

UNITED BANK PLAZA
400 N. PENN. SUITE 1000

CHARLES B. READ
PRESIDENT

Read & Stevens, Inc.

Oil Producers

*P. O. Box 1518
Roswell, New Mexico 88202*

PHONE 505 622-3770
FAX: 505 622-8643

925

RECEIVED DIVISION

NOV 1 8 52

November 1, 1995

0 0 3 A
6 6 4 H

State of New Mexico
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: Surface Commingling Permit
Hudson Lease
N/2 Section 4 T20S-R34E
Lea County, New Mexico

Dear Sir;

Read & Stevens, Inc. is requesting approval for surface commingling, storage and measurement of hydrocarbon production from the following formations and wells on Federal Lease #LC-065607:

<u>Well No.</u>	<u>UL</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
1	H	4	20S	34E	2040 R. Ridge
3	C	4	20S	34E	S. Bone Spring - 40
					LEA Delaware NE - 40

Production from the wells involved is as follows:

<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
Hudson Fed. #1	50	40.0	50
Hudson Fed. #3	184	38.0	74

A map is enclosed showing the location of all wells on the lease that will contribute production to the proposed commingling/common storage facility.

A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

The storage and measuring facility is located in unit H, Section 4 T20S-R34E, on lease No. LC-065607 in Lea County, New Mexico. BLM will be notified if there is any future change in the facility location.

(300 ALLOW)

Read & Stevens, Inc.

State of New Mexico
Page -2-

Details of the proposed method for allocating production to contributing sources is as follows:

A test heater treater will be installed, and the wells will be tested individually over a 24 hour period, several times a month.

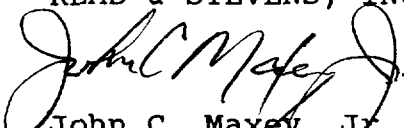
The working interest owners have been notified of the proposal.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

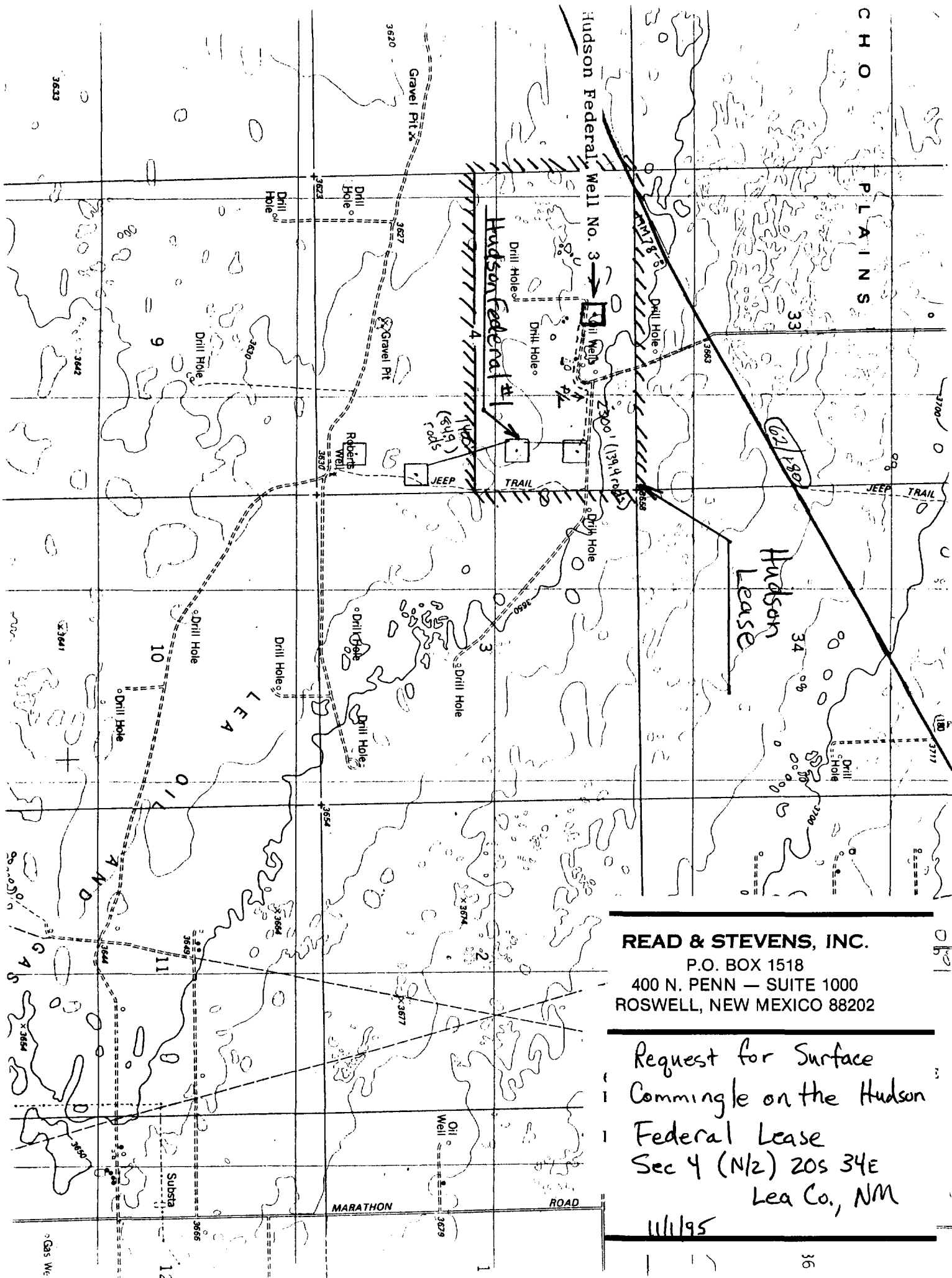
Sincerely,

READ & STEVENS, INC.


John C. Maxey, Jr.
Petroleum Engineer

sr/jcm/hudcom.ocd

JCM/lj
enclosures



READ & STEVENS, INC.
P.O. BOX 1518
400 N. PENN — SUITE 1000
ROSWELL, NEW MEXICO 88202

Request for Surface
Commingle on the Hudson
Federal Lease
Sec 4 (N/2) 20s 34E
Lea Co., NM

11/1/95

HUDSON FEDERAL #1

WORKING INTEREST OWNERS:

APACHE CORPORATION	0.31000000
BERNHARDT OIL CORP.	0.05000000
BRADSHAW, WILLIAM A.	0.00500000
BUCHHOLTZ OIL & GAS CO. INC.	0.01000000
CAVIN, S. H.	0.02000000
FIRST CENTURY OIL	0.03000000
HHB LIMITED PARTNERSHIP	0.25000000
HILLIER, PAUL W. (JR.)	0.00500000
MACNAUGHTON, L.E. TRUST	0.01000000
MAXEY, JOHN C., II	0.00500000
READ & STEVENS, INC.	0.24500000
READ, CHARLES B.	0.02000000
SANDERS, T. T. JR.	0.03000000
WATSON, ROBERT H.	0.00500000
WEIMER, INC.	0.00500000
	1.00000000

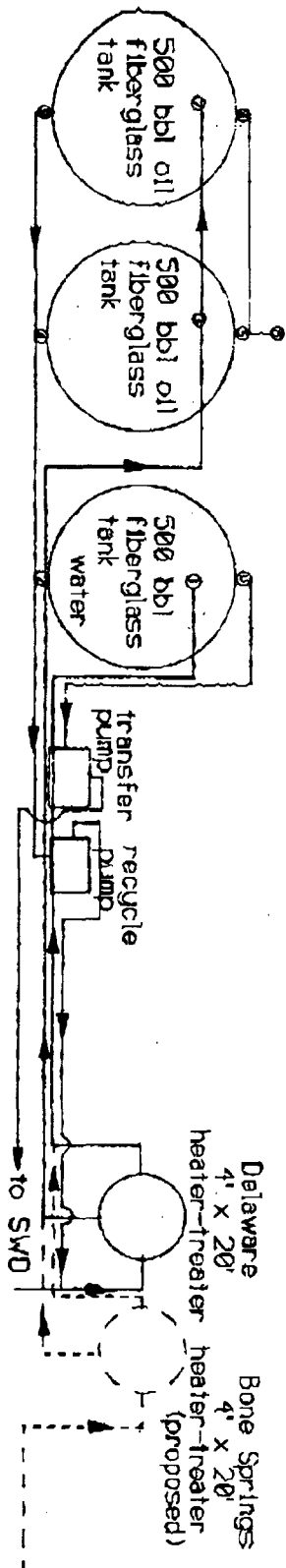
HUDSON FEDERAL #3

WORKING INTEREST OWNERS:

APACHE CORPORATION	0.31000000
BERNHARDT OIL CORP.	0.05000000
BRADSHAW, WILLIAM A.	0.00500000
BUCHHOLZ OIL & GAS CO. INC.	0.01000000
CAVIN, S. H.	0.02000000
FIRST CENTURY OIL	0.03000000
HHB LIMITED PARTNERSHIP	0.25000000
HILLIER, PAUL W. (JR.)	0.00500000
MACNAUGHTON, L.E. TRUST	0.01000000
MAXEY, JOHN C., II	0.00500000
READ & STEVENS, INC.	0.24500000
READ, CHARLES B.	0.02000000
SANDERS, T. T. JR.	0.03000000
WATSON, ROBERT H.	0.00500000
WEIMER, INC.	0.00500000
	1.00000000

- 1) Normally open
- 2) Normally open
- 3) Normally open, if producing into
- 4) Normally open, if producing into
- 5) Normally closed
- 6) Normally closed
- 7) Normally open, if producing into
- 8) Normally closed

- 9) Normally open, if producing into
- 10) Normally open
- 11) Normally open



Read & Stevens, Inc.
 Site Security Diagram
 Hudson Federal Battery
 09/95

Hudson Federal #1