

CASE 5952: HUDSON & HUDSON FOR  
UNORTHODOX OIL WELL LOCATIONS, EDDY  
COUNTY, NEW MEXICO

Case Number  
5952

Application

Transcripts.

Small Exhibits

ETC.



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. 5952  
Order No. R-5473

APPLICATION OF HUDSON & HUDSON  
FOR UNORTHODOX OIL WELL LOCATIONS,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 8, 1977,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st day of June, 1977, 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 applicant, Hudson & Hudson, seeks approval  
for the unorthodox locations of 14 oil wells to be drilled at  
the following locations in the Maljamar Grayburg-San Andres  
Pool, Eddy County, New Mexico:

SECTION 25, TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Unit A	25 feet from North line,	330 feet from East line
Unit B	25 feet from North line,	1345 feet from East line
Unit C	25 feet from North line,	2615 feet from West line
Unit D	25 feet from North line,	1295 feet from West line
Unit E	1345 feet from North line,	1295 feet from West line
Unit F	1345 feet from North line,	2615 feet from West line
Unit G	1345 feet from North line,	1345 feet from East line
Unit H	1345 feet from North line,	330 feet from East line
Unit I	2615 feet from South line,	330 feet from East line
Unit J	2615 feet from South line,	1345 feet from East line
Unit L	2615 feet from South line,	1295 feet from West line
Unit N	1295 feet from South line,	2615 feet from West line
Unit O	1295 feet from South line,	1345 feet from East line
Unit P	1295 feet from South line,	330 feet from East line

-2-

Case No. 5952  
Order No. R-5473

(3) That additional wells drilled at the aforesaid unorthodox locations will better enable applicant to produce the oil underlying the lands dedicated to said wells.

(4) That no offset operator objected to the proposed unorthodox locations.

(5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the subject pool, 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 will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That 14 unorthodox oil well locations are hereby approved to be drilled in the Maljamar Grayburg-San Andres Pool, Eddy County, New Mexico:

SECTION 25, TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Unit A	25 feet from North line,	330 feet from East line
Unit B	25 feet from North line,	1345 feet from East line
Unit C	25 feet from North line,	2615 feet from West line
Unit D	25 feet from North line,	1295 feet from West line
Unit E	1345 feet from North line,	1295 feet from West line
Unit F	1345 feet from North line,	2615 feet from West line
Unit G	1345 feet from North line,	1345 feet from East line
Unit H	1345 feet from North line,	330 feet from East line
Unit I	2615 feet from South line,	330 feet from East line
Unit J	2615 feet from South line,	1345 feet from East line
Unit L	2615 feet from South line,	1295 feet from West line
Unit N	1295 feet from South line,	2615 feet from West line
Unit O	1295 feet from South line,	1345 feet from East line
Unit P	1295 feet from South line,	330 feet from East line

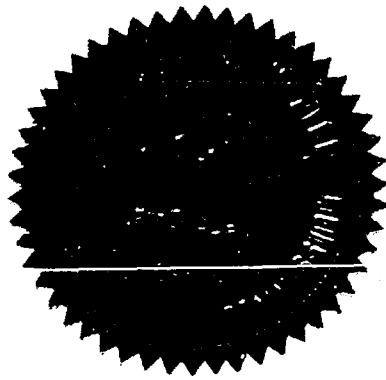
(2) That the indicated 40-acre tract shall be dedicated to each of the above-described wells.

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

-3-  
Case No. 5952  
Order No. R-5473

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



*Phil R. Lucero*  
PHIL R. LUCERO, Chairman

*Emery C. Arnold*  
EMERY C. ARNOLD, Member

*Joe D. Ramey*  
JOE D. RAMEY, Member & Secretary

S E A L

dr/

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
8 June 1977

IN THE MATTER OF:

Application of Hudson & Hudson for  
unorthodox oil well locations, Eddy  
County, New Mexico.

CASE  
5952

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil  
Conservation Commission:

Lynn Teschendorf, Esq.  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

For the Applicant:

Tom Kellahin, Esq.  
KELLAHIN & FOX  
500 Don Gaspar  
Santa Fe, New Mexico

sid morrish reporting service  
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

I N D E X

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RALPH L. GRAY

Direct Examination by Mr. Kellahin 3

Cross Examination by Mr. Nutter 8

E X H I B I T S

Hudson & Hudson Exhibit One, Map 8

Hudson & Hudson Exhibit Two, Map 8

Hudson & Hudson Exhibit Three, Letter 8

Hudson & Hudson Exhibit Four, Chart 8

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Phone (505) 982-9212



1 MR. NUTTER: We'll call Case Number 5952.

2 MS. TESCHENDORF: Case 5952. Application of  
3 Hudson & Hudson for unorthodox oil well locations, Eddy County,  
4 New Mexico.

5 MR. KELLAHIN: Tom Kellahin of Kellahin & Fox,  
6 appearing on behalf of the applicant, and I have one witness  
7 to be sworn.

8 (THEREUPON, the witness was duly sworn.)

9  
10 RALPH L. GRAY

11 called as a witness, having been first duly sworn, was ex-  
12 amined and testified as follows:

13  
14 DIRECT EXAMINATION

15 BY MR. KELLAHIN:

16 Q Would you please state your name, by whom you're  
17 employed and in what capacity?

18 A Ralph Gray, I'm employed by William A. and Edward  
19 R. Hudson in the capacity of consulting engineer.

20 Q Mr. Gray, have you previously testified before the  
21 Commission and had your qualifications as an expert petroleum  
22 engineer accepted and made a matter of record?

23 A Yes, sir.

24 Q Have you made a study of and are you familiar with  
25 the facts surrounding this particular application?

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Phone (505) 982-9212

1 A. Yes.

2 MR. KELLAHIN: If the Examiner please, are the  
3 witness' qualifications acceptable?

4 MR. NUTTER: Yes, they are.

5 Q (Mr. Kellahin continuing.) Would you please refer,  
6 Mr. Gray, to what has been marked as Exhibit Number One,  
7 identify it, and explain briefly what you're seeking to ac-  
8 complish?

9 A. Exhibit Number One is a ownership map of this  
10 area and this shows all of the wells and the proposed unor-  
11 thodox locations are indicated on the map by the red circles.

12 Directly offsetting the Puckett A and B leases  
13 to the east is the Continental MCA unit, and although the  
14 map shows some individual ownerships, all of this area is  
15 not unitized and is operated by Continental Oil Company.

16 As the map indicates, Continental has in-fill  
17 drilled most of this unit. Then directly north of the pro-  
18 posed unorthodox locations in Section 24 is the Hudson-Puckett  
19 A lease. This lease also has been developed with in-fill  
20 drilling, so the locations as proposed are merely a contin-  
21 uation of the pattern that exists in the area at this time.

22 Q Do you have the previous Commission case numbers  
23 and order numbers with regards to approval of the Puckett A  
24 lease in Section 24?

25 A Yes. The original case was Number 2536 and the

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1 order number was R-2239, and this authorized the waterflood  
2 project on the Puckett A lease. Then, this was later ex-  
3 panded and this was heard under Case Number 3566 and the  
4 authorization was by Order Number R-3230.

5 Q Did you testify in those cases, Mr. Gray?

6 A Yes.

7 Q On behalf of Hudson & Hudson?

8 A Yes.

9 MR. KELLAHIN: If the Examiner please, we move to  
10 incorporate the records in the previous two cases with the  
11 case here.

12 MR. NUTTER: Case records in Case Number 2536 and  
13 3566 will be incorporated in the record of Case Number 5952.

14 Q (Mr. Kellahin continuing.) Would you refer to  
15 Exhibit Number Two and identify that?

16 A Exhibit Number Two is a more detailed map of this  
17 area and it's intended to show these unorthodox locations  
18 in a little bit better manner. These, essentially, are  
19 drilled twenty-five feet out of the corners of the regular  
20 40-acre subdivisions, except that the locations along the  
21 east line of the section are spaced three hundred and thirty  
22 feet from the lease line.

23 Q What will be the spacing of the wells off of the  
24 north line?

25 A These will be twenty-five feet from that north

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1 line of the section.

2 Q And off of the west line what's the spacing for  
3 those wells?

4 A Well, we're not asking for any close wells to the  
5 west line. The nearest locations along the west line would  
6 be approximately one-quarter of a mile away.

7 Q And along the south line of the section?

8 A And they would be about a quarter of a mile, too.

9 Q Would you please refer to Exhibit Number Three and  
10 identify it?

11 A Exhibit Number Three is a letter from Continental  
12 Oil Company. They did receive a copy of the proposed appli-  
13 cation and this letter expresses no objection to the proposal.

14 Q And Exhibit Number Four?

15 A Exhibit Number Four shows the fourteen unorthodox  
16 locations and shows the footage for each one of these loca-  
17 tions as proposed.

18 Q Let me have you go back to Exhibit Two, now, and  
19 give us some more information with regards to the subject  
20 wells in Section 25.

21 The red spots indicate all the proposed locations,  
22 is that correct?

23 A Yes, sir.

24 Q Will these be producing or injection wells?

25 A They will all be producing wells.

1 Q All right. The wells already drilled in the section  
2 are indicated how?

3 A The producing wells are shown by the solid dots  
4 and these are indicated by the blue lettering on the map,  
5 which indicates a producing well.

6 Water injection wells are indicated by the larger  
7 circles and these also are identified as injection wells on  
8 the map.

9 Q Will there be any change in the number or location  
10 of existing injection wells?

11 A No, sir.

12 Q Are there production figures indicated for each  
13 of the existing wells?

14 A Yes, this shows daily production figures for the  
15 producing wells for the month of March, 1977.

16 Q Does it also show total cumulative production?

17 A Yes, sir.

18 Q All right. In your opinion, Mr. Gray, will the  
19 approval of this application be in the best interest of con-  
20 servation, the prevention of waste, and the protection of  
21 correlative rights?

22 A Yes. We hope to recover oil that would otherwise  
23 be unrecoverable.

24 Q Were Exhibits One through Four prepared by you  
25 directly or compiled, except for the letter, obviously, com-

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1 piled under your direction and supervision?

2 A Yes.

3 Q And the letter was a result of correspondence be-  
4 tween you and Continental Oil?

5 A Yes.

6 MR. KELLAHIN: Move the introduction of Exhibits  
7 One through Four.

8 MR. NUTTER: Hudson & Hudson Exhibits One through  
9 Four will be admitted in evidence.

10

11

CROSS EXAMINATION

12

BY MR. NUTTER:

13

Q Mr. Gray, what is the significance of these little  
14 numbers that you have underneath all these wells on this  
15 lease? On Exhibit Number Two?

16

A Well, on the producing wells the number in the  
17 upper lefthand portion is the daily oil production; the  
18 number in the upper right portion is the daily water production  
19 and the number underneath is the cumulative oil production by  
20 secondary means.

21

On the injection wells, the number in the upper  
22 left portion is the daily water injected in barrels; the  
23 number in the upper right portion is the wellhead pressure,  
24 or injection pressure, and the number underneath is the cumu-  
25 lative water injected.

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Phone (505) 981-9212

1 Q And when was this map prepared?

2 A This was for the month of March, 1977.

3 Q So this is current, then?

4 A Yes.

5 Q Now, on your lease to the north you have essentially

6 completed your in-fill program up there, is that right?

7 A Yes, that's all completed.

8 Q So you've had a large program here, in-fill

9 drilled practically a whole section.

10 A Yes, that's hopefully, we'll be able to justify

11 that. Of course we'll have to determine how many of these

12 will be drilled by the results that's obtained.

13 MR. NUTTER: Are there any further questions of

14 Mr. Gray?

15 MR. KELLAHIN: No, sir.

16 MR. NUTTER: He may be excused. Do you have any-

17 thing further, Mr. Kellahin?

18 MR. KELLAHIN: No, sir.

19 MR. NUTTER: Does anyone have anything they wish

20 to offer in Case Number 5952?

21 We'll take the case under advisement.

22 (Hearing concluded.)

23

24

25

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Certified Shorthand 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.

Sally Walton Boyd  
Sally Walton Boyd, C. S. R.

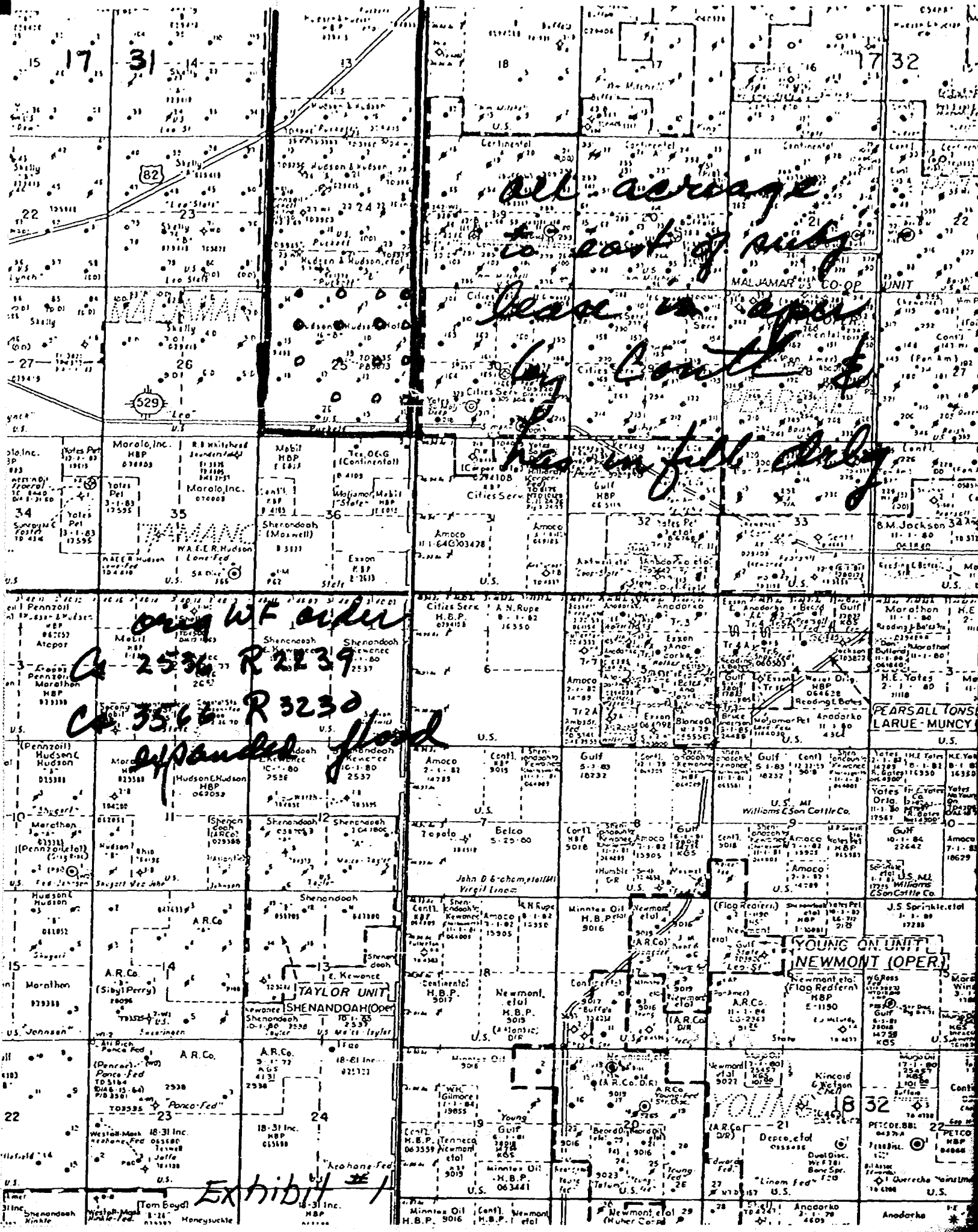
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Phone (505) 982-9212

I do hereby certify that the foregoing is  
a correct record of the proceedings in  
the hearing of case No. 5852  
heard on 6-8-77  
[Signature] Examiner  
New Mexico Oil Conservation Commission



- CASE 5950: Application of Joe Don Cook for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to dispose of produced salt water from his State Well No. 1, located in Unit J of Section 2, Township 19 South, Range 31 East, Shurart Pool, Eddy County, New Mexico, into an earthen evaporation pit in said Section 2.
- CASE 5951: Application of Odessa Natural Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 32, Township 24 North, Range 3 West, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5952: Application of Hudson & Hudson for unorthodox oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of 14 oil wells to be drilled at the following locations:
- 25 feet from the North and East lines of Units B, C, D, E, F, G, J, K, M, and O; and 25 feet from the North line and 330 feet from the East line of Units A, H, I, and P, all in Section 25, Township 17 South, Range 31 East, Maljamar Grayburg-San Andres Pool, Eddy County, New Mexico.
- CASE 5953: Application of Rice Engineering & Operating, Inc., for amendment of Order No. R-5384, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5384 to extend the injection interval in its Hobbs Salt Water Disposal Well No. 16 located in Unit P of Section 16, Township 19 South, Range 38 East, Lea County, New Mexico, to include the total open-hole section from 4176 feet to 10,008 feet.
- CASE 5954: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs and Chacra production in the wellbore of its Breech Well No. 368 located in Unit I of Section 23, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.
- CASE 5955: Application of Penroc Oil Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Foxie-Federal Well No. 2 to be drilled in the center of Unit O of Section 18, Township 20 South, Range 28 East, Eddy County, New Mexico, the E/2 of said Section 18 to be dedicated to the well.
- CASE 5956: Application of Continental Oil Company for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the E/2 NE/4, NW/4 NE/4, and NE/4 SE/4 of Section 27, Township 20 South, Range 33 East, Warren-Tubb Gas Pool, Lea County, New Mexico, to be dedicated to its Warren Unit Well No. 42 located in Unit I of said Section 27.
- CASE 5957: Application of Continental Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Otero-Chacra and South Blanco-Pictured Cliffs production in the wellbores of its AXI Apache "J" Wells Nos. 9 and 11, located in Units C and A, respectively, of Section 6, and Wells Nos. 10 and 12, located in Units A and K of Section 5, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 5958: Application of Continental Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gonzales-Mesaverde and Otero-Chacra production in the wellbores of its AXI Apache "J" Wells Nos. 18, 23, and 24 located in Units A, D, and P of Section 8; Nos. 19 and 22 in Units D and L of Section 6; Nos. 20 and 21, in Units C and I of Section 5; and No. 25 in Unit A of Section 7, all in Township 25 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 5959: In the matter of the application of the Oil Conservation Commission on its own motion to consider the creation, extension, and abolishment of certain pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico:
- a) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the North Cato-San Andres Pool. The discovery well is the Cleary Petroleum Corporation Federal "15" Well No. 1 located in Unit M of Section 15, Township 7 South, Range 30 East, NMP#1. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 30 EAST, NMP#1  
Section 15: SW/4



all acreage to east of sub  
lease in April  
has in full

original WF order  
2536 R 2139  
3566 R 3230  
expanded flood

Exhibit 1



L. P. Thompson  
Division Manager  
Production Department  
Hobbs Division

Continental Oil Company  
P.O. Box 460  
1001 North Turner  
Hobbs, New Mexico 88240  
(505) 393-4141

May 26, 1977

Mr. Ralph Gray  
P. O. Box 198  
Artesia, New Mexico 88210

Dear Sir:

Proposed Infill Development Program, Hudson & Hudson's Puckett "B" Lease,  
Section 25 - T17S - R31E, Maljamar Grayburg-San Andres Pool, Eddy Co., N. M.

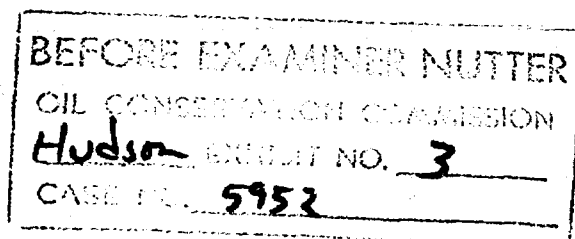
We have reviewed the subject application to the NMOCC to continue the  
infill development program on the Puckett "B" Lease.

Continental Oil Company has no objection to the program as outlined in  
your application.

Yours very truly,

*E. L. Oshe*

LBD-JS



PROPOSED LOCATION FOOTAGES

T. 17S, R. 31E

Sec. 25:

25' s. of N. and 330' w. of E. lines.  
25' s. of N. and 1345' w. of E. lines.  
25' s. of N. and 2615 e. of W. lines.  
25' s. of N. and 1295' e. of W. lines.  
1345' s. of N. and 330' w. of E. lines.  
1345' s. of N. and 1345' w. of E. lines.  
1345' s. of N. and 2615' e. of W. lines.  
1345' s. of N. and 1295 e. of W. lines.  
2615' n. of S. and 330' w. of E. lines.  
2615' n. of S. and 1345' w. of E. lines.  
2615' n. of S. and 1295' e. of W. lines.  
1295' n. of S. and 330' w. of E. lines.  
1295' n. of S. and 1345' w. of E. lines.  
1295' n. of S. and 2615 e. of W. lines.

BEFORE EXAMINED MATTER	
OIL COMPANY OF ILLINOIS	
Hudson	EXHIBIT NO. <u>4</u>
CASE NO.	<u>5952</u>

Exhibit #4.

JASON W. KELLAHIN  
ROBERT E. FOX  
W. THOMAS KELLAHIN

KELLAHIN AND FOX  
ATTORNEYS AT LAW  
500 DON GASPAR AVENUE  
POST OFFICE BOX 1789  
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315  
AREA CODE 505

May 23, 1977

Miss Lynn Teschendorf  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Hudson & Hudson

Dear Lynn:

Enclosed are the attachments that were omitted from the  
above application.

Very truly yours,

  
W. Thomas Kellahin

WTK:kfm

Enclosure

BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF HUDSON & HUDSON FOR UNORTHODOX  
WELL LOCATIONS, EDDY COUNTY,  
NEW MEXICO

A P P L I C A T I O N

Comes now Hudson & Hudson, by and through their attorneys, Kellahin & Fox, and apply to the Oil Conservation of New Mexico for authority to drill certain wells at unorthodox locations on their Puckett "B" lease, Maljamar, Grayburg, San Andres Pool, Eddy County, New Mexico and in support thereof would show the Commission:

1. Applicant is the owner of the right to drill and develop Section 25, Township 17 South, Range 31 East, N.M.P.M., Eddy County, New Mexico as set forth in Exhibit A & B attached hereto and incorporated by reference.

2. That Applicant desires to commence systematic infield drilling of this acreage at the following unorthodox well locations:

T. 17 S, R 31 E.

25' s. of N. and 330' w. of E. lines.

25' s. of N. and 1345' w. of E. lines.

25' s. of N. and 2615' e. of W. lines.

25' s. of N. and 1295' e. of W. lines.

1345' s. of N. and 330' w. of E. lines.

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2615' n. of S. and 1295' e. of W. lines.  
1295' n. of S. and 330' w. of E. lines.  
1295' n. of S. and 1345' w. of E. lines.  
1295' n. of S. and 2615 e. of W. lines.

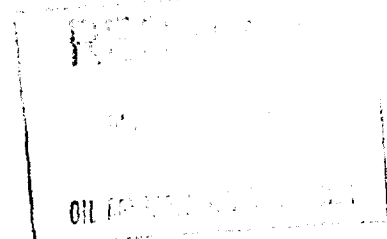
3. Approval of the application as requested will result in the recovery of additional oil that would not otherwise be recovered; will not impair the correlative rights of other; and is in the best interest of conservation.

WHEREFORE, applicant respectfully requests that this application be set for hearing before the Commission's duly appointed Examiner and that upon hearing, an order be entered authorizing the unorthodox locations as requested.

KELLAHIN & FOX

By   
W. Thomas Kellahin  
P. O. Box 1769  
Santa Fe, New Mexico 87501

Attorneys for Applicant



BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF HUDSON & HUDSON FOR UNORTHODOX  
WELL LOCATIONS, EDDY COUNTY,  
NEW MEXICO

A P P L I C A T I O N

Comes now Hudson & Hudson, by and through their attorneys, Kellahin & Fox, and apply to the Oil Conservation of New Mexico for authority to drill certain wells at unorthodox locations on their Puckett "B" lease, Maljamar, Grayburg, San Andres Pool, Eddy County, New Mexico and in support thereof would show the Commission:

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25' s. of N. and 330' w. of E. lines.

25' s. of N. and 1345' w. of E. lines.

25' s. of N. and 2615' e. of W. lines.

25' s. of N. and 1295' e. of W. lines.

1345' s. of N. and 330' w. of E. lines.

1345' s. of N. and 1345' w. of E. lines.

1345' s. of N. and 2615 e. of W. lines.

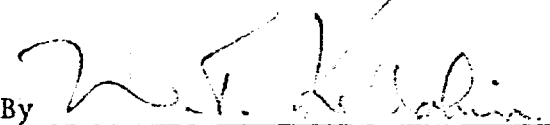


1345' s. of N. and 1295 e. of W. lines.  
2615' n. of S. and 330' w. of E. lines.  
2615' n. of S. and 1345' w. of E. lines.  
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1295' n. of S. and 330' w. of E. lines.  
1295' n. of S. and 1345' w. of E. lines.  
1295' n. of S. and 2615 e. of W. lines.

3. Approval of the application as requested will result in the recovery of additional oil that would not otherwise be recovered; will not impair the correlative rights of other; and is in the best interest of conservation.

WHEREFORE, applicant respectfully requests that this application be set for hearing before the Commission's duly appointed Examiner and that upon hearing, an order be entered authorizing the unorthodox locations as requested.

KELLAHIN & FOX

By   
W. Thomas Kellahin  
P. O. Box 1769  
Santa Fe, New Mexico 87501

Attorneys for Applicant

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. 5952  
Order No. R-5473

APPLICATION OF HUDSON & HUDSON  
FOR UNORTHODOX OIL WELL LOCATIONS,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 8, 1977,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of June, 1977, 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 applicant, Hudson & Hudson, seeks approval for  
the unorthodox locations of 14 oil wells to be drilled at the  
following locations in the Maljamar Grayburg-San Andres Pool,  
Eddy County, New Mexico:

SECTION 25, TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Unit	A	25 feet from north line, 330 feet from east line						
"	B	"	"	"	"	"	"	"
"	C	"	"	"	"	"	"	"
"	D	"	"	"	"	"	"	"
"	E	1345	"	"	"	"	"	"
"	F	"	"	"	"	"	"	"
"	G	"	"	"	"	"	"	"
"	H	"	"	"	"	"	"	"
"	I	2615	"	"	South	"	"	"
"	J	"	"	"	"	"	"	"
"	L	"	"	"	"	"	"	"
"	N	1295	"	"	"	"	"	"
"	O	"	"	"	"	"	"	"
"	P	"	"	"	"	"	"	"

additional wells drilled at the aforesaid

(3) That wells at said unorthodox locations will better **lands dedicated to said wells.**  
enable applicant to produce the oil underlying the ~~proration unit~~

(4) That no offset operator objected to the proposed unorthodox locations.

(5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the subject pool, 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 will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That 14 ~~un~~unorthodox oil well locations are hereby approved to be drilled in the Maljamar Grayburg-San Andres Pool, *Eddy County, New Mexico.*

**SECTION 25, TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM**

Unit	A	25 feet from north line, 330 feet from east line								
"	B	"	"	"	"	"	1345	"	"	"
"	C	"	"	"	"	"	2615	"	"	west
"	D	"	"	"	"	"	1295	"	"	"
"	E	1345	"	"	"	"	"	"	"	"
"	F	"	"	"	"	"	2615	"	"	"
"	G	"	"	"	"	"	1345	"	"	east
"	H	"	"	"	"	"	330	"	"	"
"	I	2615	"	"	South	"	"	"	"	"
"	J	"	"	"	"	"	1345	"	"	"
"	L	"	"	"	"	"	1295	"	"	west
"	N	1295	"	"	"	"	2615	"	"	"
"	O	"	"	"	"	"	1345	"	"	east
"	P	"	"	"	"	"	330	"	"	"

-3-  
Case No. 5952  
Order No. R-

(2) That the *indicated 40-acre tract shall* ~~of said Section 25 shall~~  
*each of*  
be dedicated to the above-described wells.

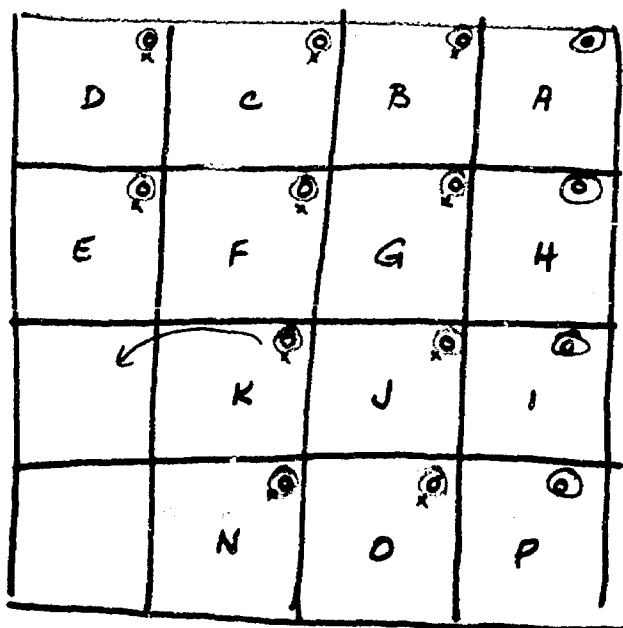
(3) That jurisdiction of this cause is retained for the  
entry of such further orders as the Commission may deem necessary.

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

# Memo

From  
D. S. NUTTER  
CHIEF ENGINEER

To



○ 25' from north & east lines of unit  
○ 25' from north line and 330' from  
east line of unit