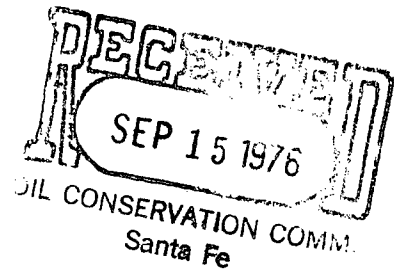


**RALPH L. GRAY**  
PETROLEUM ENGINEERING - PRODUCTION  
CONSULTANT  
P. O. BOX 198  
ARTESIA, NEW MEXICO 88210

Sept. 14, 1976



New Mexico Oil Conservation Commission  
P. O. Box #2088  
Santa Fe, New Mexico 87501

NSL-792

due Oct 5

Attention: Mr. D. S. Nutter, Chief Engineer

Dear Sir:

*application of*  
William A. and Edward R. Hudson have been conducting their Puckett waterflood project in the Maljamar Field, Eddy County, New Mexico, since 1962. Order No. R-2815 authorized the drilling of Puckett "B" #23 at a location 1295' from the south and west lines of Section 24, Township 17 South, Range 31 East, and also authorized the use of this well for water injection. This well and the entire waterflood project is shown on the attached map. Puckett "B" #23 was completed April 16, 1965, and has been injecting water since that time until several months ago.

The well reached the point where it was taking only a very small amount of water, too small to be of any use in the waterflood project.

In August 1973, the Puckett "B" well #5, located just to the southeast of "B" #23 was converted to a water injection well and this well has essentially taken over for Puckett "B" #23. Water injection has been into the San Andres formation.

In order to receive some benefit at Puckett "B" #23, it is now proposed to convert this well to a producing well by setting a bridge plug at 3625' in the 5½" casing with 5' of cement on top. This plug would be above all of the present perforations. We would then perforate casing from 3519' to 3533' with 2 holes per foot and acidize with 500 gallons. This is a Grayburg sand zone which showed oil staining at the time of drilling the well.

Your approval of this change in status for Puckett "B" #23 will be appreciated and will permit the well to be used for a beneficial purpose.

Sincerely,

*Ralph L. Gray*  
RALPH L. GRAY

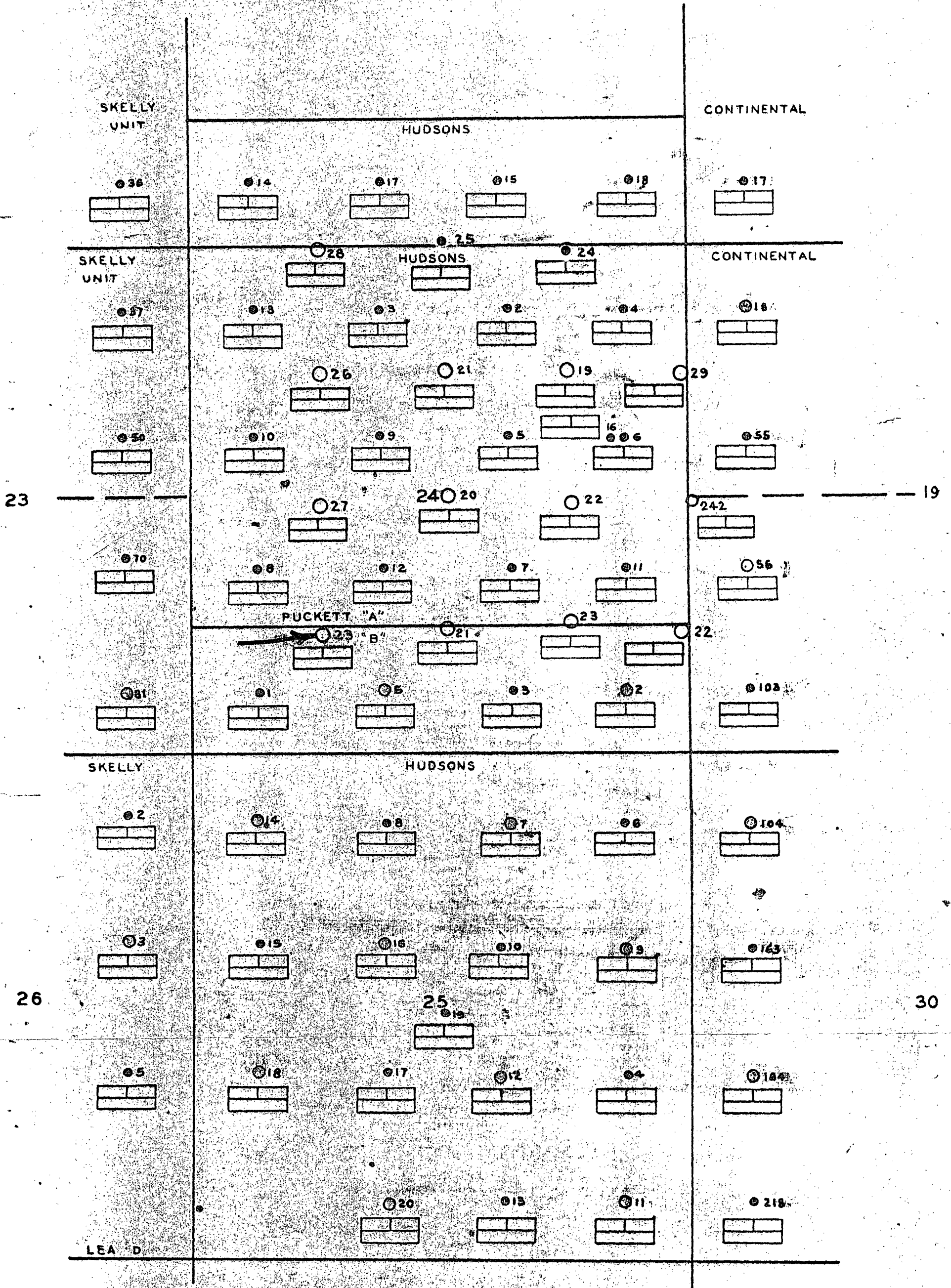
RLG:lw

*only if approved*  
cc: Skelly Oil Company  
P. O. Box #1351  
Midland, Texas 79701

WILLIAM A. & EDWARD R. HUDSON  
PUCKETT WATERFLOOD PROJECT

MALJAMAR FIELD, EDDY COUNTY, NEW MEXICO.  
T 17 S, R 31 E

13



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PROJECT BOUNDARY

PRODUCTION WELL INJECTION WELL