

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒ Re-entry DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☒ GAS WELL ☐ OTHER ☐

SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR

William A. & Edward R. Hudson

3a. Area Code & Phone No.

505-676-2266

3. ADDRESS OF OPERATOR

P.O. Box 9, Maljamar, N.M. 88264

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)

At surface  
1980' FNL, 660' FEL of Sec. 15, T18S, R31E

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

8 miles southwest of Maljamar, N.M.

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

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

16. NO. OF ACRES IN LEASE

720

19. PROPOSED DEPTH

4132'

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Reverse Circulating unit

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

3700 GL

22. APPROX. DATE WORK WILL START\*

March 1991

23. Existing

PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
11"	8-5/8"	24#	J-55	8rd.	783'	200 SX.
7-7/8"	5-1/2"	15.50#	J-55	8rd.	4144'	1200 SX.

It is proposed to re-enter this well by drilling out all existing plugs from the surface to 4132'. The perforations 3362-72' and 3388-96' will be squeezed with cement and the 5-1/2" casing will be perforated in the C-zone of the Grayburg formation from approximately 4120' to 4130'. This zone will be stimulated using acid and frac.

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

P&A 4-23-91  
OTD 4145

RECEIVED  
FEB 15 12 21 PM '91  
AREA

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.

SIGNED Dwaine Hudson TITLE Prod. Supt.

DATE 2/12/91

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

3-13-91

\*See Instructions On Reverse Side

SURFACE USE PLAN

FOR

WILLIAM A. & EDWARD R. HUDSON  
NO. 5, SHUGART B  
1980' FNL and 660' FEL  
SEC. 15, T18S, R31E  
EDDY COUNTY, NEW MEXICO

LOCATED: 8 air miles southwest of Maljamar, New Mexico

FEDERAL LEASE NO.: LC-062052

LEASE ISSUED: August 14, 1945

RECORD LESSEE: Hudson and Hudson

ACRES IN LEASE: 720

GRAZING PERMITTEE: Virgil Linam Estates  
P.O. Box 1503  
Hobbs, New Mexico 88240

POOL: Yates, Seven Rivers, Queens, GR-SA

POOL RULES: 40 acre spacing for oil

EXHIBITS:

- A. Road Map
- B. Topography Map
- C. County Map
- D. Location Access Plat
- E. Location Dimensions, Pit and Access Road
- F. Pressure Control Equipment

MULTI-POINT SURFACE USE & OPERATION PLAN  
William A. & Edward R. Hudson  
Shugart -B- Lease  
Well No. 5

1. Existing Roads

- A. Exhibit -A- is a portion of a road map showing the location of the well site as staked. Take U.S. Highway 62/180 east from Carlsbad to State Road 360, take Road 360 north to County Road 222, take County Road 222 north to County Road 249, turn right on County Road 249 and go 1.5 miles, turn left on existing lease road and go .9 mile, turn right on existing lease road and go .1 mile to the location.
- B. Exhibit -B- show existing roads in the vicinity of the proposed well site.

2. Planned Access Road

- A. The existing road will join the well location pad on the west side.
- B. Construction: No new roads will be built.

3. Location of Existing Wells:

- A. Existing wells are shown on Exhibit -C-.
- B. No other wells are operating in this 1/4 section.

4. Location of Existing and/or Proposed Facilities:

- A. The production facilities for this lease were abandoned and removed from the lease in 1989. The production facilities was located in the center of the NE 1/4 of Sec. 15, T18S, R31E. The new production facilities will be constructed on the same site.  
A 3" flowline will be layed from the well site to the production facilities along side the existing lease road. Two secondary power line poles and the power lines located west of the well site were removed in 1990. It is proposed to re-install these power lines.

5. Location and Type of Water Supply:

- A. Water needed for drilling operations will be purchased and trucked to the well site.

6. Source of Construction Materials:

- A. Caliche needed for construction work will be obtained from an existing quarry on Federal Land in Section 11 just to the north of our location, and will be trucked to the well site over existing roads.

Shugart -B-, Well No. 5

7. Waste Disposal

- A. Drill cuttings will be disposed of in the temporary workover pit.
- B. Remaining fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for backfilling.
- C. Water produced during tests will be disposed of in the temporary workover pit.
- D. Oil produced during test will be stored in test tanks until transferred to the tank battery and sold.
- E. Trash, waste paper, garbage and junk will be transported from the location and disposed of in a legal trash dump.
- F. All trash and debris will be buried or removed from the wellsite within 30 days after drilling and/or completion operations are finished.

8. Ancillary Facilities

- A. None Required.

9. Wellsite Layout

- A. Exhibit-E- shows the dimensions of the well pad, the pit and the road.
- B. The temporary workover pit will be unlined, a four strand barbed wire fence will be built around the pit to keep livestock out. The pit will be covered with a net to keep birds out of any Hydro-carbons that may accumulate in the pit.

10. Plans For Restoration of Surface

- A. Following re-entry and/or completion operations, all equipment and material not needed for further operations will be removed. Pits will be filled and the location will be cleaned of all trash and junk to leave the well site in an aesthetically pleasing condition as reasonably possible.
- B. After abandonment, all equipment, trash and junk will be removed and the well site cleaned. Any special rehabilitation and/or special revegetation requirements of the surface management agency will be complied with and will be accomplished as rapidly as is reasonable possible.

Shugart -B- Well No. 5

11. Other Information

- A. Topography: The surface is gently undulating with numerous dunes.
- B. Soil: Top soil in the area of the well site is fine sand.
- C. Flora and Fauna: Vegetation cover is moderate and include mesquite, shinnery oak, sand sage, yucca, weeds and range grasses. Wildlife consists of coyotes, rabbits, rodents, reptiles, dove and quail.
- D. Ponds and Streams: There are no rivers, lakes, ponds or streams in the area.
- E. Residences and Other Structures: There are no inhabited dwellings or other structures within one mile of the proposed well site.
- F. Archaeological, Historical, and Cultural: None observed in the area.
- G. Land Use: Oil and gas production, grazing, and wildlife habitat.
- H. Surface Ownership: Federal

12. Operator's Representative

- A. The field representatives that are responsible for assuring compliance with the approved surface use plan are:

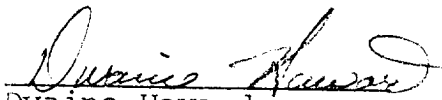
Dwaine Howard - Production Superintendent  
P.O. Box 9, Maljamar, New Mexico 88264  
Phone: 505/676-2266 (Office)  
505/676-3338 (Mobile)  
505/67604311 (Home)

Jimmy Smith - Field Foreman  
#25 Halftrack Lane, Artesia, New Mexico 88210  
Phone: 505-676-3339 (Mobile)  
505-746-6263 (Home)

Shugart -B-, Well No. 5

13. Certification: I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge true and correct; and that the work associated with the operations and proposed herein will be performed by Hudson & Hudson Oil Producers and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. A well location sign showing operators name, well no., section range and township will be installed at the well site prior to operations beginning.

February 12, 1991  
Date

  
Dwaine Howard  
Production Superintendent  
Hudson & Hudson

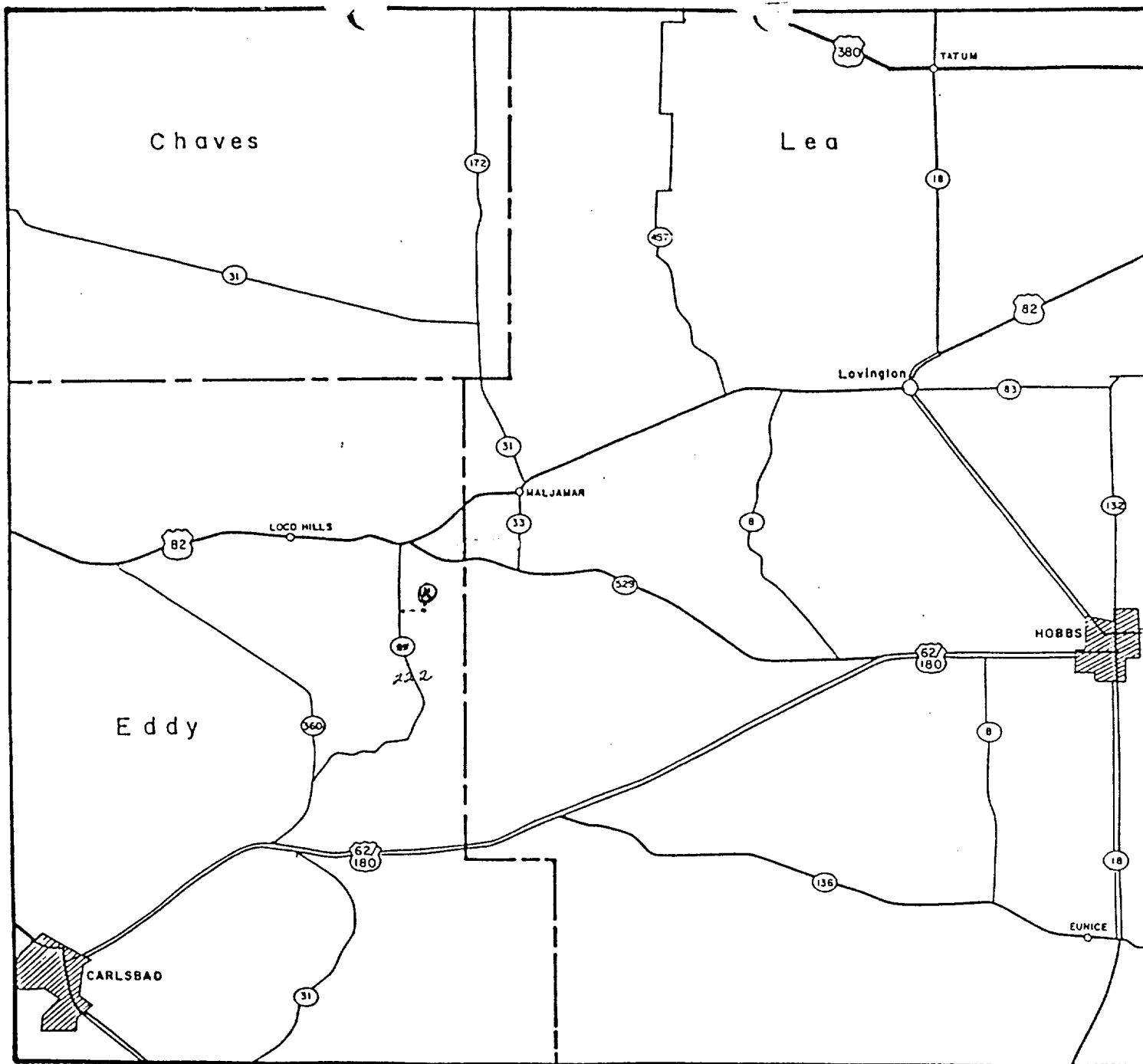


Figure 1

WILLIAM A. & EDWARD R. HUDSON  
SHUGART - B - Well NO. 5

EDDY CO., NEW MEXICO

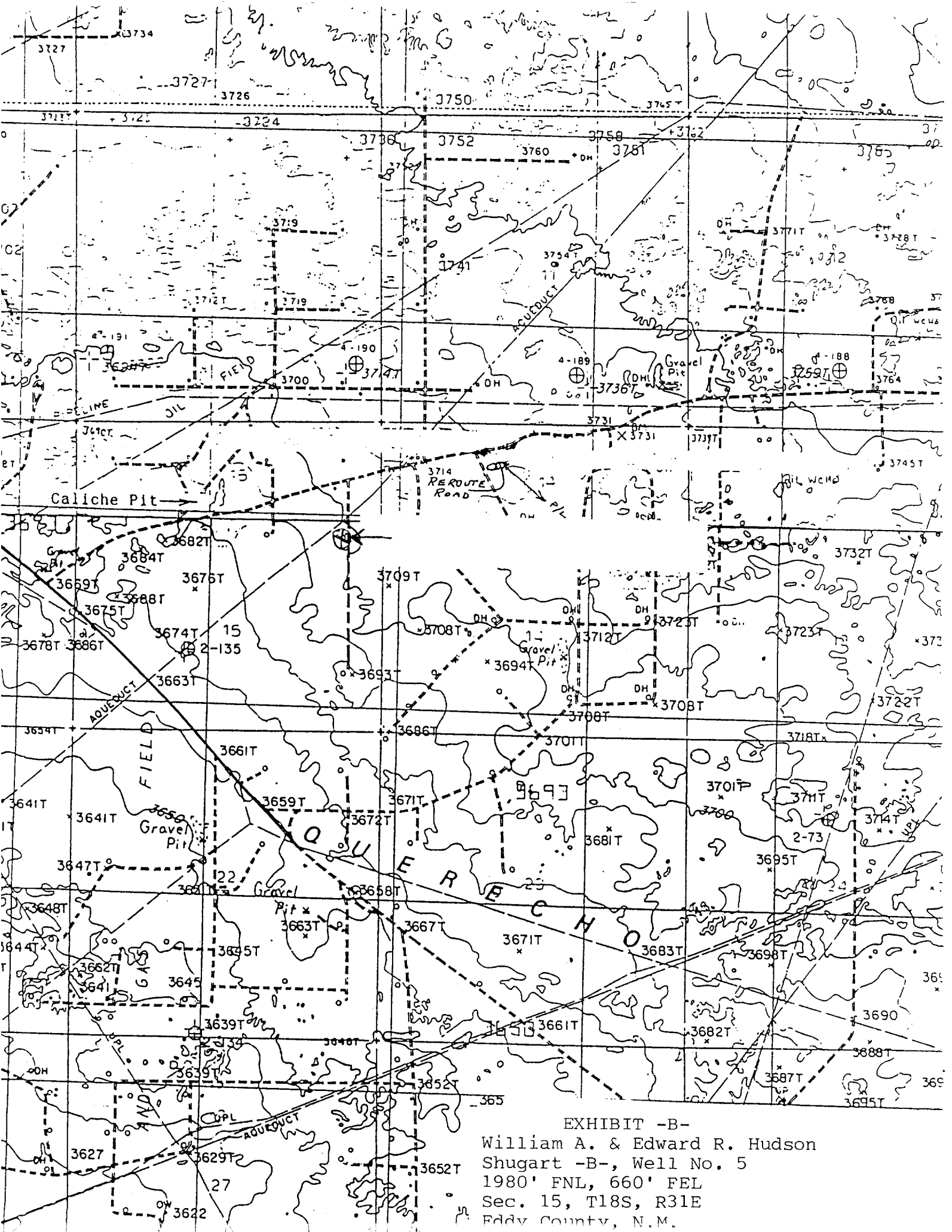
OIL & GAS FIELDS

EXHIBIT -A-  
1980' FNL, 660' FEE  
Sec. 15, T18S, R31E  
Eddy County, N.M.

- |                  |                         |                     |
|------------------|-------------------------|---------------------|
| == DIVIDED HWY.  | — CONNECTING ROAD       | U.S. HIGHWAY        |
| — PRIMARY ROAD   | --- UNIMPROVED ROAD     |                     |
| — SECONDARY ROAD | ○ 4TA PROPOSED LOCATION | ○ STATE OR CO. ROAD |

Date:

Scale: 1" = Appox. 9 mi.







NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

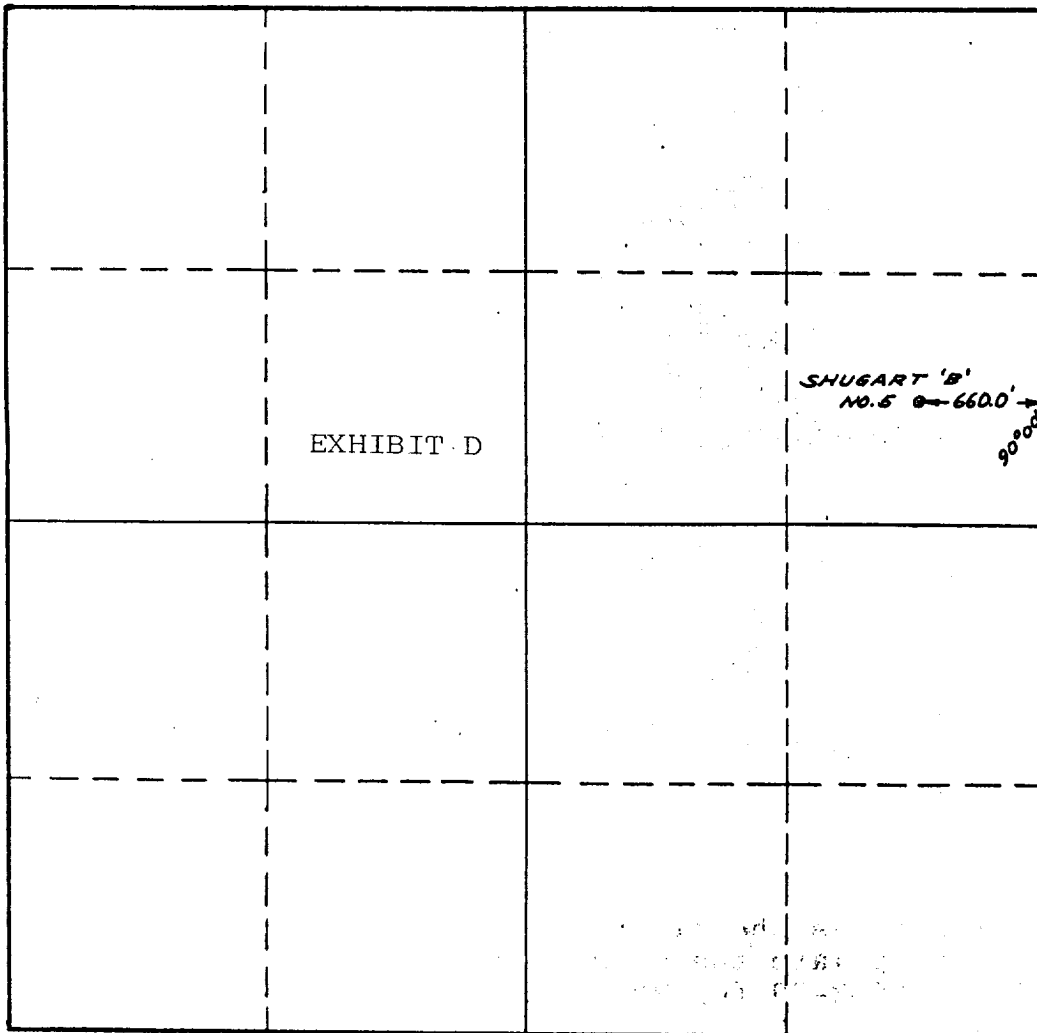
Date June 6th, 1957

Operator Hudson & Hudson, Inc. Lease Shugart "B" 188  
Well No. 5 Unit Letter A Section 15 Township 31N NMPM  
Located 1900 Feet From North Line, 660 Feet From East Line  
County Eddy G. L. Elevation 40 Dedicated Acreage 40 Acres  
Name of Producing Formation Queen Pool North Shugart

1. Is the Operator the only owner\* in the dedicated acreage outlined on the plat below?  
Yes ☒ No ☐
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes ☐ No ☐. If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

Section B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

Hudson & Hudson, Inc.

(Operator)

1610 Electric Building  
Fort Worth, Texas

Address

This is to certify that the well location shown on the plat in Section B 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 6-8-57

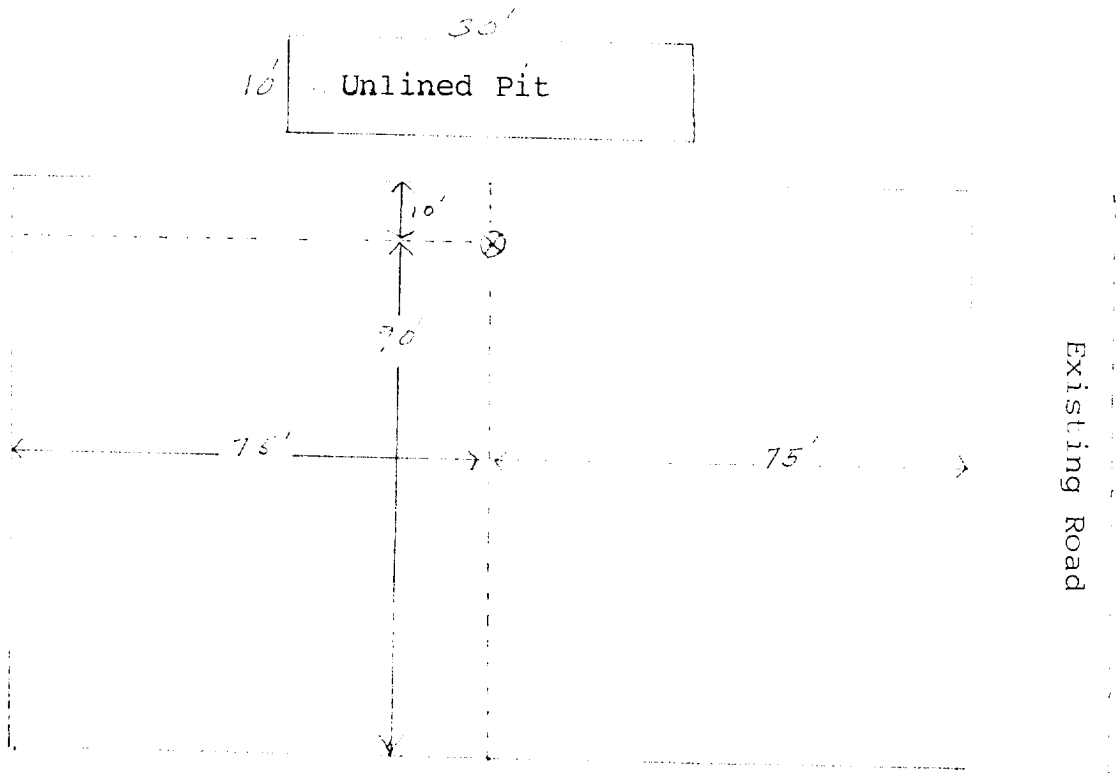
Ban T. Phelps, Jr.  
Registered Professional  
Engineer and/or Land Surveyor.

Certificate No. 1558 L.S.

WILLIAM A. & EDWARD R. HUDSON  
Shugart B Lease  
Well No. 5  
Sec. 15, T-18-S, R-31-E  
Eddy County, N.M.

EXHIBIT -E-

LC-062052



WILLIAM A. & EDWARD R. HUDSON

6" 400-900 Double w/ Rams & Blinds  
3000 P.S.I. Test

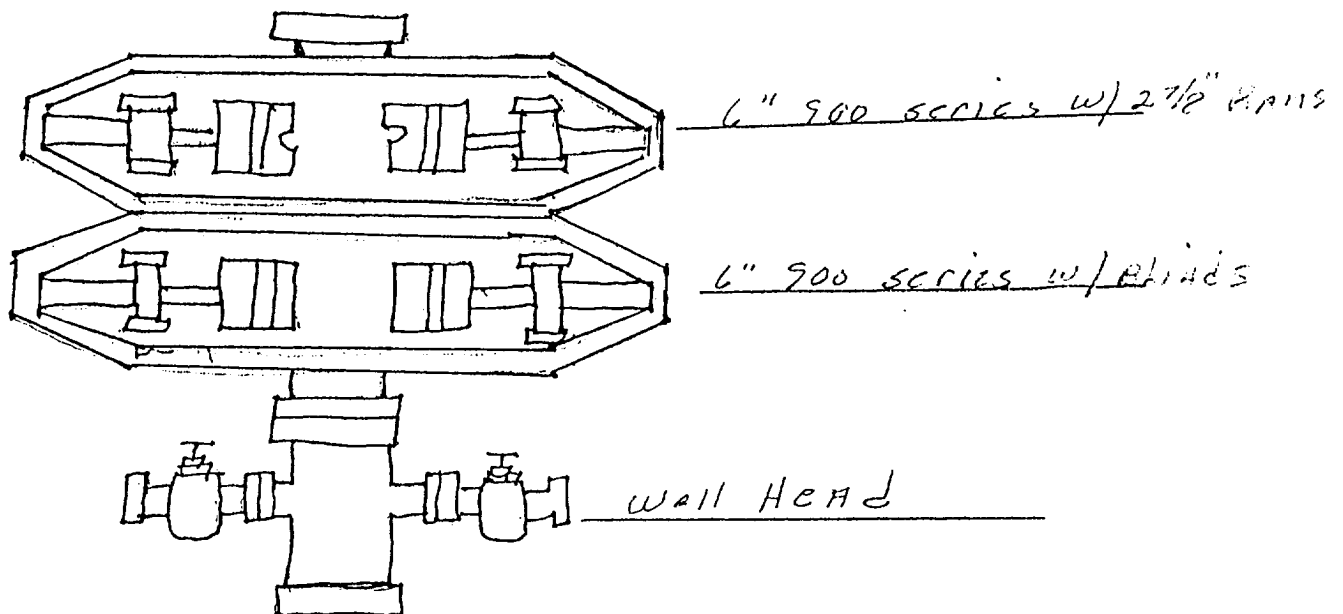


EXHIBIT -F-

WILLIAM A. & EDWARD R. HUDSON  
Shugart B Lease, Well No.5  
1980' FNL, 660' FEL  
Sec. 15, T18S, R31E  
Eddy County, N.M.