

Case Number

4431

Application
Transcripts.

Small Exhibits

ETC.

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 30, 1970

EXAMINER HEARING

IN THE MATTER OF:

Application of William A. and
Edward R. Hudson for unorthodox
well locations and a dual com-
pletion, Lea County, New Mexico

Case No. 4431

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

I N D E XPageRALPH GRAY

Direct Examination by Mr. Kellahin

3

E X H I B I T SOffered and
AdmittedApplicant's Exhibits Nos. 1 thru 4
(Previously marked)

11

MR. NUTTER: We will call Case No. 4431.

MR. HATCH: Case No. 4431. Application of William A. and Edward R. Hudson for unorthodox well locations and a dual completion, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, Jason Kellahin of Kellahin and Fox, appearing for the Applicant. We have one witness I would like to have sworn.

(Whereupon, the witness was sworn on oath.)

MR. NUTTER: This will be the last case we take before the lunch break.

RALPH GRAY

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Ralph Gray.

Q Mr. Gray, what business are you engaged in?

A Consulting Petroleum Engineering.

Q Where are you located?

A Artesia.

Q Have you ever testified before the Oil Conservation Commission in New Mexico as a Petroleum Engineer?

A Yes, sir.

Q Have you stated your qualifications for the record?

A Yes, sir.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

BY MR. KELLAHIN:

Q In connection with your work as a consulting engineer, have you handled the work connected with the Application of William A. and Edward R. Hudson in Case No. 4431?

A Yes, sir.

Q What is proposed by the Applicant in this case?

A The Applicant proposes to drill a well on an unorthodox location which is to be dually completed in the Baish-Wolfcamp in the Maljamar-Abo Pools, Lea County, New Mexico. The reason for the unorthodox location is the result of not conforming to special pool rules. The special pool rules provide that a well shall be drilled either in the northeast quarter or the southwest quarter of a regular quarter section.

Q Is that true of both the Baish-Wolfcamp

and the Maljamar-Abo?

A Yes, sir.

Q Now, referring to what has been marked as Exhibit No. 1, would you identify that Exhibit?

A Exhibit No. 1 is the map of the area which shows wells which are completed in both the Baish-Wolfcamp and Maljamar-Abo Pools. Also the proposed location on the Hudson Lease as indicated by a red arrow. The Hudson Lease is outlined by the yellow coloring.

Q Is that all one basic Lease?

A Yes, sir.

Q Common ownership throughout?

A Yes, sir.

Q What is the footage location of your proposed well location?

A The proposed location will be 660 feet from the south and 1980 feet from the west lines of Section 15, Township 17 South, Range 32 East.

Q Now, the offsetting wells, what zones are they completed in, Mr. Gray?

A The Continental-Hudson No. 1 Unit Well is a west offset to the proposed location, and this well is producing from the Wolfcamp formation only. The Continental-

Baish "B" No. 1 Well which is a south offset to the proposed location is a dual completion producing from both the Wolfcamp and the Abo formations.

Q The same as you are proposing in your Application?

A Yes, sir.

Q Now, referring to what has been marked as Exhibit No. 2, would you identify that Exhibit?

A Exhibit No. 2 shows the tabulation of monthly oil and water production for wells completed in the Baish-Wolfcamp Pool for the years of 1968, 1969 and 1970, through the month of June. This table also shows the cumulative oil production for each well.

Q Referring to what has been marked as Exhibit No. 3, would you identify that Exhibit?

A Exhibit No. 3 shows the same information as Exhibit 2 for wells located in the Maljamar-Abo Pool. This information is identical in scope as Exhibit No. 2.

Q Now, referring to what has been marked as Exhibit No. 4, would you identify that Exhibit?

A Exhibit No. 4 is a diagrammatic sketch showing essentially the method which the Applicant proposes to use in dually completing this well. A permanent-type

of production packer will be set between the Wolfcamp and Abo perforations. We estimate this will be approximately 9700 feet. Two strings of 2 and 1/16 O.D. tubing will then be used to conduct the production; one string for the Abo and one string for the Wolfcamp production.

Q Is this a conventional type of dual completion?

A Yes, sir.

Q Is it essentially the same as the completion for the Continental-Baish 1-B Well to the south?

A Yes, it is.

Q It would have been eligible, then, for administrative approval had it not been in an unorthodox location?

A That's correct.

Q Now, Mr. Gray, you are proposing an unorthodox well location; what is the necessity for that?

A I would like to refer you back to Exhibit 1. Exhibit 1 also shows a structural map with contours drawn on top of the Abo pay, and it will be noted that a well located on a normal location, which would be the northeast quarter of the southwest quarter of Section 15, would be located lower structurally than the proposed location. The proposed location is therefore located

at the most favorable structural position possible. Also, it will be noted by reviewing Exhibits Nos. 2 and 3, the production data, that the better part of both the Abo and Wolfcamp Pools is located to the southwest of the area and the wells which offset the proposed Hudson location are the poorest producers and have performed the poorest in both of these pools.

Also, you will note that in the case of the Hudson No. 1 well, which is west offset, that the Abo formation was not productive in that location and just a single completion was made in the Wolfcamp formation in this instance.

The Baish "B" No. 1 Well of Continental's which is located just to the south of the proposed location is producing approximately 11 barrels of oil plus 3 barrels of water per day from the Abo formation, and 31 barrels of oil plus 6 barrels of water per day from the Wolfcamp formation. Therefore, this is the poorest area in both of these pools, so it appears, then, that it is desirable and, in fact, necessary that this location be made closest to the present production rather than going another location north which is in the poorer direction.

Q What acreage would you dedicate to this well?

A It is proposed that the east half of the southwest quarter of Section 15, a 40-acre tract, to be allocated.

Q In your opinion, is all of that acreage productive of oil and gas from the Abo and the Wolfcamp formations?

A Well, we believe there is a good chance that it is and we are very hopeful that it is.

Q Would the well located as the Applicant proposes in this case adequately drain and develop the unit to be dedicated to the well?

A Yes, sir.

Q Will the approval of this Application result in the recovery of oil that would otherwise not be recovered?

A Yes, it will. I might add at this point that the Applicant states that if he is required to drill a well on the regular location which would be the northeast quarter of the southwest quarter of Section 15, he would consider that this would be so unfavorable that a well would not be drilled on that location. So, the well will only be drilled on this proposed 40-acre

tract, if at all.

Q What offset operator would be affected by this proposed location?

A Continental Oil Company.

Q Were Exhibits 1 through 4 prepared by you or under your supervision?

A Yes, sir.

MR. KELLAHIN: At this time I would like to offer in evidence Exhibits 1 through 4, inclusive.

MR. NUTTER: Applicant's Exhibits Nos. 1 through 4 will be admitted in evidence.

(Whereupon, Applicant's Exhibits Nos. 1 through 4 were offered and admitted in evidence.)

BY MR. KELLAHIN:

Q Do you have anything else to add, Mr. Gray?

A No, sir.

MR. KELLAHIN: That completes the examination of the witness.

MR. NUTTER: Does anyone else have any questions of Mr. Gray?

You may be excused.

(Witness dismissed.)

MR. KELLAHIN: If the Examiner please, I believe

the file will reflect a waiver from Continental Oil Company, the offset operator in this case.

MR. HATCH: The Commission has received a letter from Continental Oil waiving Notice of Hearing on the Application.

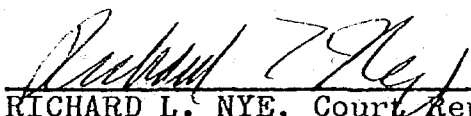
(Whereupon, a discussion was held off the record.)

MR. NUTTER: Does anyone have anything further on Case No. 4431?

We will take the case under advisement. The Hearing is recessed until 1:30.


STATE OF NEW MEXICO)
) SS.
 COUNTY OF SANTA FE)

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.


 RICHARD L. NYE, Court Reporter

My commission expires April 8, 1971.

I do hereby certify that the foregoing is a complete record of the proceedings in the Executive hearing of Case No. 4431, heard by me on 9/30, 1970.


 New Mexico Oil Conservation Commission

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4431
Order No. R-4037

APPLICATION OF WILLIAM A. AND EDWARD R.
HUDSON FOR UNORTHODOX WELL LOCATIONS AND
A DUAL COMPLETION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 30, 1970,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of October, 1970, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicants, William A. and Edward R. Hudson,
seek an exception to the Special Rules and Regulations governing
the Baish-Wolfcamp and Maljamar-Abo Pools to drill a well at an
unorthodox location for said pools 660 feet from the South line
and 1980 feet from the West line of Section 15, Township 17
South, Range 32 East, NMPM, Lea County, New Mexico.

(3) That the applicants also seek authority to complete
the subject well as a dual completion (conventional) to produce
oil from the Baish-Wolfcamp and Maljamar-Abo Pools through
parallel strings of 2 1/16-inch tubing, with separation of the
zones by a packer set at approximately 9700 feet.

(4) That the evidence indicates that a well drilled at the
proposed non-standard location should encounter the productive

-2-

CASE No. 4431

Order No. R-4037

formations higher than a well drilled at a standard location and should, therefore, result in greater ultimate recovery of oil, thereby preventing waste.

(5) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(6) That approval of the subject application will afford the applicants the opportunity to produce their just and equitable share of the oil in the pools, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicants, William A. and Edward R. Hudson, are hereby granted an exception to the Special Rules and Regulations governing the Baish-Wolfcamp and Maljamar-Abo Pools to drill a well at an unorthodox location for said pools 660 feet from the South line and 1980 feet from the West line of Section 15, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

(2) That the applicants are hereby authorized to complete the subject well as a dual completion (conventional) to produce oil from the Baish-Wolfcamp and Maljamar-Abo Pools through parallel strings of 2 1/16-inch tubing, with separation of the zones by a packer set at approximately 9700 feet;

PROVIDED HOWEVER, that the applicants shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicants shall take packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Baish-Wolfcamp Pool.

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

-3-

CASE No. 4431

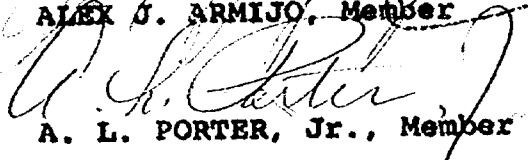
Order No. R-4037

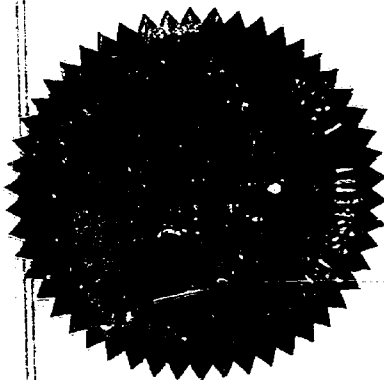
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


A. L. PORTER, Jr., Member & Secretary



esr/

Docket No. 22-70

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 30, 1970

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4416: (Continued from the September 16, 1970, Examiner Hearing)

Application of Robert L. Parker Trust for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a cooperative waterflood project in the Langlie Mattix Pool on its George L. Erwin Lease by the injection of water through its Erwin Well No. 2 located in Unit L of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico.

CASE 4422: (Continued from the September 2, 1970, Examiner Hearing)

Application of Atlantic Richfield Company for amendment of Order No. R-3588, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3588, which order authorized the disposal of produced salt water into the Yates and Seven Rivers formation in the perforated and open-hole interval from 3110 feet to 3300 feet in the Sinclair ARC Federal Well No. 1 located in Unit O of Section 9, Township 20 South, Range 33 East, West Teas Pool, Lea County, New Mexico. Applicant now seeks authority to dispose into said zones in the interval from 3010 feet to 3300 feet.

CASE 4222: (Reopened)

In the matter of Case 4222 being reopened pursuant to the provisions of Order No. R-3850, which order established 80-acre spacing units for the West Sawyer-San Andres Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units and present evidence as to whether or not the subject pool is in fact an associated reservoir.

CASE 4429: Application of Union Texas Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Langlie-Jal Unit Area comprising 3,748 acres, more or less, of federal, state, and fee lands in Townships 24 and 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.

CASE 4430: Application of Union Texas Petroleum Corporation of a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Langlie-Jal Unit by the injection of water into the Seven Rivers and Queen formations through 46 wells in Townships 24 and 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.

(Reopened)

CASE 4173: In the matter of Case 4173 being reopened pursuant to the provisions of Order No. R-3811-A, which order extended 80-acre spacing units and a limiting gas-oil ratio of 4000 cubic feet of gas per barrel of oil for the Hobbs-Drinkard Pool, Lea County, New Mexico, for a period of 90 days. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing, why the limiting gas-oil ratio should not revert to 2000 to one, and/or why all casing-head gas produced by wells in the pool should not be reinjected.

CASE 4420: (Continued and Readvertised)

Application of Xplor Company for the creation of a new gas pool and special rules therefor, a dual completion, and authority to commingle, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Pennsylvanian gas pool for its Cleveland Well No. 1 located in Unit G of Section 23, Township 12 South, Range 32 East, Lea County, New Mexico, and for the promulgation of special rules therefor, including a provision for 160-acre spacing units. In the alternative, applicant seeks approval of a non-standard 160-acre gas proration unit comprising the NE/4 of said Section 23 to be dedicated to said well. Applicant also seeks authority to dually complete said well in such a manner as to produce oil from the East Caprock-Devonian Pool and gas from said Pennsylvanian formation and to commingle on the surface the liquids from said zones.

CASE 4431: Application of William A. and Edward R. Hudson for unorthodox well locations and a dual completion, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to drill a well at an unorthodox location (off pattern) 660 feet from the South line and 1980 feet from the West line of Section 15, Township 17 South, Range 32 East, Lea County, New Mexico, for the production of oil from the Baish-Wolfcamp and Maljamar-Abo Pools and to dually complete said well in the subject pools.

CASE 4432: Application of MWJ production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the rules governing the Baum-Upper Pennsylvanian Pool to permit the drilling of an oil well at an unorthodox location 2310 feet from the South line and 990 feet from the West line of Section 5, Township 14 South, Range 33 East, Lea County, New Mexico.

CASE 4433: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to permit Allied Chemical Corporation to appear and show cause why said corporation should be permitted to institute its proposed waterflood project in its Milnesand (San Andres) Unit Area, Milnesand-San Andres Pool, Roosevelt County, New Mexico, by the injection of fresh water; said corporation testified in the hearing that authorized said waterflood project that produced salt water be used for waterflooding purposes.

CASE 4423: (Continued from the September 2, 1970, Examiner Hearing)

Application of Union Oil Company of California for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the San Andres formation underlying the N/2 NE/4 of Section 20, Township 8 South, Range 38 East, Bluitt-San Andres Associated Pool, Roosevelt County, New Mexico. Said acreage to be dedicated to a well to be drilled at an orthodox location in the NW/4 NE/4 of said Section 20. Also to be considered will be the cost of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4434: Application of Union Oil Company of California for the creation of a new gas pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for its Pipeline Federal Well No. 1 located in Section 4, Township 19 South, Range 34 East, Lea County, New Mexico. Applicant further seeks the promulgation of special rules therefor, including a provision for 640-acre spacing and proration units and fixed well location requirements.

CASE 4435: Application of Blackrock Oil Company for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Mobil Atlantic Well No. 1 located in Unit D of Section 10, Township 9 South, Range 36 East, Lea County, New Mexico, in such a manner as to produce oil from the Pennsylvanian formation through tubing and to dispose of produced salt water into the San Andres formation from 4300 feet to 5045 feet and possibly other formations between the 8 5/8-inch casing shoe at 4153 feet and the top of the cement at 9205.



CONTINENTAL OIL COMPANY

P. O. Box 460
HOBBS, NEW MEXICO 88240

Ccc 4431

1001 NORTH TURNER
TELEPHONE 393-4141

PRODUCTION DEPARTMENT
HOBBS DIVISION
L. P. THOMPSON
Division Manager
G. C. JAMIESON
Assistant Division Manager

September 3, 1970

[Signature]

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

10 SEP 8 AM 9 16

Attention Mr. A. L. Porter, Jr., Secretary Director

Gentlemen:

Subject: Application of Hudson and Hudson for approval of an unorthodox well location, Lea County, New Mexico

Continental Oil Company has received a copy of the application of William A. and Edward R. Hudson for approval of an unorthodox location and authority to effect a dual completion in Section 15, T-17S, R-32E, Lea County, New Mexico. It is our understanding that this well is to be located 660' FSL and 1980' FWL of that section and is to be dually completed in the Balish Wolfcamp and Maljamar Abo pools.

Continental Oil Company, an offset operator to the proposed location, hereby waives notice and hearing on the application described above.

Yours very truly,

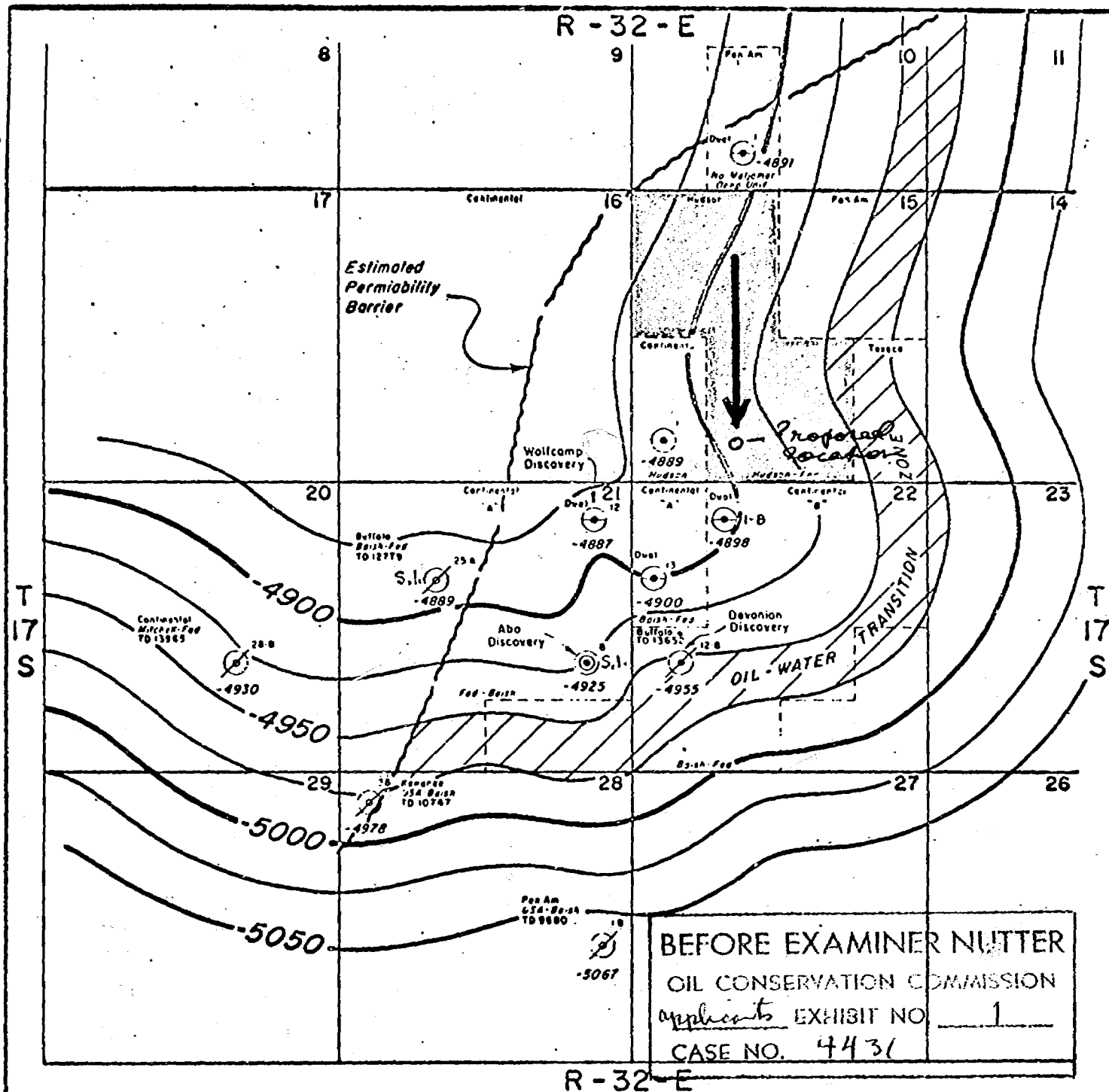
[Signature]

VTL-SW

CC: Jason W. Kellahin, Box 1769, Santa Fe, New Mexico
R. L. Adams
J. J. Bowden

DOCKET MAILED

Date 9-18-70



— LEGEND —

- ⊙ — Productive in Lower Abo
- ⊕ — Dual Production in Lwr Abo & Wolfcamp
- ⊘ — Non Productive in Lower Abo & Wolfcamp
- ⊙ — Productive in Wolfcamp

**MALJAMAR (Abo) FIELD &
BAISH (Wolfcamp) FIELD AREAS**
Lea County, New Mexico

CONTOUR HORIZON: Top Abo Pay
CONTOUR INTERVAL: 25'

0 2000' 4000'

DATE 3-21-67

BY H. A. MURPHY

Exhibit *1

CONTINENTAL OIL COMPANY
BAISH WOLFCAMP POOL
OIL AND WATER PRODUCTION

YEAR-MONTH	BAISH "A" - OIL			BAISH "B"		HUDSON	
	WELL #12	WELL #13	LEASE TOTAL	WELL #1 OIL	WELL #1 WATER	WELL #1 OIL	WELL #1 WATER
1968-Jan.	958	155	1,113	588		335	9
Feb.	713	114	827	302		731	22
Mar.	863	139	1,002	189		772	22
Apr.	--	380	380	252		728	20
May	--	1,391	1,391	463		664	19
June	--	--	--	445		785	21
July	--	--	--	465		809	23
Aug.	--	--	--	--		650	18
Sept.	--	--	--	549		714	20
Oct.		2,184	2,184	398		628	18
Nov.		1,860	1,860	470		730	20
Dec.	--	1,322	1,322	472		531	15
	2,534	7,545	10,079	4,593		8,077	227
Cumulative	174,490	56,560	231,050	64,634		60,741	
1969-Jan.		1,313	1,313	257		637	18
Feb.				492		654	9
Mar.		2,504	2,504	--		619	17
Apr.		1,945	1,945	270		604	17
May		2,516	2,516	--		538	15
June		3,365	3,365	--		656	18
July		2,821	2,821	--		676	19
Aug.	473	945	1,418			457	13
Sept.	800	1,598	2,398			359	10
Oct.	1,146	2,292	3,438			491	27
Nov.	1,073	1,789	2,862			469	21
Dec.	1,378	1,011	2,389			293	17
	4,870	22,099	26,969	1,019		6,453	201
Cumulative	179,360	78,659	258,019	65,653		67,194	
1970-Jan.	1,387	1,017	2,404			602	36
Feb.	1,173	1,486	2,659	888		335	15
Mar.	939	1,252	2,191	1,113	210	231	18
Apr.	1,075	1,362	2,437	1,054	189	693	26
May	937	1,148	2,085	1,068	197	452	17
June	994	1,258	2,252	941	173	228	8
	6,505	7,523	14,028	5,064	769	2,541	120
Cumulative	185,865	86,182	272,047	70,717		69,735	

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
apphew EXHIBIT NO. 2
CASE NO. 4431

RALPH L. GRAY
PETROLEUM ENGINEERING

Exhibit #2

CONTINENTAL OIL COMPANY
BAISH "A" & "B" LEASES - MALJAMAR ABO POOL
OIL & WATER PRODUCTION

YEAR-MONTH	BAISH "A"				TOTAL LEASE OIL	BAISH "B"	
	#1 OIL	#8 OIL	#12 OIL	#13 OIL		WELL #1 OIL	WATER
1968-Jan.	S.I.	93	1,713	1,509	3,315	354	
Feb.		72	1,325	1,168	2,565	259	
Mar.		44	813	716	1,573	203	
Apr.		95	1,454	1,281	2,830	85	
May		72	1,775	1,563	3,410		
June		45	1,053	2,217	3,315		
July		59	1,065	2,900	4,024		
Aug.		55	996	2,712	3,763		
Sept.		57	1,197	2,801	4,055		
Oct.		46	871	1,836	2,753		
Nov.		39	859	1,680	2,578		
Dec.		28	570	--	598		
Cumulative	345	705	13,691	20,383	34,779	901	
		273,390	94,164	108,860	476,759	108,392	
1969-Jan.		28	503		531	S.I.	
Feb.		153			153		
Mar.		53	1,119		1,172		
Apr.		65	1,371		1,436		
May		84	1,258		1,342		
June		392			392		
July		329			329		
Aug.		111	551	550	1,212		
Sept.		187	932	932	2,051		
Oct.		267	1,338	1,337	2,942		
Nov.		36	1,382	1,553	2,971		
Dec.		46	1,515	1,147	2,708		
Cumulative	345	1,751	9,969	5,519	17,239		
		275,141	104,133	114,379	493,998	108,392	
1970 - Jan.			1,525	1,155	2,680		
Feb.			1,290	1,642	2,932	155	
Mar.			1,127	1,409	2,536	391	90
Apr.			1,290	1,541	2,831	351	81
May			1,088	1,300	2,388	366	85
June			1,192	1,424	2,616	322	74
			7,512	8,471	15,983	1,585	330
Cumulative	345	275,141	111,645	122,850	509,981	109,977	

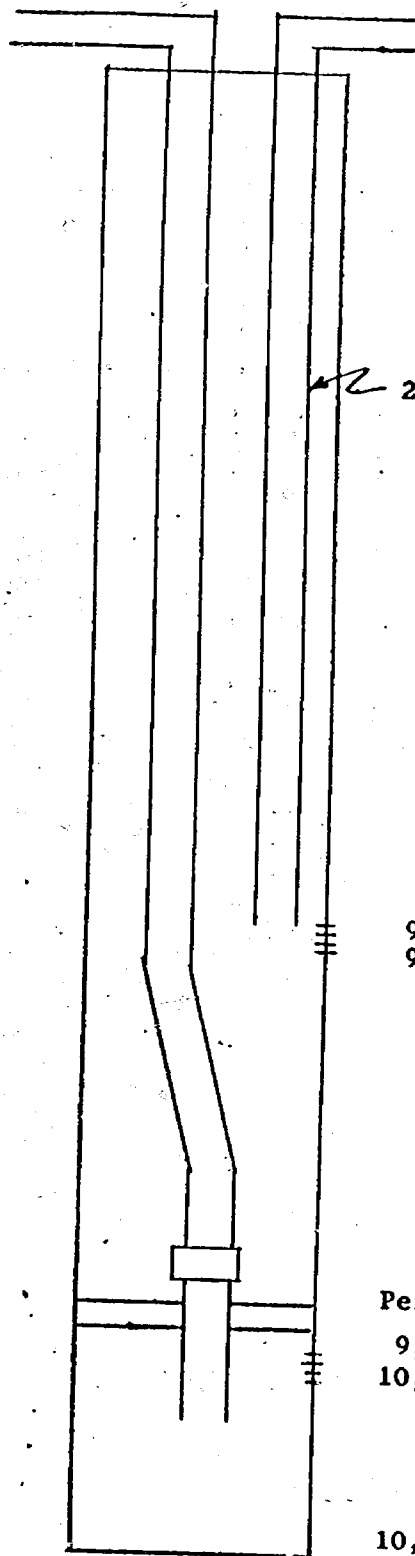
BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

appth EXHIBIT NO. 3

CASE NO. 4431

PROPOSED DUAL COMPLETION
WILLIAM A. & EDWARD R. HUDSON



2-1/16" O.D. Tubing at 9,000'.

9,000'.
9,050'.

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

appends EXHIBIT NO. 4

CASE NO. 4431

Permanent Prod. Packer at 9700 with 2-1/16" tail pipe to about 9950'.
9,900'.
10,000'.

10,200' - 5 1/2" O.D. Casing

JASON W. KELLAHIN
ROBERT E. FOX

KELLAHIN AND FOX
ATTORNEYS AT LAW
54½ EAST SAN FRANCISCO STREET
POST OFFICE BOX 1769
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August 28, 1970

70 AUG 31 AM 8 10

TELEPHONE 982-4315
AREA CODE 505

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

Case 4431

Gentlemen:

Enclosed is the application of William A. and Edward R. Hudson for approval of an unorthodox well location and for dual completion in the Baish-Wolfcamp Pool, and the Maljamar-Abo pools, Lea County, New Mexico, as an exception to the provisions of Orders R-2765, and R-2766, and as provided by Commission Rule 112-A. It is requested that this application be set for the hearing scheduled for September 16, 1970.

Yours very truly,

Jason W. Kellahin
Jason W. Kellahin

jwk;ls

cc: William A. and Edward R. Hudson

DOCKET MAILED

Date 9-18-78

70 AUG 31 AM 8 11

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF WILLIAM A. AND EDWARD R.
HUDSON FOR APPROVAL OF AN UNORTHODOX
WELL LOCATION, AND FOR DUAL COMPLETION,
LEA COUNTY, NEW MEXICO

Case 4431

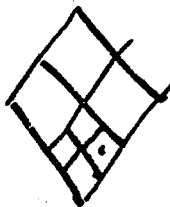
A P P L I C A T I O N

Come now WILLIAM A. and EDWARD R. HUDSON, and apply to the Oil Conservation Commission for approval of an unorthodox well location in the Baish-Wolfcamp, and the Maljamar-Abo pools, Lea County, New Mexico, and in support thereof would show the Commission:

1. Applicant proposes to drill a well to be located 660 feet from the South line, and 1980 feet from the West line of Section 15, Township 17 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

2. Applicant further proposes to dually complete said well for production of oil from the Baish-Wolfcamp Pool, and the Maljamar-Abo Pool, and to dedicate to said well, as to production from both pools, the E/2 SW/4 of said Section 15.

3. Under the pool rules for the Baish-Wolfcamp Pool as set out in Order No. R-2765, and for the Maljamar-Abo Pool, as set out in Order No. R-2766, spacing for each pool is 80-acres, and under Rule 4 of each of the above orders provides that the first well drilled on a proration unit shall be drilled in either the NE/4 or the SW/4 of the governmental quarter section, and an exception is sought as to these provisions, as to each of the defined pools.



WHEREFORE Applicant prays 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, the Commission enter its order approving the dual completion and well location, as prayed for.

Respectfully submitted,

WILLIAM A. AND EDWARD R. HUDSON

BY Jason W. Kellahin

KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT

DRAFT

GMH/esr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4431

Order No. R-

4037

APPLICATION OF WILLIAM A. AND EDWARD R.
HUDSON FOR UNORTHODOX WELL LOCATIONS AND
A DUAL COMPLETION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 30, 1970,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of October, 1970, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicants, William A. and Edward R. Hudson,
seek an exception to the Special Rules and Regulations governing
the Baish-Wolfcamp and Maljamar-Abo Pools to drill a well at an
unorthodox location for said pools 660 feet from the South line
and 1980 feet from the West line of Section 15, Township 17
South, Range 32 East, NMPM, Lea County, New Mexico.

(3) That the applicants also seek authority to complete
the subject well as a dual completion (conventional) to produce
oil from the Baish-Wolfcamp and Maljamar-Abo Pools through parallel

(4) That the evidence indicates that a well drilled at the proposed non-standard location should encounter the productive formations lying there a well drilled at a standard location and should therefore, result in greater ultimate recovery of oil, thereby preventing waste.

strings of 2 1/4-inch tubing, with separation of the zones by a packer set at approximately 9700 feet.

(5) ~~That~~ That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(6) ~~That~~ That approval of the subject application will afford the applicants the opportunity to produce their just and equitable share of the oil in the pools, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicants, William A. and Edward R. Hudson, are hereby granted an exception to the Special Rules and Regulations governing the Baish-Wolfcamp and Maljamar-Abo Pools to drill a well at an unorthodox location for said pools 660 feet from the South line and 1980 feet from the West line of Section 15, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

(2) That the applicants are hereby authorized to complete the subject well as a dual completion (conventional) to produce oil from the Baish-Wolfcamp and Maljamar-Abo Pools through parallel strings of 2 1/4-inch tubing, with separation of the zones by a packer set at approximately 9700 feet;

PROVIDED HOWEVER, that the applicants shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicants shall take packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Baish-Wolfcamp Pool.

-3-
CASE No. 4431

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

CASE 4432: Application of MWJ
PRODUCTION COMPANY FOR UNORTHODOX
OIL WELL LOCATION, LEA COUNTY.