

INFILL DRILLING FINDINGS AND WELL-SPACING WAIVER
MADE PURSUANT TO SECTION 271.305(b) OF THE
FEDERAL ENERGY REGULATORY COMMISSION REGULATIONS,
NATURAL GAS POLICY ACT OF 1978 AND OIL CONSERVATION DIVISION
ORDER NO. R-6013

I.

Operator William A. & Edward R. Hudson Well Name and No. Puckett "B" Well No. 29
Location: Unit 0 Sec. 25 Twp. 17S Rng. 31E Cty. Eddy

II.

THE DIVISION FINDS:

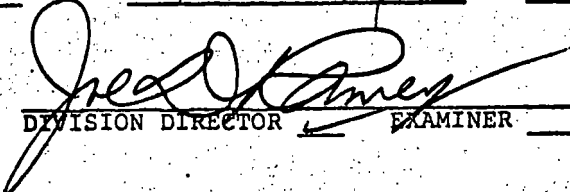
- (1) That Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.
- (2) That by Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.
- (3) That the well for which a finding is sought is to be completed in the Maljamar Grayburg- San Andres Pool, and the standard spacing unit in said pool is 40 acres.
- (4) That a 40 -acre proration unit comprising the SW/4 SE/4 of Sec. 25, Twp. 17S, Rng. 31E, is currently dedicated to the Puckett "B" Well No. 13 located in Unit 0 of said section.
- (5) That this proration unit is (x) standard () nonstandard; if nonstandard, said unit was previously approved by Order No. N/A.
- (6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.
- (7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 16,000 MCF of gas from the proration unit which would not otherwise be recovered.
- (8) That all the requirements of Order No. R-6013 have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.
- (9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED:

- (1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on this 14th day of February, 19 83.

cc: OCD Artesia
NMD& GEL - Hobbs
U.S. M.M.S., Roswell
Kellahint & kellahin
P.O. Box 1769
Santa Fe, NM 87501


DIVISION DIRECTOR

EXAMINER

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. Box 2088
SANTA FE, NEW MEXICO
87501

Received 12/27/82
Surface Rate 2/14/83

ADMINISTRATIVE ORDER

NFL 69

INFILL DRILLING FINDINGS PURSUANT TO
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I.

Operator William A. & Edward R. Hudson Well Name and No. Puckett "B" well No. 29
Location: Unit 0 Sec. 25 Twp. 17S Rng. 31E Cty. Eddy

II.

THE DIVISION FINDS:

(1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.

(2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) That the well for which a finding is sought is completed in the Maljamar Grayburg - San Andres Pool, and the standard spacing unit in said pool is 40 acres.

(4) That a 40-acre proration unit comprising the SW 1/4 SE 1/4 of Sec. 25, Twp. 17S, Rng. 31E, is currently dedicated to the Puckett "B" Well No. 13 located in Unit 0 of said section.

(5) That this proration unit is (X) standard () nonstandard; if nonstandard, said unit was previously approved by Order No. NA.

(6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.

(7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 16,000 MCF of gas from the proration unit which would not otherwise be recovered.

(8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

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

DONE at Santa Fe, New Mexico, on this _____ day of _____, 19____.

cc - OLP Artesia
- NMO+GEL - ~~Holla~~
- U.S. M.M.S. Roswell
- Kellahint Kellahin
P.O. Box 1764
Santa Fe, NM 87501
Attn: Tom Kellahin

DIVISION DIRECTOR _____

EXAMINER _____



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

December 29, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

KELLAHIN AND KELLAHIN
P.O. Box 1769
Santa Fe, New Mexico 87501

ATTENTION: W. Thomas Kellahin

Re: Application for NGPA Infill Well
Findings Under Provisions of
Order No. R-6013-A William A. &

Edward R. Hudson Puckett "B" Well

No. 29, SW/4 SE/4 Section 25,

T-17 South, R-31 East, NMMP, Eddy

County, NM

Dear Sir:

We may not process the subject application for infill findings until the required information, forms, or plats checked on the reverse side of this letter are submitted.

Sincerely,

Michael E. Stogner

Michael E. Stogner,
Petroleum Engineer

MES/dp

- ☐ A copy of Form C-101 must be submitted.
- ☐ A copy of Form C-102 must be submitted.
- ☐ The pool name must be shown.
- ☐ The standard spacing unit size for the pool must be shown.
- ☐ Give the Division Order No. which granted the non-standard proration unit.
- ☐ Please state whether or not the well has been spudded and give the spud date, if any.
- ☐ Information relative to other wells on the proration unit is incomplete.

- ☒ The geologic and reservoir data is incomplete or insufficient.
Rule 9. b. - Please include the volume of increased ultimate
gas recovery.

- ☐ Other:

SPECIAL RULES AND REGULATIONS
NATURAL GAS POLICY ACT INFILL FINDINGS
ADMINISTRATIVE PROCEDURE
(Amended February 8, 1980)

A. DEFINITIONS

RULE 1. For purposes of this administrative procedure only, the following definitions are adopted:

- a. Infill well: An additional well which has been drilled for production on an established proration unit.

B. APPLICABILITY

RULE 2. These special rules and regulations shall apply to effective and efficient drainage findings for completed infill wells pursuant to Section 271.305 of the final Rules and Regulations of the Federal Energy Regulatory Commission relating to Section 103 of the Natural Gas Policy Act of 1978. (These special rules and regulations do not apply to infill wells drilled in the Blanco Mesaverde or Basin-Dakota Pools. Infill wells in these two pools are covered by Rule 15 B of the "Special Rules for Applications for Wellhead Price Ceiling Category Determinations" promulgated by Division Order No. R-5878 as amended by Order No. R-5878-A.)

C. JUSTIFICATION FOR FINDINGS

RULE 3. The Division Director or a Division Examiner may find that an infill well is necessary:

- a. upon a showing by the operator that an additional well is needed to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and
- b. upon receipt of waivers from all offset operators, or if no offset operator has entered an objection to the infill finding within 20 days after receipt of the application by the Director.

RULE 4. The Director may set any application for hearing at his discretion or at the request of an applicant.

Exhibit A
Order R-6013-A

-4-

D. FILING REQUIREMENTS

RULE 5. Each applicant shall submit a copy of the approved Form C-101 for the infill well and Form C-102 showing the proration unit dedicated.

RULE 6. Applicant shall give the name of the pool in which the infill well has been drilled and the standard spacing unit size therefor.

RULE 7. If applicable, the applicant shall give the number of the Division order approving the non-standard proration unit dedicated to the well.

RULE 8. The applicant shall submit a description of all wells drilled on the proration unit (including the completed infill well) which are or have been completed in the same pool or reservoir as the proposed infill well showing:

- a. lease name and well location;
- b. spud date;
- c. completion date;
- d. a description of any mechanical problems experienced along with a summary of remedial action(s) taken and the results obtained;
- e. the current rate of production/ and
- f. date of plug and abandonment, if any;
- g. a clear and concise statement indicating why the existing well(s) on the proration cannot effectively and efficiently drain the portion of the reservoir covered by the proration unit.

RULE 9. The applicant shall submit geological and engineering information sufficient to support a finding as to the necessity for an infill well including:

- a. formation structure map
- b. the volume of increased ultimate recovery expected to be obtained and a narrative describing how the increase was determined
- c. any other supporting data which the applicant deems to be relevant which may include:
 - (1) porosity and permeability factors
 - (2) production/pressure decline curves
 - (3) effects of secondary recovery or pressure maintenance operations.

RULE 10. Applications for infill findings shall be filed in duplicate with the Santa Fe office of the Division.

RULE 11. All operators of proration or spacing units offsetting the unit for which an infill finding is sought shall be notified of the application by certified or registered mail, and the application shall state that such notification has been given.

KELLAHIN and KELLAHIN

Attorneys at Law

500 Don Gaspar Avenue

Post Office Box 1769

Santa Fe, New Mexico 87501

Jason Kellahin

W. Thomas Kellahin

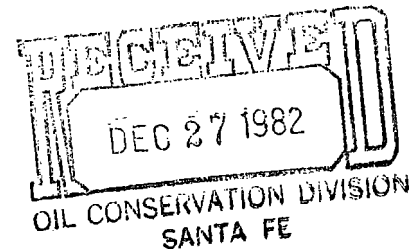
Karen Aubrey

Telephone 982-4285

Area Code 505

December 20, 1982

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, N. M. 87501



Re: Puckett B-29 Well
NGPA Determination
Federal Docket #82-0785-NM

Dear Mr. Stogner:

In accordance with Division Order R-6013, and on behalf of William A. and Edward R. Hudson, we are submitting this application with enclosures for consideration of the Puckett "B" Well No. 29, Unit O, Section 25, T17S, R31E, NMPM, Eddy County, New Mexico as a necessary infill well on an existing proration unit.

This proration unit consists of federal lands and has been previously submitted to the Minerals Management Service for a Section 103 determination.

On September 3, 1982, the Minerals Management Service notified Mr. Hudson that the subject Puckett "B" Well 29 was located on the same proration unit at the Puckett "B" Well #13, to-wit SW/4SE/4 of Section 25, and that they required an infill finding from the Oil Conservation Division.

Please call me if you have any questions.

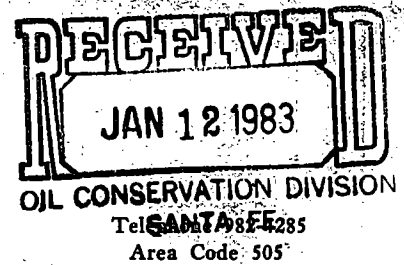
Very truly yours,

W. Thomas Kellahin

WTK:mmm

Encs.

cc: Edward R. Hudson
Ralph L. Gray



KELLAHIN AND KELLAHIN
Attorneys at Law
El Patio - 117 North Guadalupe
Post Office Box 2265
Santa Fe, New Mexico 87501

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey
James B. Grant

January 10, 1983

Mr. Michael E. Stogner
OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for NGPA Infill Well
Findings Under Provision of Order
R-6013-A for William A. & Edward
R. Hudson Puckett "B" Well No. 29,
SW/4AE/4 Section 25, T17S, R31E,
NMPM, Eddy County, New Mexico

Dear Mr. Stogner:

In accordance with your request dated December 29, 1982,
I am informed by Mr. Ralph L. Gray, the petroleum
engineer for this lease, that the gas production for
the subject well is approximately 50% of the oil
production. Therefore, the total expected gas recovery
is 16,000 MCF.

Please call me if you need anything further.

Very truly yours,


W. Thomas Kellahin

WTK:rb

cc: Mr. Ed Hudson
Mr. Ralph Gray

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
EDWARD R. AND WILLIAM A. HUDSON FOR
INFILL FINDINGS PURSUANT TO DIVISION
ORDER R-6013

A P P L I C A T I O N

William A. and Edward R. Hudson seek a finding of the New Mexico Oil Conservation Division that their Puckett "B" Well #29, located in Unit O, Section 25, T17S, R31E, Eddy County, New Mexico is a necessary well in order to effectively and efficiently drain the SW/4SE/4 of said Section:

RULE 3

Copies of this application and all exhibits were sent all offset operators by certified mail, return receipt requested, as of the date of mailing of this application.

RULE 5

Attached is a copy of the approved federal form for Permit to Drill and a copy of the Form C-102.

RULE 6

The subject well is located in the Maljamar (Grayburg-San Andres) Pool, which has standard oil spacing of 40 acres.

RULE 8

WELLS DRILLED ON SAME PRORATION UNIT

	<u>OLD WELL</u>	<u>NEW INFILL WELL</u>
a.	Puckett "B" #13 660' f. S. & 1980' f. E. Sec. 25-17S-31E.	Puckett "B" #29 1295' f. S. & 1345' f. E. Sec. 25-17S-31E.
b.	Spudded 6-18-60	Spudded 11-14-81
c.	Completed 8-16-60	Completed 1-13-82
d.	No problems.	No problems.
e.	Current rate of production 16 BO + 22 BWPD.	28 BO + 15 BWPD.
f.	Now producing.	Now producing.
g.	Well #13 has been pumping with a low fluid level for years. Well #29, new infill well, was completed <u>flowing</u> 44 BO + 72 BWPD, indicating a higher reservoir pressure and undrained area.	

RULE 9

- a. A formation structure map is attached showing top of San Andres. However, the structure is not related to drainage and spacing requirements. Lack of drainage by wells drilled on 40 acre spacing was definitely shown when infill well #24 was drilled (NE/4 NE/4 Section 25) and completed on Sept. 24, 1977, flowing 500 BO + 30 BW in 24 hours. At that time, the old offsetting producers were "B" #3 (pumping 5 BO + 27 BWPD), and "B" #6 (pumping 47 BO + 10 BWPD). The high pressure and high producing capacity at the new well #24 indicated that the infill area had not been significantly drained. Other infill wells in the area showed comparable results.
- b. Volume of increase oil expected. Attached is production curve showing monthly oil produced, and projected future production after 1982.

Oil Production 1982 - - - 12,078 bbls.

Oil Production after 1982-19,408 bbls.

Total expected recovery- -31,486 bbls.

- c. Other data. Porosity averages about 10 percent. Permeability valves are very erratic, which accounts for lack of drainage of 40 acres by one well. This finding is also shared by Conoco who operates the MCA Unit directly offsetting the Hudson lease to the east. This very large unit has been completely re-drilled by infill wells in order to recover the maximum oil.

RULE 11

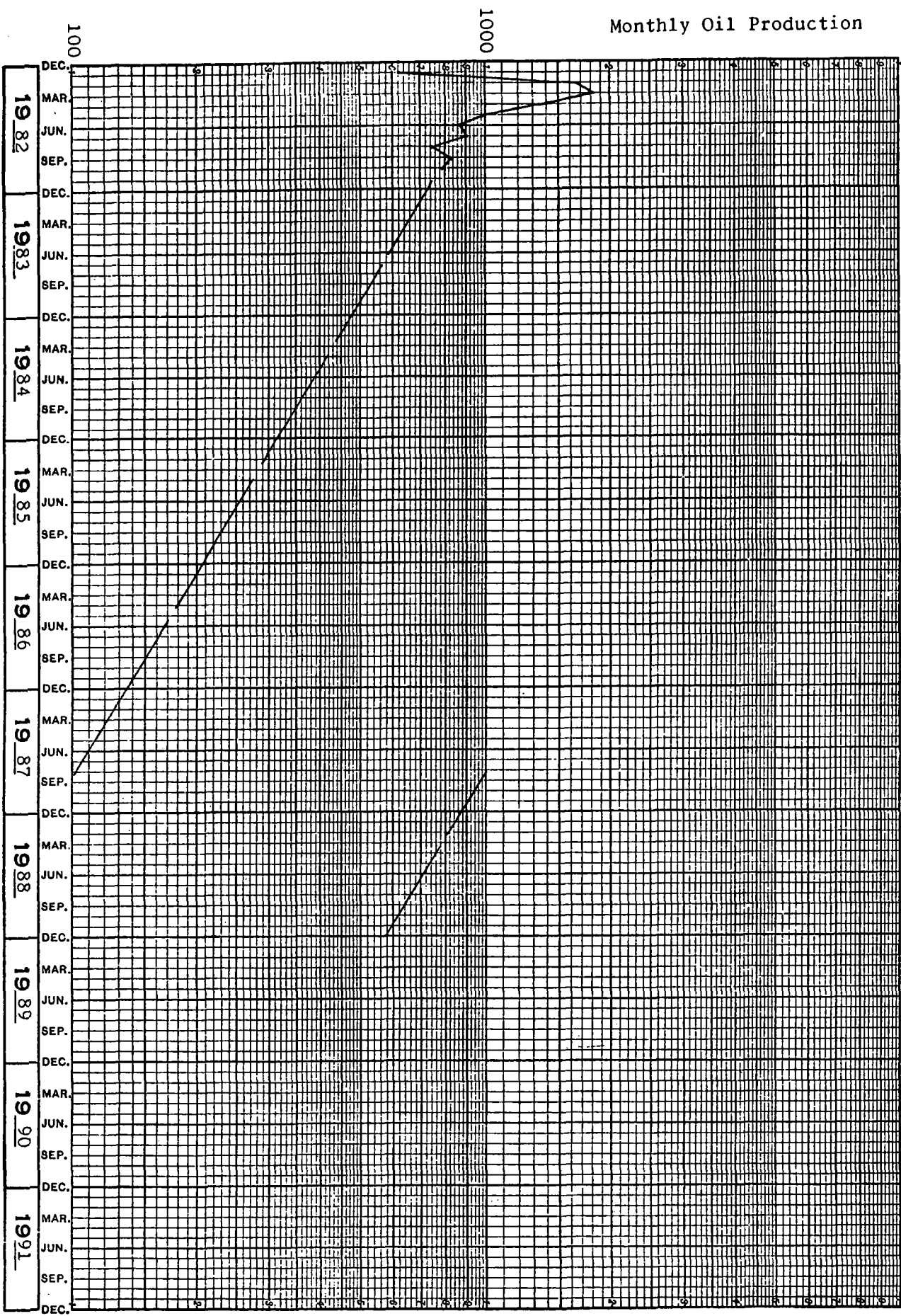
Names and Addresses of Operators offsetting the Hudson Unit:

Conoco, Inc.
Box #460
Hobbs, New Mexico 88240

J. Pete Thompson
1208 Great Plains Bldg.
Lubbock, Texas 79401

Monthly Oil Production

Puckett "B" #29



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-17
Supersedes O-1
1-1-79

All distances must be from the center line unless otherwise noted.

WILLIAM A. & EDWARD R. HUDSON			PUCKETT "B"		29
0	25	17 SOUTH	31 EAST	EDDY	

1295 feet from the SOUTH line and 1345 feet from the EAST line					
3	3.9	Grayburg-San Andres	Pool	Maljamar G-SA	

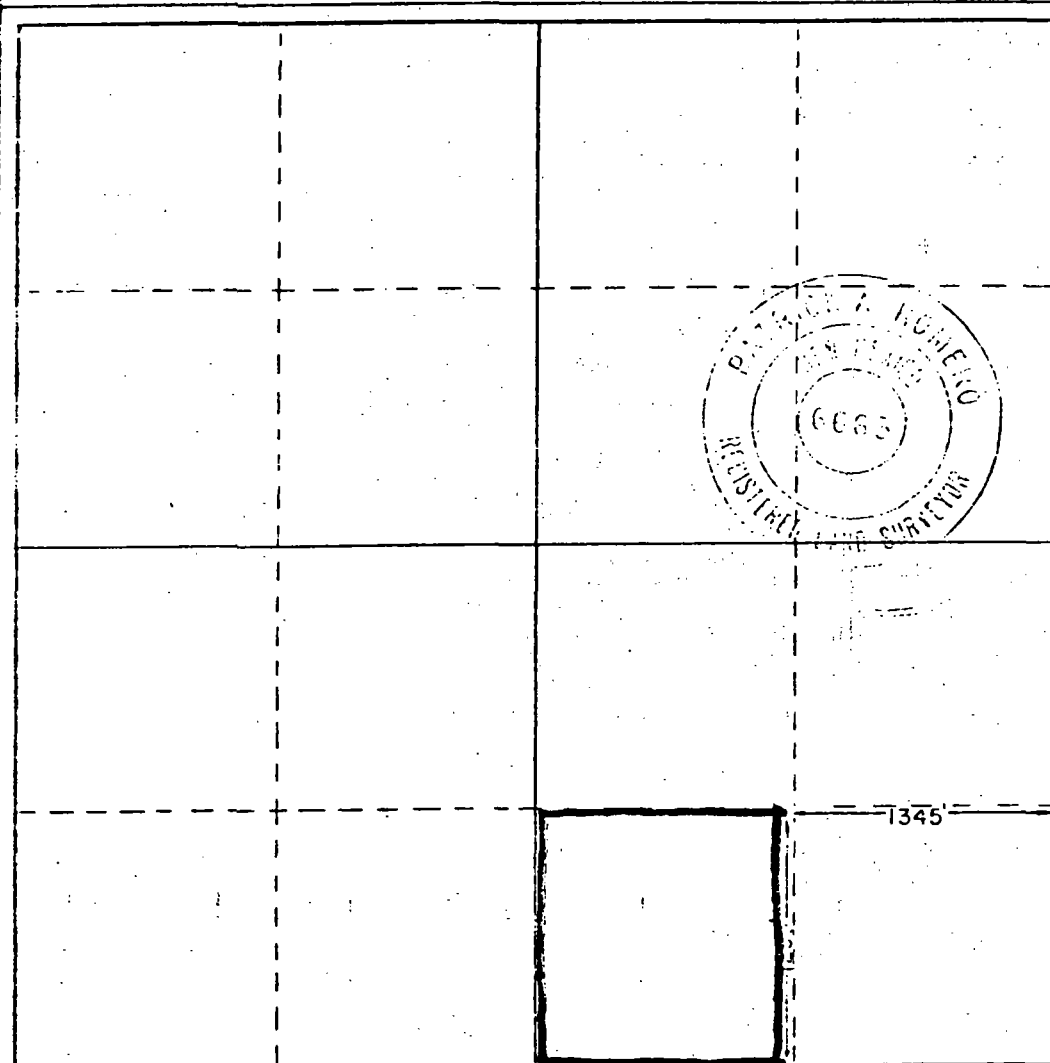
- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation

APR 23 1981

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



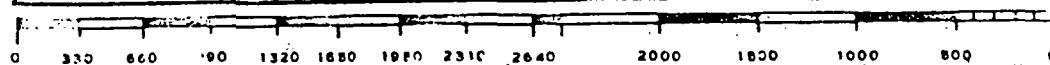
CERTIFICATION

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

Name: *Patrick A. Romero*
Position: Consulting Engineer
Company: WILLIAM A. & EDWARD R. HUDSON
Date: April 21, 1981

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 knowledge and belief.

Date Surveyed: 4-1-81
Registered Professional Engineer and/or Land Surveyor: *Patrick A. Romero*
Certificate No: JOHN W. VEST 670
PATRICK A. ROMERO 6563
Ronald J. Eidson 3239



UNITED STATES
DEPARTMENT OF THE INTERIOR

SUBMIT IN TRIPLI E°
(Other instructions on
reverse side)

Form approved,
Budget Bureau No. 42-R1425.

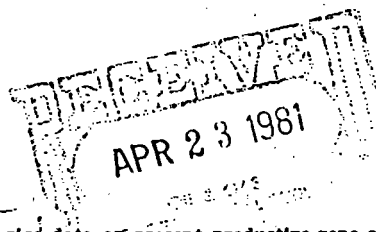
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DENIGATION AND SERIAL NO. LC-029415-B
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR WILLIAM A. & EDWARD R. HUDSON		7. UNIT AGREEMENT NAME
8. ADDRESS OF OPERATOR Box #198, Artesia, New Mexico 88210		8. FARM OR LEASE NAME Puckett "B"
9. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1295' from south and 1345' from east lines of Section 25-17S-31E. At proposed prod. zone		9. WELL NO. 29
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 6 miles SW of Maljamar, New Mexico		10. FIELD AND POOL, OR WILDCAT Maljamar (G-SA)
10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1295'	16. NO. OF ACRES IN LEASE	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 25-17S-31E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 930'	19. PROPOSED DEPTH 4150'	12. COUNTY OR PARISH 13. STATE Eddy New Mexico
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3864' ground		17. NO. OF ACRES ASSIGNED TO THIS WELL Waterflood Project
23. PROPOSED CASING AND CEMENTING PROGRAM		20. ROTARY OR CABLE TOOLS Rotary
22. APPROX. DATE WORK WILL START* Sept. 1, 1981		

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" O.D.	24# J-55	845' CIRCULAR	1600 sx. Class "C" + 2% CaCl.
7-7/8"	5 1/2" O.D.	20.5# J-55 15.5#	4150'	400 sx. Class "C"

It is proposed to drill this well with rotary tools to a depth of approximately 4150'. Production string will be cemented near bottom and pays will be perforated and treated with acid and frac. All casing will be new. See attachment for other data.



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 Ralph L. Gray TITLE Consulting Engineer. DATE April 21, 1981

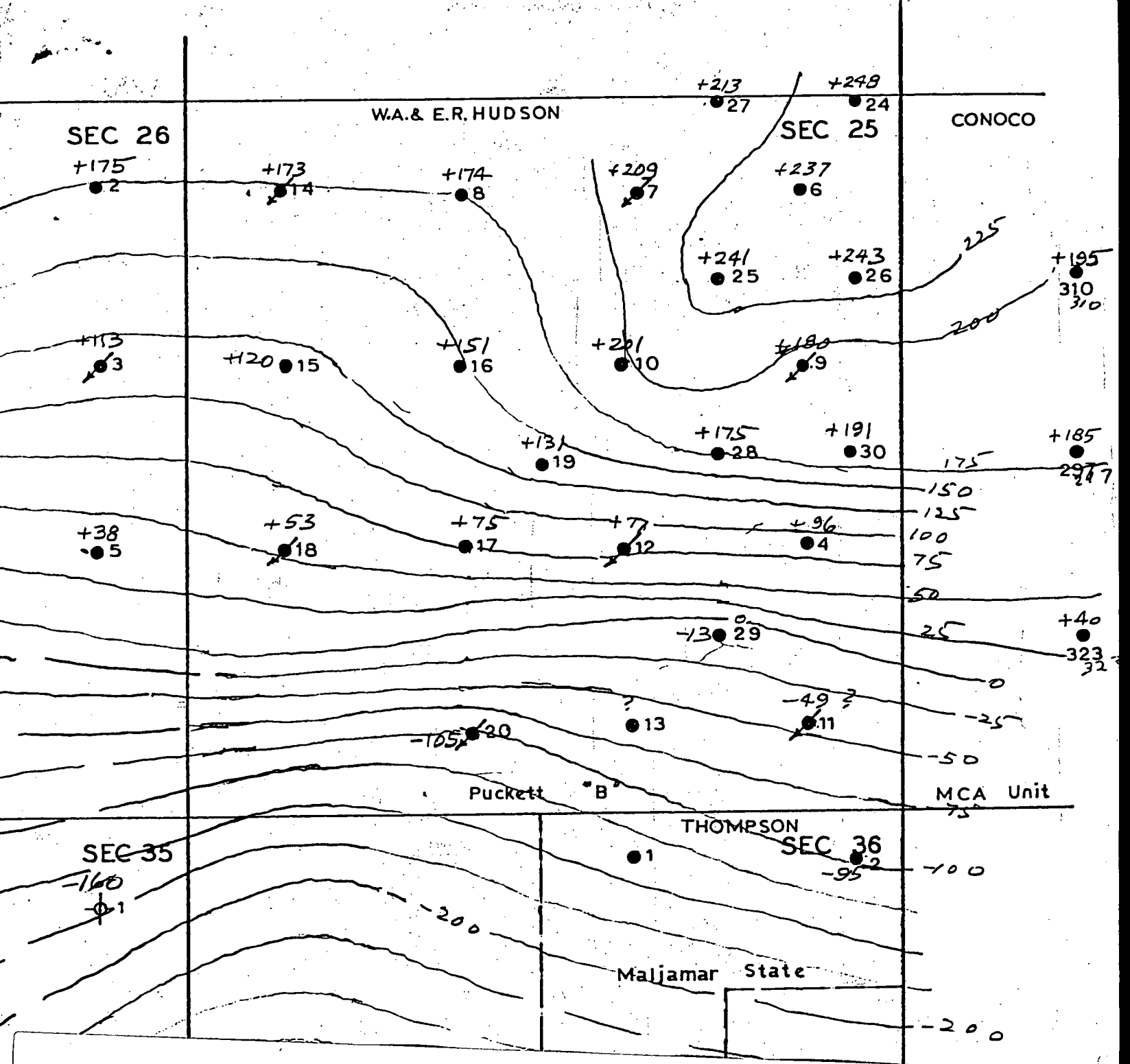
(This space for Federal or State use)

PERMIT NO. APPROVED APPROVAL DATE MAY 20 1981

APPROVED BY JAMES A. GILLHAM DISTRICT SUPERVISOR

FOR Approval by State for NON-STD. LOCATION

*See Instructions On Reverse Side



STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
EDWARD R. AND WILLIAM A. HUDSON FOR
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- b. Volume of increase oil expected. Attached is production curve showing monthly oil produced, and projected future production after 1982.

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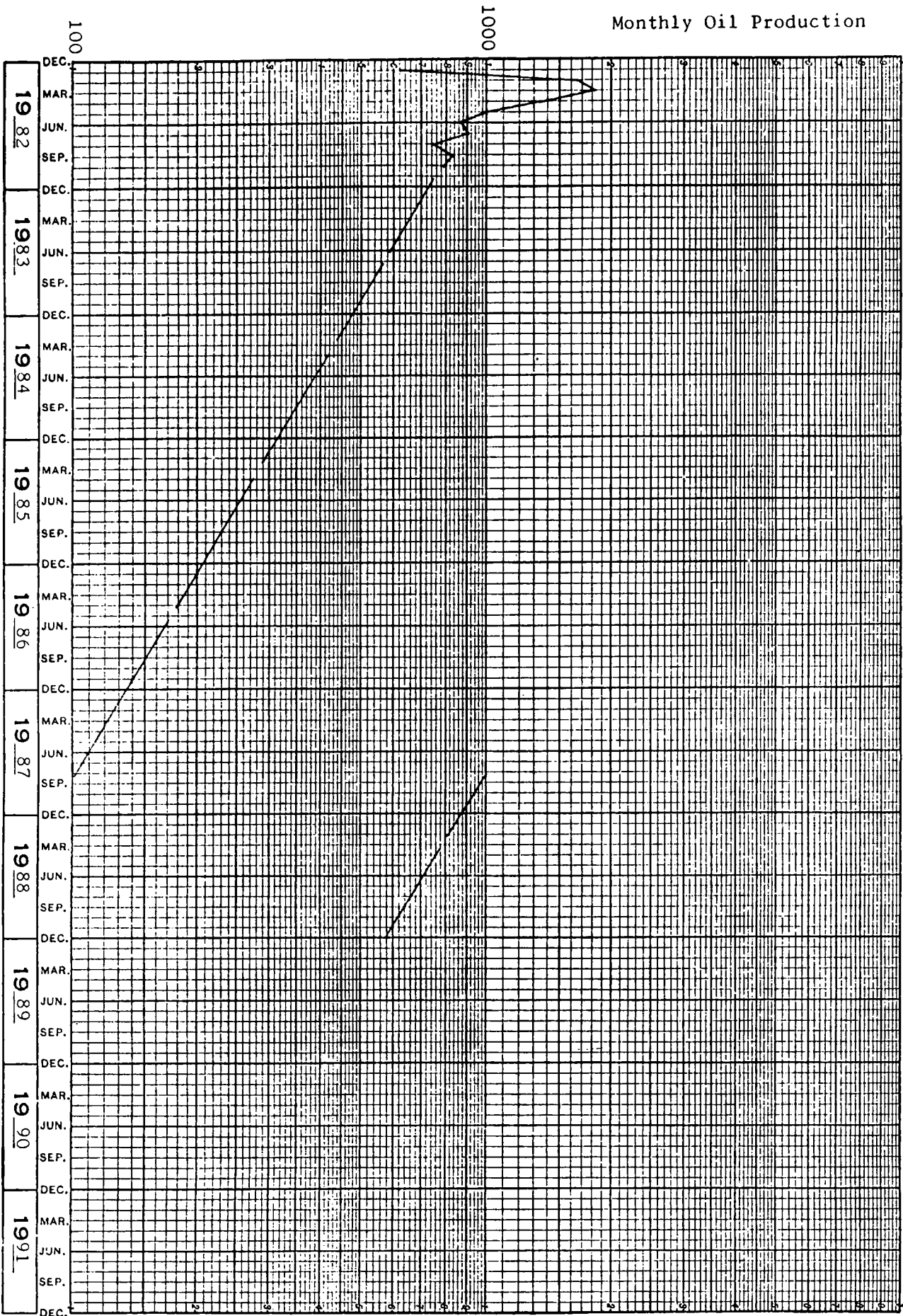
RULE 11

Names and Addresses of Operators offsetting the Hudson Unit:

Conoco, Inc.
Box #460
Hobbs, New Mexico 88240

J. Pete Thompson
1208 Great Plains Bldg.
Lubbock, Texas 79401

Monthly Oil Production



Puckett "B" #29

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form No. 1
Supersedes No. 1
1-1-60

All distances must be from the center line of the Section

WILLIAM A. & EDWARD R. HUDSON			PUCKETT "B"		29
0	25	17 SOUTH	31 EAST	EDDY	

1295 feet from the SOUTH line and		1345 feet from the EAST line	
3 3.9	Producing Formation Grayburg-San Andres	Pool Maljamar G-SA	Dedicated Acreage

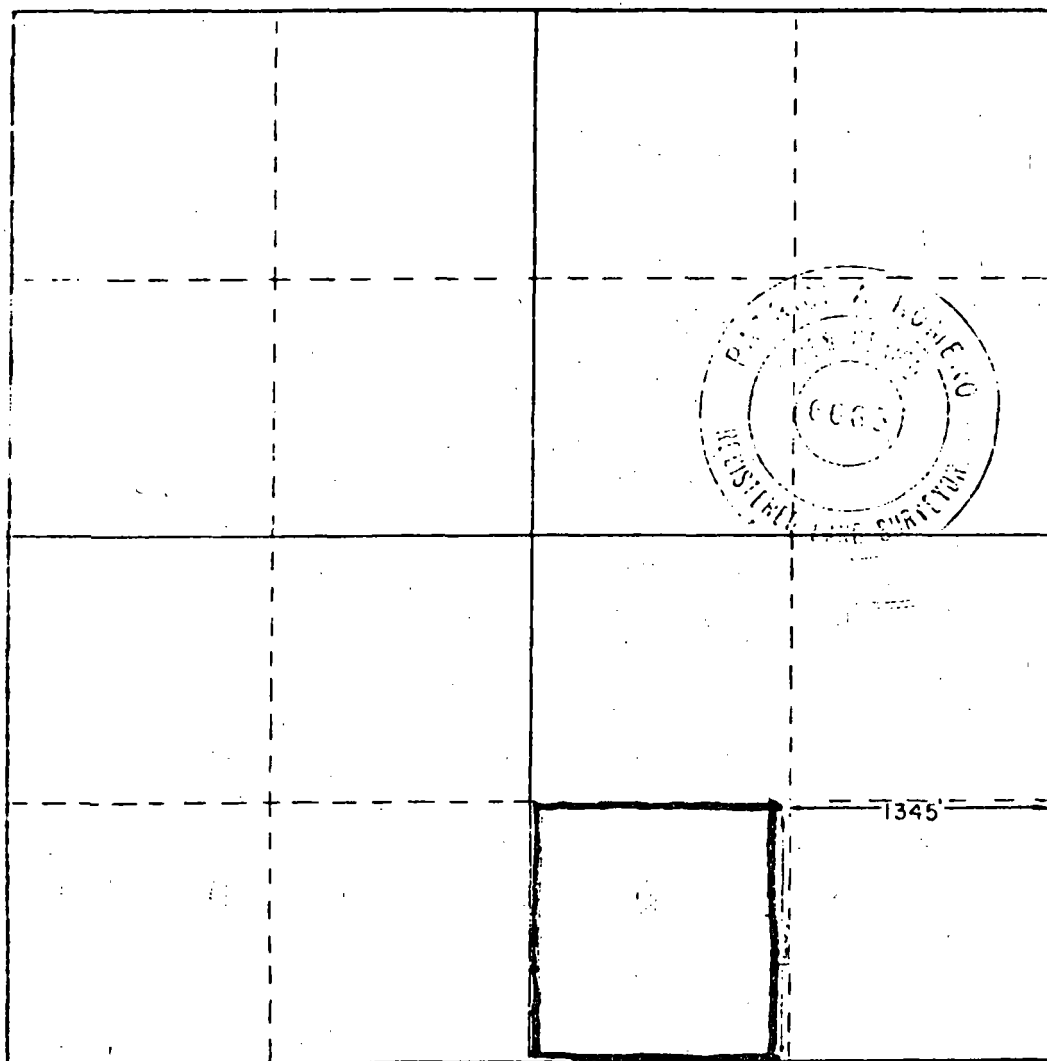
- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

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CERTIFICATION

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

Name Raymond Gray
Position Consulting Engineer

Company WILLIAM A. & EDWARD R. HUDSON

Date April 21, 1981

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 knowledge and belief.

Date Surveyed 4-1-81

Registered Professional Engineer and/or Land Surveyor

Patrick A. Romero

Certificate No. JOHN V. EAST 176
PATRICK A. ROMERO 656
Ronald J. Eiden 323

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. LC-029415-B
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR WILLIAM A. & EDWARD R. HUDSON		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR Box #198, Artesia, New Mexico 88210		8. FARM OR LEASE NAME Puckett "B"
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1295' from south and 1345' from east lines of Section 25-17S-31E. At proposed prod. zone		9. WELL NO. 29
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 6 miles SW of Maljamar, New Mexico		10. FIELD AND POOL, OR WILDCAT Maljamar (G-SA)
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1295'	16. NO. OF ACRES IN LEASE	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 25-17S-31E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 930'	19. PROPOSED DEPTH 4150'	12. COUNTY OR PARISH Eddy
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3864' ground		13. STATE New Mexico
20. ROTARY OR CABLE TOOLS Rotary		17. NO. OF ACRES ASSIGNED TO THIS WELL Waterflood Project
22. APPROX. DATE WORK WILL START* Sept. 1, 1981		

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" O.D.	24# J-55	845' CIRCULAR	600 sx. Class "C" + 2% CaCl.
7-7/8"	5 1/2" O.D.	2.5# J-55 15.5#	4150'	400 sx. Class "C"

It is proposed to drill this well with rotary tools to a depth of approximately 4150'. Production string will be cemented near bottom and pays will be perforated and treated with acid and frac. All casing will be new. See attachment for other data.

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IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 Ralph L. Gray TITLE Consulting Engineer. DATE April 21, 1981

(This space for Federal or State use only)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

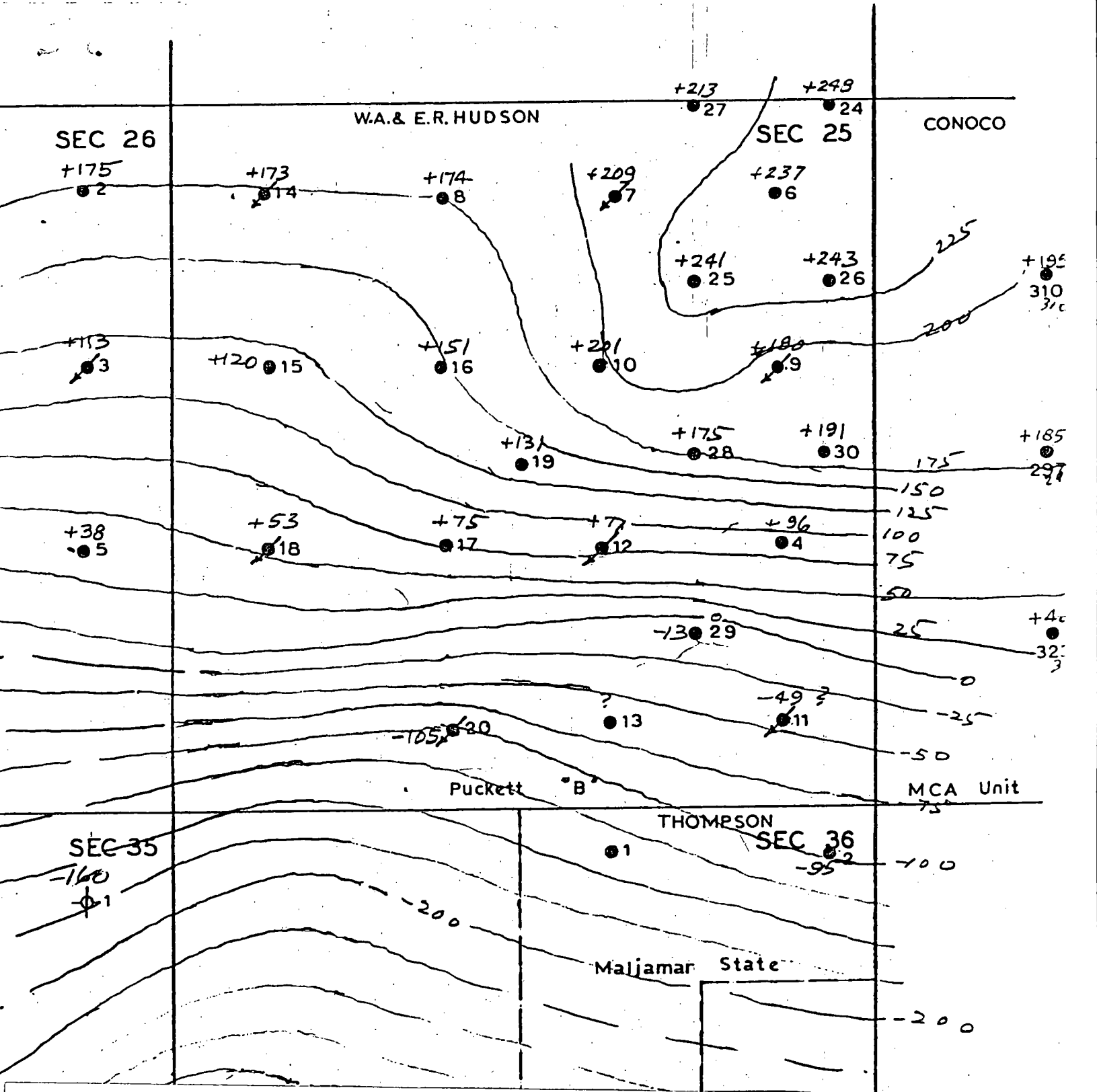
DATE

CONDITIONS OF APPROVAL, IF ANY:

FOR

JAMES A. GILLHAM
DISTRICT SUPERVISOR

*See Instructions On Reverse Side



SECTION 26, 25, 35, 36
W.A. & E.R. HUDSON