

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

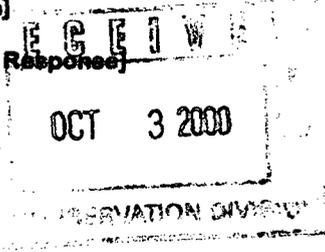
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ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]



[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Directional Drilling
- NSL NSP DD SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
- DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
- WFX PMX SWD IPI EOR PPR

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

JAMES BRUCE
P.O. BOX 1056
SANTA FE, NM 87504

James Bruce Attorney for Applicants 9/30/00

Print or Type Name

Signature

Title

Date

JAMES BRUCE

ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
HYDE PARK ESTATES
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

August 30, 2000

Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Request for approval of two unorthodox locations in
Township 17 South, Range 31 East, NMPM, Eddy County, New
Mexico

Dear Mr. Stogner:

Pursuant to Division Rule 104.F, The Wiser Oil Company ("Wiser")
and W.A. & E.R. Hudson, Inc. ("Hudson") apply for administrative
approval of the following unorthodox oil well locations:

<u>Operator</u>	<u>Well Name</u>	<u>Location</u>
Wiser	Skelly Unit #404	127' FSL & 232' FEL §14 (surface) 10' FSL & 10' FEL §14 (bottomhole)
Hudson	Puckett "B" WH #1	1330' FNL & 60' FWL §25

The wells will be drilled to test the Grayburg-Jackson Pool, and
are necessary to permit the completion of efficient production and
injection patterns for two waterflood projects, one operated by
Wiser and one operated by Hudson.

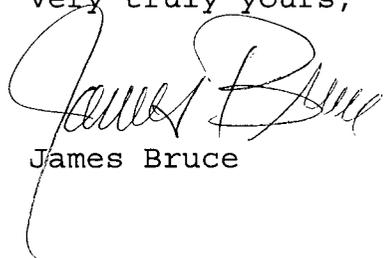
A plat of the area is attached as Exhibit A, indicating the
locations of the wells. All of the affected land is federal
acreage.

**Additional data on this matter, regarding a cooperative lease line
agreement between Wiser and Hudson, was submitted as part of NSL-
4448, and we refer you thereto.**

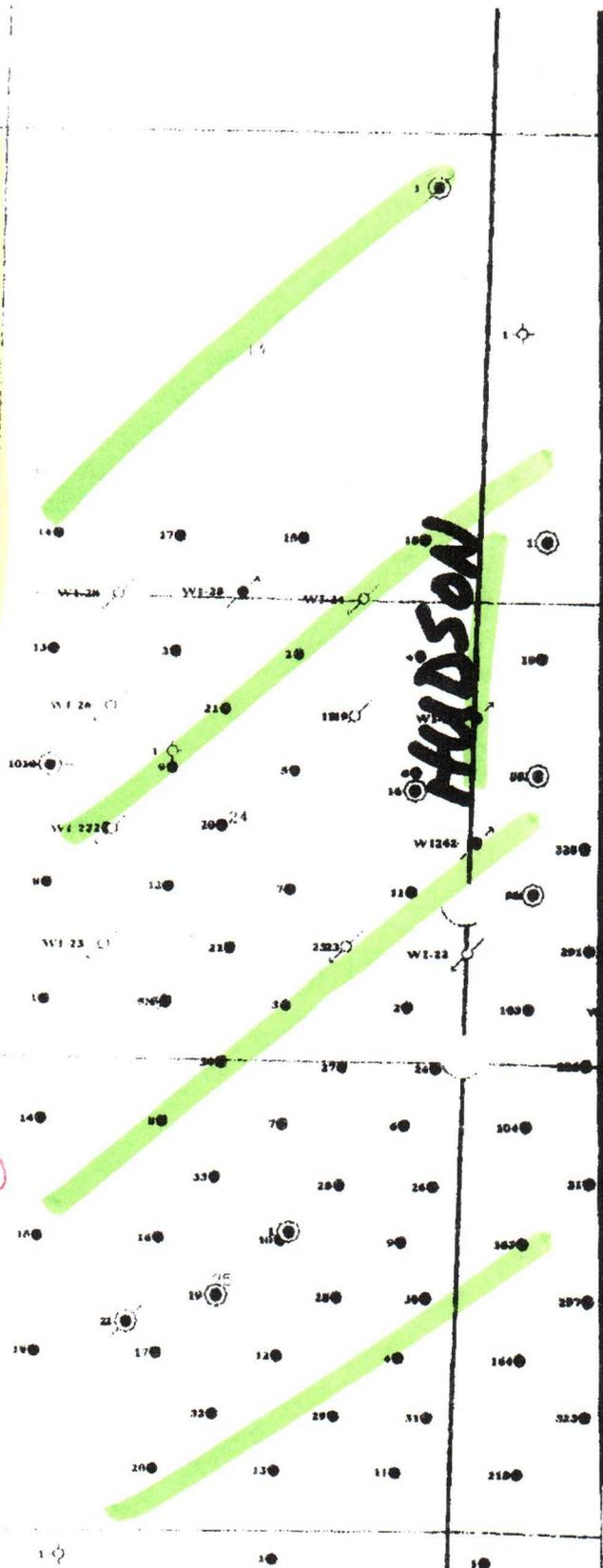
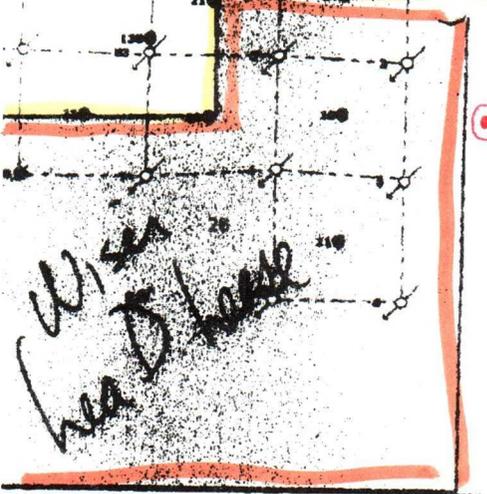
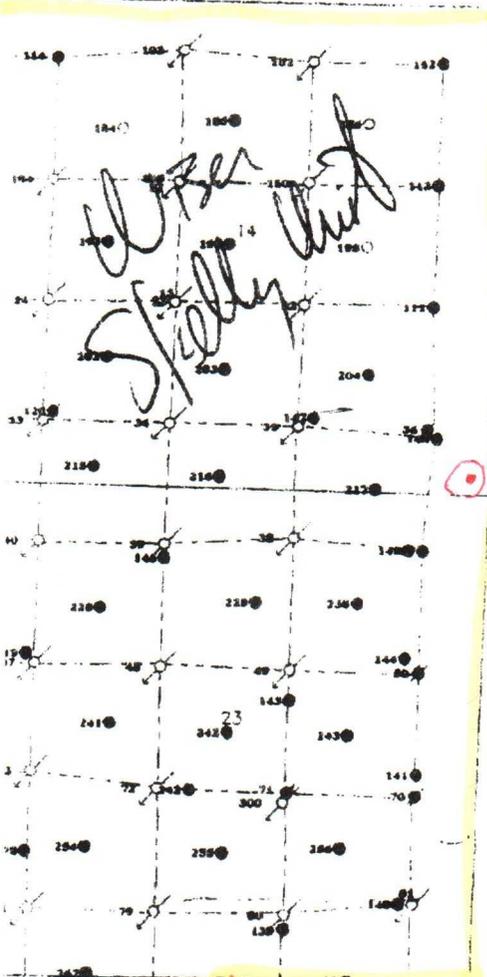
Waiver letters for the locations, signed by each operator, are
submitted as Exhibits B and C. Because of the agreement between
Wiser and Hudson, notice of this application has not been mailed to

anyone. Please call me if you need anything further on this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in black ink and is positioned above the printed name.

James Bruce



T
17
S

R 31 E 36

EXHIBIT
1 A



WISER

July 17, 2000

W. A. & E. R. Hudson Inc.
Attention: E. Randall Hudson III
616 Texas Street
Fort Worth, Texas 76102

Re: Skelly #404
Unorthodox Location

Gentlemen:

The Wiser Oil Company, as operator of the Skelly Unit, shall apply to the New Mexico Oil Conservation Division for administrative approval of the following unorthodox well location:

Skelly #404 127' FSL & 232' FEL Section 14-T17S-R31E (surface)
 10' FSL & 10' FEL Section 14-T17S-R31E (BHL)

In accordance with Article 7 of our Cooperative Unit Line Injection Well and Unit Line Infill Drilling Agreement effective December 17, 1999, please indicate your waiver, as offset operator, of the above unorthodox location by signing and returning one copy of this letter as soon as possible.

Sincerely,

Matt Eagleston
Project Engineer

Agreed to and accepted this 19th day of July, 2000.

W. A. & E. R. HUDSON, INC.

By:

Title: V.P.

W. A. & E. R. HUDSON INC.
616 TEXAS STREET
FORT WORTH, TEXAS 76102-4812

EDWARD R HUDSON, JR
WILLIAM A. HUDSON II
E RANDALL HUDSON III

May 17, 2000

817-336-7109
FAX 817-334-0442

Matt Eagleston
The Wisar Oil Company
8115 Preston Road, Suite 400
Dallas, TX 75225

MAY 18 2000

Re: Puckett "B" WH #1
Unorthodox Location

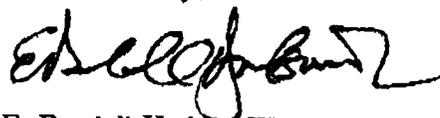
Gentlemen:

W. A. & E. R. Hudson, Inc., as operator of the Puckett Leases, shall apply to the New Mexico Oil Conservation Division for administrative approval of the following unorthodox well location:

Puckett "B" WH #1 1330' FNL & 60' FWL Section 25-17S-31E

In accordance with Article 7 of our Cooperative Unit Line Injection Well and Unit Line Infill Drilling Agreement effective December 17, 1999, please indicate your waiver, as offset operator, of the above unorthodox location by signing and returning one copy of this letter as soon as possible.

Yours sincerely,



E. Randall Hudson III

Agreed to and accepted this 18 day of May, 2000.

By: Matt Eagleston

Title: Project Engineer

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

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1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

Check One Only for [B] or [C]

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 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

4/19/01
Mike - Do you need any further info on this application?
Jim Bruce

2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

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JAMES BRUCE
P.O. BOX 1056
SANTA FE, NMI 87504

Note: Statement must be completed by an individual with supervisory capacity.

James Bruce *Attorney for Applicants* *9/30/02*
 Signature Title Date

Print or Type Name

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
HYDE PARK ESTATES
SANTA FE, NEW MEXICO 87501

(505) 982-2043
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August 30, 2000

Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Request for approval of two unorthodox locations in
Township 17 South, Range 31 East, NMPM, Eddy County, New
Mexico

Dear Mr. Stogner:

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and W.A. & E.R. Hudson, Inc. ("Hudson") apply for administrative
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<u>Operator</u>	<u>Well Name</u>	<u>Location</u>
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The wells will be drilled to test the Grayburg-Jackson Pool, and
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injection patterns for two waterflood projects, one operated by
Wiser and one operated by Hudson.

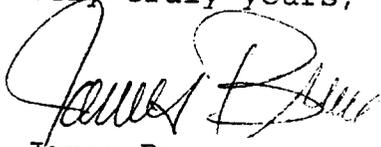
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**Additional data on this matter, regarding a cooperative lease line
agreement between Wiser and Hudson, was submitted as part of NSL-
4448, and we refer you thereto.**

Waiver letters for the locations, signed by each operator, are
submitted as Exhibits B and C. Because of the agreement between
Wiser and Hudson, notice of this application has not been mailed to

anyone. Please call me if you need anything further on this matter.

Very truly yours,



James Bruce

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
HYDE PARK ESTATES
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

July 27, 2001

OIL CONSERVATION DIV.
01 JUL 27 PM 1:25

Hand Delivered

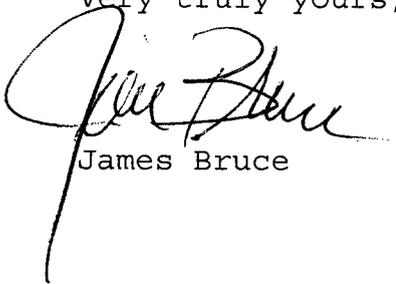
Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Wiser/Hudson application for two unorthodox oil well
locations

Dear Mike:

Enclosed is a proposed order in the above matter, both on hard copy
and on disk. **Applicants propose commencing the subject wells by
August 1st.** Thank you for your attention to this matter.

Very truly yours,



James Bruce

OIL CONSERVATION DIV.

01 JUL 27 PM 1:25

July 30, 2001

James Bruce
 P.O. Box 1056
 Santa Fe, New Mexico 87504

Telefax No. 982-2151

Administrative Order NSL-46__

Dear Mr. Bruce:

Reference is made to the following: (i) your application dated August 30, 2000, filed on behalf of The Wiser Oil Company ("Wiser") and W.A. & E.R. Hudson, Inc. ("Hudson"); (ii) matters contained in the file for Administrative Order NSL-4448 regarding related unorthodox well locations approved for Wiser and Hudson; and (iii) the records of the Oil Conservation Division ("Division") in Santa Fe, all concerning both Wiser's and Hudson's request to drill the following two wells at unorthodox oil well locations within the Grayburg-Jackson Pool in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico:

<u>Well Name and No.</u>	<u>API Number</u>	<u>Footage Location</u>	<u>Unit</u>	<u>Section</u>	<u>Dedicated 40-Acre Tract</u>
Wiser's Skelly Unit Well No. 404	30-015-	127' FSL & 232' FEL (surface) 10' FSL & 10' FEL (bottomhole)	P	14	SE $\frac{1}{4}$ SE $\frac{1}{4}$
Hudson's Puckett "B" WH Well No. 1	30-015-	1330' FNL & 60' FWL	E	25	SW $\frac{1}{4}$ NW $\frac{1}{4}$

The Division Director Finds That:

- (1) Wiser is the operator of the Skelly Grayburg-Jackson Lea "D" Waterflood Project, established by Division Order No. R-3952. The Lea "D" Federal lease and corresponding Skelly Grayburg-Jackson Lea "D" Waterflood Project Area comprise the following described acreage in Eddy County, New Mexico:

Township 17 South, Range 31 East, NMPM
 Section 26: NE/4, S/2NW/4, and S/2;

- (2) Wiser is the operator of the Grayburg-Jackson Skelly Unit Waterflood Project Area, established by Division Order No. R-2900, as amended by Order Nos. R-3214 and R-4419. The Skelly (Federal) Unit Area and corresponding Grayburg-Jackson Skelly Unit Waterflood Project Area comprise the following described 4,160 acres, more or less, in Eddy County, New Mexico:

Township 17 South, Range 31 East, NMPM

Sections 14 and 15: All
Sections 21 through 23: All
Section 26: N/2NW/4
Section 27: N/2
Section 28: N/2, SW/4, and N/2SE/4;

- (3) Hudson is the operator of the Puckett "A/B" Lease Waterflood Project, established by Division Order No. R-2239. The Puckett "A/B" Lease Waterflood Project Area comprises the following described acreage in Eddy County, New Mexico:

Township 17 South, Range 31 East, NMPM

Section 13: SE/4SW/4 and S/2SE/4
Section 24: N/2, N/2SW/4, SE/4SW/4,
and SE/4
Section 26: N/2NE/4 and NE/4NW/4;

The Puckett "A" and "B" leases comprise all of Sections 12, 13, 24, and 25, Township 17 South, Range 31 East, NMPM.

- (4) The Grayburg-Jackson Pool within these three projects are subject to statewide rules and regulations for oil wells, as promulgated by Division Rules 104.B(1) and 104.F(1), revised by Division Order No. R-11321, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, which provides for 40-acre oil spacing and proration units and requires wells to be located no closer than 330 feet to the outer boundary of the lease or unitized area (pressure maintenance/waterflood project area), nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary;
- (5) The above-described two proposed wells will serve to benefit each waterflood project by allowing for the completion of an efficient and effective production/injection pattern within this portion of the pool along these common boundary lines;

- (6) Wisner and Hudson have entered into a cooperative lease/Unit line development and infill drilling agreement along the section line common to Sections 12, 13, 23, 24, 25, and 26, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico, in order to complete an efficient and effective production/injection pattern along this common boundary line;
- (7) These agreements will ensure the proper production and conservation of oil and gas from the Grayburg-Jackson Pool in the subject area, and will ensure that the parties' correlative rights are protected;
- (8) The application has been duly filed under the provisions of Division Rule 104.F, as revised; and
- (9) Approval of this application is in the best interest of conservation, will serve to prevent waste, protect correlative rights, exhibits sound engineering practices, and should allow for the recovery of additional reserves which might not otherwise be produced.

It Is Therefore Ordered That:

(1) By the authority granted me under the provisions of Division Rule 104.F(2), The Wisner Oil Company ("Wisner") and W.A. & E.R. Hudson, Inc. ("Hudson"), as operator of their respective waterflood projects, are hereby authorized to drill the following described two wells at unorthodox oil well locations within the Grayburg-Jackson Pool in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico:

<u>Well Name and No.</u>	<u>API Number</u>	<u>Footage Location</u>	<u>Unit</u>	<u>Section</u>	<u>Dedicated 40-Acre Tract</u>
Wisner's Skelly Unit Well No. 404	30-015-	127' FSL & 232' FEL (surface) 10' FSL & 10' FEL (bottomhole)	P	14	SE $\frac{1}{4}$ SE $\frac{1}{4}$
Hudson's Puckett "B" WH Well No. 1	30-015-	1330' FNL & 60' FWL	E	25	SW $\frac{1}{4}$ NW $\frac{1}{4}$

(2) The subject wells shall be governed by all applicable provisions of Division Rules 702 through 706 and the rules and procedures governing the: (i) Skelly Grayburg-Jackson Lea "D" Waterflood Project, established by Division Order No. R-3952; (ii) Grayburg-Jackson Skelly Unit Waterflood Project Area, established

Administrative Order NSL-46__
James Bruce
July 30, 2001
Page 4

by Division Order No. R-2900, as amended by Order Nos. R-3214 and R-4419; and (iii) Puckett "A/B" Lease Waterflood Project, established by Division Order No. R-2239.

(3) Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders as the Division may deem necessary.

Sincerely,

Lori Wrottenbery
Director

cc: New Mexico Oil Conservation Division - Artesia
U.S. Bureau of Land Management - Carlsbad
U.S. Bureau of Land Management - Roswell

CMD : ONGARD 07/31/01 10:36:07
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TQKC

OGRID Idn : 25111 API Well No: 30 15 31303 APD Status(A/C/P): A
Opr Name, Addr: HUDSON OIL COMPANY OF TEXAS Aprvl/Cncl Date : 08-22-2000
616 TEXAS ST
FORT WORTH, TX 76102

Prop Idn: 26594 PUCKETT B W.H. Well No: 1

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn	: E	25	17S	31E			FTG 1330 F N	FTG 60 F W
OCD U/L	: E		API County	: 15				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 3856

State Lease No: Multiple Comp (S/M/C) : S
Prpsd Depth : 4200 Prpsd Frmtn : MALJAMAR G-SA

E0009: Enter data to modify record

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12