Well No. 4, located in Unit N of Section 31, Township 32 North, Range 13 West, NMPM, San Juan County, New Mexico, and by the injection of water into the same formation through its La Plata Mancos Unit Well No. 1, located in Unit P of said Section 31.

(3) That initially the project area should comprise only the following-described area in San Juan County, New Mexico:

TOWNSHIP 31 NORTH, RANGE 13 WEST, NMPM
Section 6: N/2 and SW/4

TOWNSHIP 31 NORTH, RANGE 14 WEST, NMPM
Section 1: E/2

TOWNSHIP 32 NORTH, RANGE 13 WEST, NMPM
Section 31: All

TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM
Section 36: E/2

(4) That a pressure maintenance project comprising the above-described area is in the interest of conservation and should result in greater ultimate recovery of oil, thereby preventing waste.

(5) That the applicant further seeks the promulgation of special rules and regulations governing said pressure maintenance project, and the establishment of an administrative procedure whereby said project area may be expanded for good cause shown and whereby additional wells in the project area may be converted to injection.

(6) That special rules and regulations for the operation of the BMG La Plata Mancos Pressure Maintenance Project should be promulgated and, for operational convenience, such rules should provide certain flexibility in authorizing the production of the project allowable from any well or wells in the project area in any proportion, provided that no well in the project area which directly or diagonally offsets a well outside the La Plata Mancos Unit Participating Area, producing from the same common source of supply should be allowed to produce in excess of top unit allowable for the La Plata-Gallup Oil Pool until such time as the well has experienced a substantial response to injection. When such a response has occurred, the well should be permitted to produce up to two times top unit allowable for the La Plata-Gallup Oil Pool. Production of such well at a higher rate should be authorized only after notice and hearing.

IT IS THEREFORE ORDERED:

(1) That the applicant, Benson-Montin-Greer Drilling Corporation, is hereby authorized to institute a pressure maintenance project in its La Plata Mancos Unit Area, La Plata-Gallup Oil Pool, San Juan County, New Mexico, to be designated as the BMG La Plata Mancos Pressure Maintenance Project, by the injection of gas into the Niobrara member of the Mancos shale through the following-described well in San Juan County, New Mexico:

MALJAMAR POOL
(Wm. A. & Edw. R. Hudson Waterflood Expansion)
Eddy County, New Mexico

Order No. R-3230, Authorizing William A. and Edward R. Hudson to Expand Their Puckett Waterflood Project in the Grayburg-San Andres Formations in the Maljamar Pool, Eddy County, New Mexico, May 8, 1967.

Application of William A. and Edward R. Hudson for a Waterflood Expansion, Eddy County, New Mexico.

CASE NO. 3566
Order No. R-3230

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on April 26, 1967, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of May, 1967, 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 permission to expand their Puckett Waterflood Project in the Maljamar Pool by the injection of water into the Grayburg-San Andres formations through ten additional wells in Sections 24 and 25, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

(3) That the applicants further seek an administrative procedure whereby said project could be expanded to include additional lands and injection wells in the area of the said project as may be necessary in order to complete an efficient injection pattern; that said administrative procedure should provide for administrative approval for conversion to water injection in exception to the well response requirements of Rule 701 E-5 of the Commission Rules and Regulations.

(4) That the wells in the proposed expanded project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(5) That the proposed expansion of the Puckett Waterflood Project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) That the subject application should be approved and the expanded project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations; provided however, that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

IT IS THEREFORE ORDERED:

(1) That the applicants, William A. and Edward R. Hudson, are hereby authorized to expand their Puckett Waterflood Project, Maljamar Pool, by the injection of Water into the Grayburg-San Andres formations through the following-described wells in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico:

WELL	NO.	UNIT	SECTION
Puckett "B"	2	P	24
Puckett "B"	5	N	24
Puckett "B"	7	B	25
Puckett "B"	9	H	25
Puckett "B"	11	P	25
Puckett "B"	12	J	25
Puckett "B"	14	D	25
Puckett "B"	16	F	25
Puckett "B"	18	L	25
Puckett "B"	20	N	25

(2) That the expanded waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the Puckett Waterflood Project to include such additional lands and injection wells in the area of said project as may be necessary to complete an efficient water injection pattern; that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

(3) That monthly progress reports of the expanded waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) 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.

HOSPAP POOL
(Hospah Unit Area Waterflood Amendment)
McKinley County, New Mexico

Order No. R-3040, Amending Order No. R-2807 by the Substitution of Injection Wells in the Hospah Unit Area Waterflood Project, Hospah Pool, McKinley County, New Mexico, February 9, 1966.

Application of Tesoro Petroleum Corporation to Amend Order No. R-2807, McKinley County, New Mexico.

CASE NO. 3350
Order No. R-3040

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on January 5, 1966, at Santa Fe, New Mexico before Examiner Daniel S. Nutter.

NOW, on this 9th day of February, 1966, 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,

