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April 10, 1968

Case 3758

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

Gentlemen:

Enclosed is the application of William A. and Edward R. Hudson for an exception to the provisions of New Mexico Oil Conservation Commission Order No. R-3221.

It is requested that this case be set before the Commission's examiner, or at the May statewide Commission hearing.

Yours very truly,

Jason W. Kellahin
Jason W. Kellahin

JWK:ss
Encl.

APR 11 PM 1 10

DOCKET MAILED

Date 5/2/68

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF WILLIAM A. AND
EDWARD R. HUDSON FOR APPROVAL
OF AN EXCEPTION TO THE PROVI-
SIONS OF ORDER R-3221, DOS
HERMANOS POOL, EDDY COUNTY,
NEW MEXICO

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Case 3758 APR 11 PM 1 10

A P P L I C A T I O N

Comes now WILLIAM A. and EDWARD R. HUDSON and apply to the Oil Conservation Commission of New Mexico, for an exception to the provisions of Order No. R-3221, to permit continued use of unlined surface pits for the disposal of produced waters in the Dos Hermanos Pool, Eddy County, New Mexico, and in support thereof would show the Commission:

Applicants are the operators of leases designated as the Federal, the Gulf Federal and Eddy State "BD" leases, located in Sections 28, 32 and 33, in Township 20 South, Range 30 East, Eddy County, New Mexico, all as more particularly shown on plat attached to this application and made a part hereof.

The applicants' leases are presently producing 81 barrels of oil, plus 6,428 barrels of water per day, or in excess of 98 percent (98%) water. Future life of the leases is estimated not to exceed five years.

Cost for installing water disposal facilities would be prohibitive, cannot be economically justified and the leases would have to be abandoned if an exception is not granted.

At the present time large volumes of heavily concentrated salt water is being disposed of into surface depressions approximately one-half mile east of the Dos Hermanos Pool, and other surface disposal is being carried on on an extensive

scale in other portions of the township. Continued use of surface pits by applicants would not augment any problem that may exist on account of surface disposal, and the elimination of surface disposal on applicants' leases would not put an end to salt water seepage in the area, if such seepage is in fact occurring.

Approval of this application will make possible the recovery of an additional 107,800 barrels of oil from the Dos Hermanos Pool before abandonment, resulting in the prevention of waste and the production of oil that would not otherwise be recovered.

WHEREFORE, applicants pray that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, an exception to the provisions of Order No. R-3221, be granted.

Respectfully submitted,

WILLIAM A. and EDWARD R. HUDSON

BY Jason W. Kellahin
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Santa Fe, New Mexico

ATTORNEYS FOR APPLICANTS

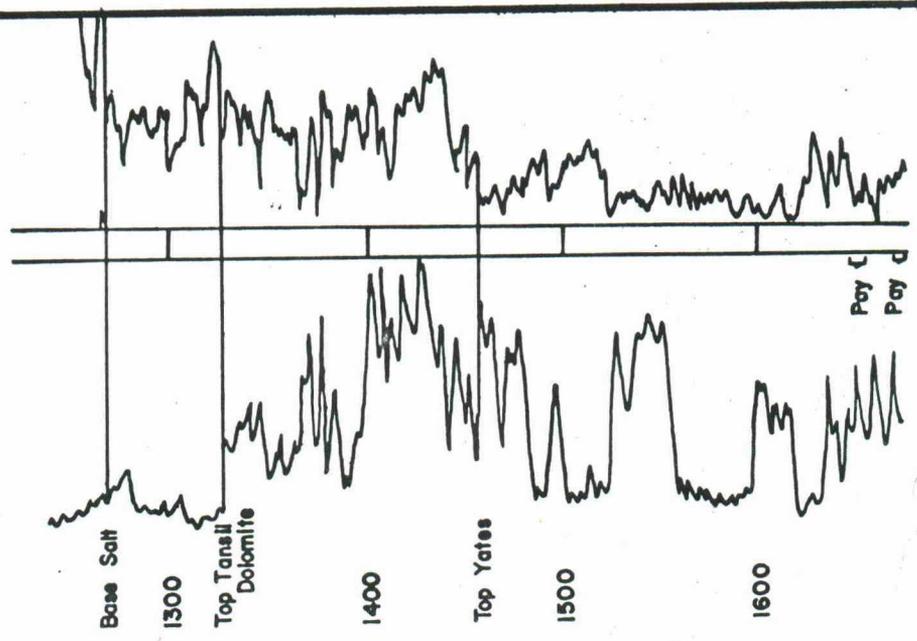
Case 375-8

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DOS HERMANOS FIELD
EDDY COUNTY, NEW MEXICO

STRUCTURAL CONTOURS ON
TOP OF YATES

