

OIL CONSERVATION DIVISION  
P. O. Box 2088  
SANTA FE, NEW MEXICO  
87501

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

ADMINISTRATIVE ORDER  
NFL 69

INFILL DRILLING FINDINGS AND WELL-SPACING WAIVER  
MADE PURSUANT TO SECTION 271.305(b) OF THE  
FEDERAL ENERGY REGULATORY COMMISSION REGULATIONS,  
NATURAL GAS POLICY ACT OF 1978 AND OIL CONSERVATION DIVISION  
ORDER NO. R-6013

I. Operator William A. & Edward R. Hudson Well Name and No. Puckett "B" Well No. 29  
Location: Unit 0 Sec. 25 Twp. 17S Rng. 31E Cty. Eddy

II. THE DIVISION FINDS:

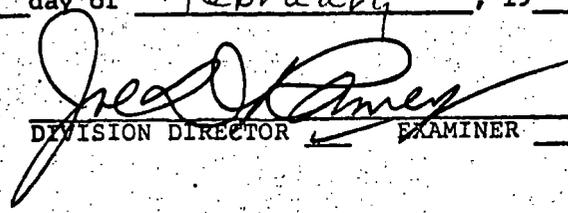
- (1) That Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.
- (2) That by Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.
- (3) That the well for which a finding is sought is to be completed in the Maljamar Grayburg- San Andres Pool, and the standard spacing unit in said pool is 40 acres.
- (4) That a 40 -acre proration unit comprising the SW/4 SE/4 of Sec. 25, Twp. 17S, Rng. 31E, is currently dedicated to the Puckett "B" Well No. 13 located in Unit 0 of said section.
- (5) That this proration unit is (  ) standard (  ) nonstandard; if nonstandard, said unit was previously approved by Order No. N/A.
- (6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.
- (7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 16,000 MCF of gas from the proration unit which would not otherwise be recovered.
- (8) That all the requirements of Order No. R-6013 have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.
- (9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED:

- (1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on this 14<sup>th</sup> day of February, 19 83.

cc: OCD Artesia  
NMD& GEL - Hobbs  
U.S. M.M.S., Roswell  
Kellahint & Kellahin  
P.O. Box 1769  
Santa Fe, NM 87501

  
DIVISION DIRECTOR      EXAMINER

Received 12/27/82  
Surface Rate 2/14/83

OIL CONSERVATION DIVISION  
P. O. Box 2088  
SANTA FE, NEW MEXICO  
87501

ADMINISTRATIVE ORDER  
NFL 69

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

INFILL DRILLING FINDINGS PURSUANT TO  
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY  
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978  
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I.  
Operator William A. & Edward R. Hudson Well Name and No. Puckett "B" well No. 29  
Location: Unit 0 Sec. 25 Twp. 17S Rng. 31E Cty. Eddy

II.  
THE DIVISION FINDS:

- (1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.
- (2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.
- (3) That the well for which a finding is sought is completed in the Maljamar Grayburg - San Andres Pool, and the standard spacing unit in said pool is 40 acres.
- (4) That a 40-acre proration unit comprising the SW/4 SE/4 of Sec. 25, Twp. 17S, Rng. 31E, is currently dedicated to the Puckett "B" Well No. 13 located in Unit 0 of said section.
- (5) That this proration unit is (X) standard ( ) nonstandard; if nonstandard, said unit was previously approved by Order No. NA.
- (6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.
- (7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 16,000 MCF of gas from the proration unit which would not otherwise be recovered.
- (8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.
- (9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

- (1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

cc - Old Artesia  
- NMO + GEL - ~~Holla~~  
- U.S. M.M.S. Roswell  
- Kellahint Kellahen  
P.O. Box 1769  
Santa Fe, NM 87501  
Attn: Tom Kellahen

DIVISION DIRECTOR \_\_\_\_\_ EXAMINER \_\_\_\_\_



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR

LARRY KEHOE  
SECRETARY

December 29, 1982

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

KELLAHIN AND KELLAHIN  
P.O. Box 1769  
Santa Fe, New Mexico 87501

ATTENTION: W. Thomas Kellahin

Re: Application for NGPA Infill Well  
Findings Under Provisions of  
Order No. R-6013-A William A. &

Edward R. Hudson Puckett "B" Well

No. 29, SW/4 SE/4 Section 25,

T-17 South, R-31 East, NMPM, Eddy

County, NM

Dear Sir:

We may not process the subject application for infill findings until the required information, forms, or plats checked on the reverse side of this letter are submitted.

Sincerely,

A handwritten signature in cursive script that reads "Michael E. Stogner".

Michael E. Stogner,  
Petroleum Engineer

MES/dp

- A copy of Form C-101 must be submitted.
- A copy of Form C-102 must be submitted.
- The pool name must be shown.
- The standard spacing unit size for the pool must be shown.
- Give the Division Order No. which granted the non-standard proration unit.
- Please state whether or not the well has been spudded and give the spud date, if any.
- Information relative to other wells on the proration unit is incomplete.

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- The geologic and reservoir data is incomplete or insufficient.  
Rule 9. b. - Please include the volume of increased ultimate gas recovery.

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- Other:

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-4-

SPECIAL RULES AND REGULATIONS  
NATURAL GAS POLICY ACT INFILL FINDINGS  
ADMINISTRATIVE PROCEDURE  
(Amended February 8, 1980)

**A. DEFINITIONS**

**RULE 1.** For purposes of this administrative procedure only, the following definitions are adopted:

- a. Infill well: An additional well which has been drilled for production on an established proration unit.

**B. APPLICABILITY**

**RULE 2.** These special rules and regulations shall apply to effective and efficient drainage findings for completed infill wells pursuant to Section 271.305 of the final Rules and Regulations of the Federal Energy Regulatory Commission relating to Section 103 of the Natural Gas Policy Act of 1978. (These special rules and regulations do not apply to infill wells drilled in the Blanco Mesaverde or Basin-Dakota Pools. Infill wells in these two pools are covered by Rule 15 B of the "Special Rules for Applications for Wellhead Price Ceiling Category Determinations" promulgated by Division Order No. R-5878 as amended by Order No. R-5878-A.)

**C. JUSTIFICATION FOR FINDINGS**

**RULE 3.** The Division Director or a Division Examiner may find that an infill well is necessary:

- a. upon a showing by the operator that an additional well is needed to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and
- b. upon receipt of waivers from all offset operators, or if no offset operator has entered an objection to the infill finding within 20 days after receipt of the application by the Director.

**RULE 4.** The Director may set any application for hearing at his discretion or at the request of an applicant.

Exhibit A  
Order R-6013-A

**D. FILING REQUIREMENTS**

**RULE 5.** Each applicant shall submit a copy of the approved Form C-101 for the infill well and Form C-102 showing the proration unit dedicated.

**RULE 6.** Applicant shall give the name of the pool in which the infill well has been drilled and the standard spacing unit size therefor.

**RULE 7.** If applicable, the applicant shall give the number of the Division order approving the non-standard proration unit dedicated to the well.

**RULE 8.** The applicant shall submit a description of all wells drilled on the proration unit (including the completed infill well) which are or have been completed in the same pool or reservoir as the proposed infill well showing:

- a. lease name and well location;
- b. spud date;
- c. completion date;
- d. a description of any mechanical problems experienced along with a summary of remedial action(s) taken and the results obtained;
- e. the current rate of production/ and
- f. date of plug and abandonment, if any;
- g. a clear and concise statement indicating why the existing well(s) on the proration cannot effectively and efficiently drain the portion of the reservoir covered by the proration unit.

**RULE 9.** The applicant shall submit geological and engineering information sufficient to support a finding as to the necessity for an infill well including:

- a. formation structure map
- b. the volume of increased ultimate recovery expected to be obtained and a narrative describing how the increase was determined
- c. any other supporting data which the applicant deems to be relevant which may include:
  - (1) porosity and permeability factors
  - (2) production/pressure decline curves
  - (3) effects of secondary recovery or pressure maintenance operations.

**RULE 10.** Applications for infill findings shall be filed in duplicate with the Santa Fe office of the Division.

**RULE 11.** All operators of proration or spacing units offsetting the unit for which an infill finding is sought shall be notified of the application by certified or registered mail, and the application shall state that such notification has been given.

KELLAHIN and KELLAHIN

*Attorneys at Law*

500 Don Gaspar Avenue

Post Office Box 1769

Santa Fe, New Mexico 87501

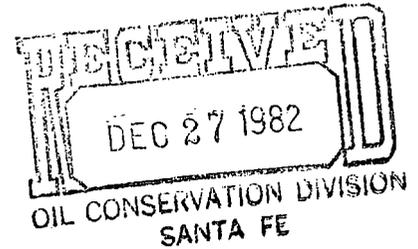
Jason Kellahin  
W. Thomas Kellahin

Karen Aubrey

Telephone 982-4285  
Area Code 505

December 20, 1982

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, N. M. 87501



Re: Puckett B-29 Well  
NGPA Determination  
Federal Docket #82-0785-NM

Dear Mr. Stogner:

In accordance with Division Order R-6013, and on behalf of William A. and Edward R. Hudson, we are submitting this application with enclosures for consideration of the Puckett "B" Well No. 29, Unit O, Section 25, T17S, R31E, NMPM, Eddy County, New Mexico as a necessary infill well on an existing proration unit.

This proration unit consists of federal lands and has been previously submitted to the Minerals Management Service for a Section 103 determination.

On September 3, 1982, the Minerals Management Service notified Mr. Hudson that the subject Puckett "B" Well 29 was located on the same proration unit at the Puckett "B" Well #13, to-wit SW/4SE/4 of Section 25, and that they required an infill finding from the Oil Conservation Division.

Please call me if you have any questions.

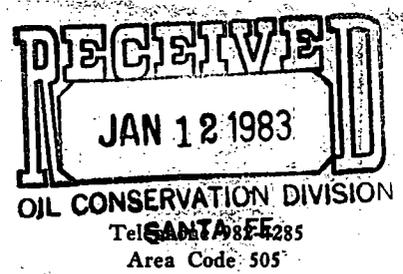
Very truly yours,

W. Thomas Kellahin

WTK:mmm

Encs.

cc: Edward R. Hudson  
Ralph L. Gray



KELLAHIN AND KELLAHIN  
*Attorneys at Law*  
El Patio - 117 North Guadalupe  
Post Office Box 2265  
Santa Fe, New Mexico 87501

Jason Kellahin  
W. Thomas Kellahin  
Karen Aubrey  
James B. Grant

January 10, 1983

Mr. Michael E. Stogner  
OIL CONSERVATION DIVISION  
P. O. Box 2088  
Santa Fe, New Mexico 87501

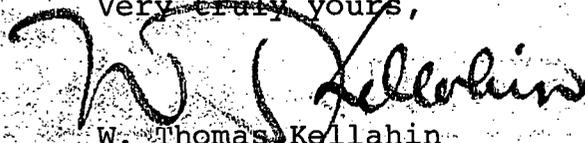
Re: Application for NGPA Infill Well  
Findings Under Provision of Order  
R-6013-A for William A. & Edward  
R. Hudson Puckett "B" Well No. 29,  
SW/4AE/4 Section 25, T17S, R31E,  
NMPM, Eddy County, New Mexico

Dear Mr. Stogner:

In accordance with your request dated December 29, 1982,  
I am informed by Mr. Ralph L. Gray, the petroleum  
engineer for this lease, that the gas production for  
the subject well is approximately 50% of the oil  
production. Therefore, the total expected gas recovery  
is 16,000 MCF.

Please call me if you need anything further.

Very truly yours,



W. Thomas Kellahin

WTK:rb

cc: Mr. Ed Hudson  
Mr. Ralph Gray

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF  
EDWARD R. AND WILLIAM A. HUDSON FOR  
INFILL FINDINGS PURSUANT TO DIVISION  
ORDER R-6013

A P P L I C A T I O N

William A. and Edward R. Hudson seek a finding of the New Mexico Oil Conservation Division that their Puckett "B" Well #29, located in Unit O, Section 25, T17S, R31E, Eddy County, New Mexico is a necessary well in order to effectively and efficiently drain the SW/4SE/4 of said Section:

RULE 3

Copies of this application and all exhibits were sent all offset operators by certified mail, return receipt requested, as of the date of mailing of this application.

RULE 5

Attached is a copy of the approved federal form for Permit to Drill and a copy of the Form C-102.

RULE 6

The subject well is located in the Maljamar (Grayburg-San Andres) Pool, which has standard oil spacing of 40 acres.

RULE 8

WELLS DRILLED ON SAME PRORATION UNIT

	<u>OLD WELL</u>	<u>NEW INFILL WELL</u>
a.	Puckett "B" #13 660' f. S. & 1980' f. E. Sec. 25-17S-31E.	Puckett "B" #29 1295' f. S. & 1345' f. E. Sec. 25-17S-31E.
b.	Spudded 6-18-60	Spudded 11-14-81
c.	Completed 8-16-60	Completed 1-13-82
d.	No problems.	No problems.
e.	Current rate of production 16 BO + 22 BWPD.	28 BO + 15 BWPD.
f.	Now producing.	Now producing.
g.	Well #13 has been pumping with a low fluid level for years. Well #29, new infill well, was completed <u>flowing</u> 44 BO + 72 BWPD, indicating a higher reservoir pressure and undrained area.	

RULE 9

- a. A formation structure map is attached showing top of San Andres. However, the structure is not related to drainage and spacing requirements. Lack of drainage by wells drilled on 40 acre spacing was definitely shown when infill well #24 was drilled (NE/4 NE/4 Section 25) and completed on Sept. 24, 1977, flowing 500 BO + 30 BW in 24 hours. At that time, the old offsetting producers were "B" #3 (pumping 5 BO + 27 BWPD), and "B" #6 (pumping 47 BO + 10 BWPD). The high pressure and high producing capacity at the new well #24 indicated that the infill area had not been significantly drained. Other infill wells in the area showed comparable results.
- b. Volume of increase oil expected. Attached is production curve showing monthly oil produced, and projected future production after 1982.

Oil Production 1982 - - - 12,078 bbls.

Oil Production after 1982-19,408 bbls.

Total expected recovery- -31,486 bbls.

- c. Other data. Porosity averages about 10 percent. Permeability valves are very erratic, which accounts for lack of drainage of 40 acres by one well. This finding is also shared by Conoco who operates the MCA Unit directly offsetting the Hudson lease to the east. This very large unit has been completely re-drilled by infill wells in order to recover the maximum oil.

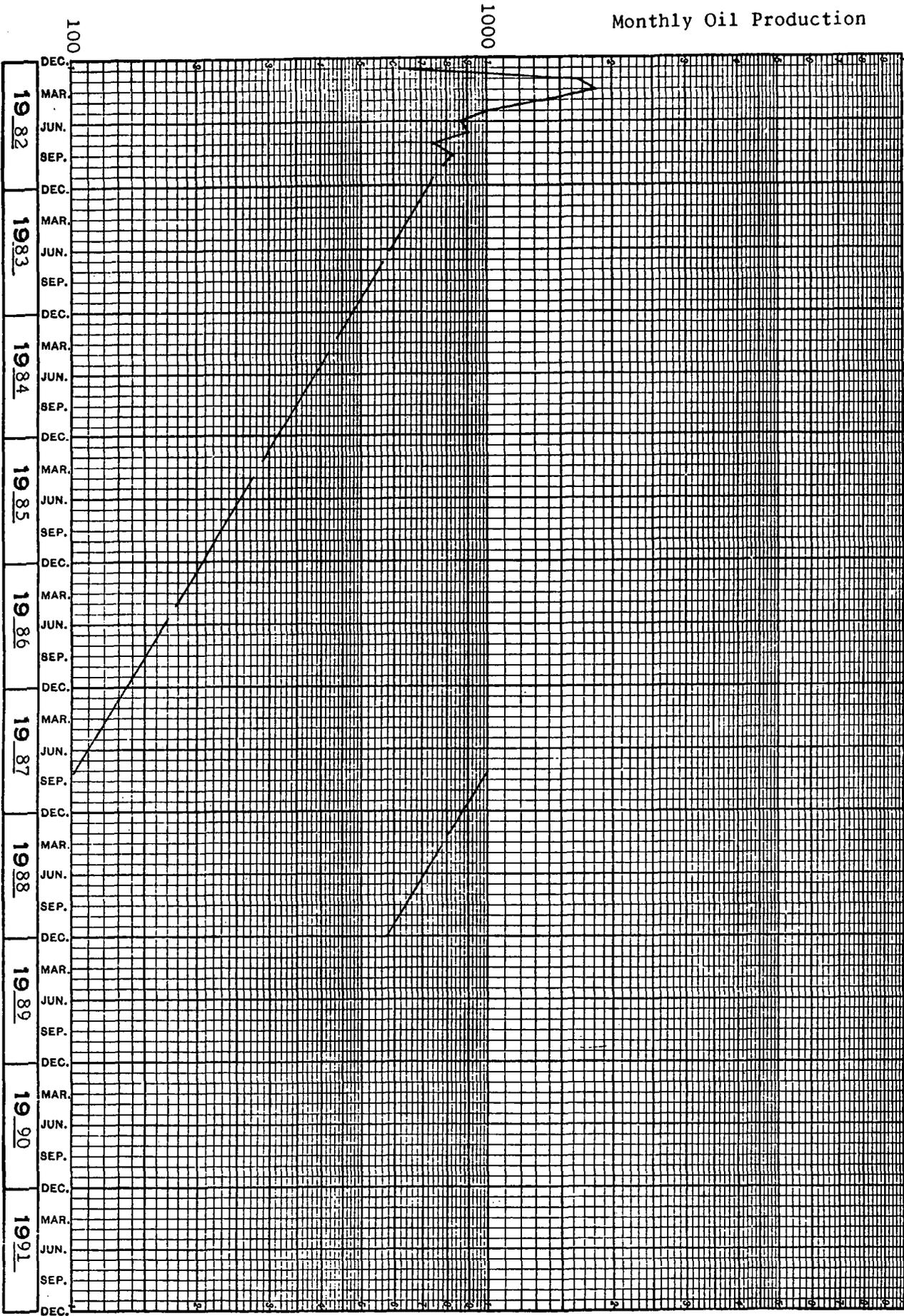
RULE 11

Names and Addresses of Operators offsetting the Hudson Unit:

Conoco, Inc.  
Box #460  
Hobbs, New Mexico 88240

J. Pete Thompson  
1208 Great Plains Bldg.  
Lubbock, Texas 79401

# Monthly Oil Production



Puckett "B" #29

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form 1-11  
Supersedes 1-10  
1-1-1979

All distances must be from the outer four corners of the Section

WILLIAM A. & EDWARD R. HUDSON		LEASE		PUCKETT "B"		ACREAGE	
0		25		17 SOUTH		31 EAST	
				EDDY		29	

Well Location of Well:  
1295 feet from the SOUTH line and 1345 feet from the EAST line

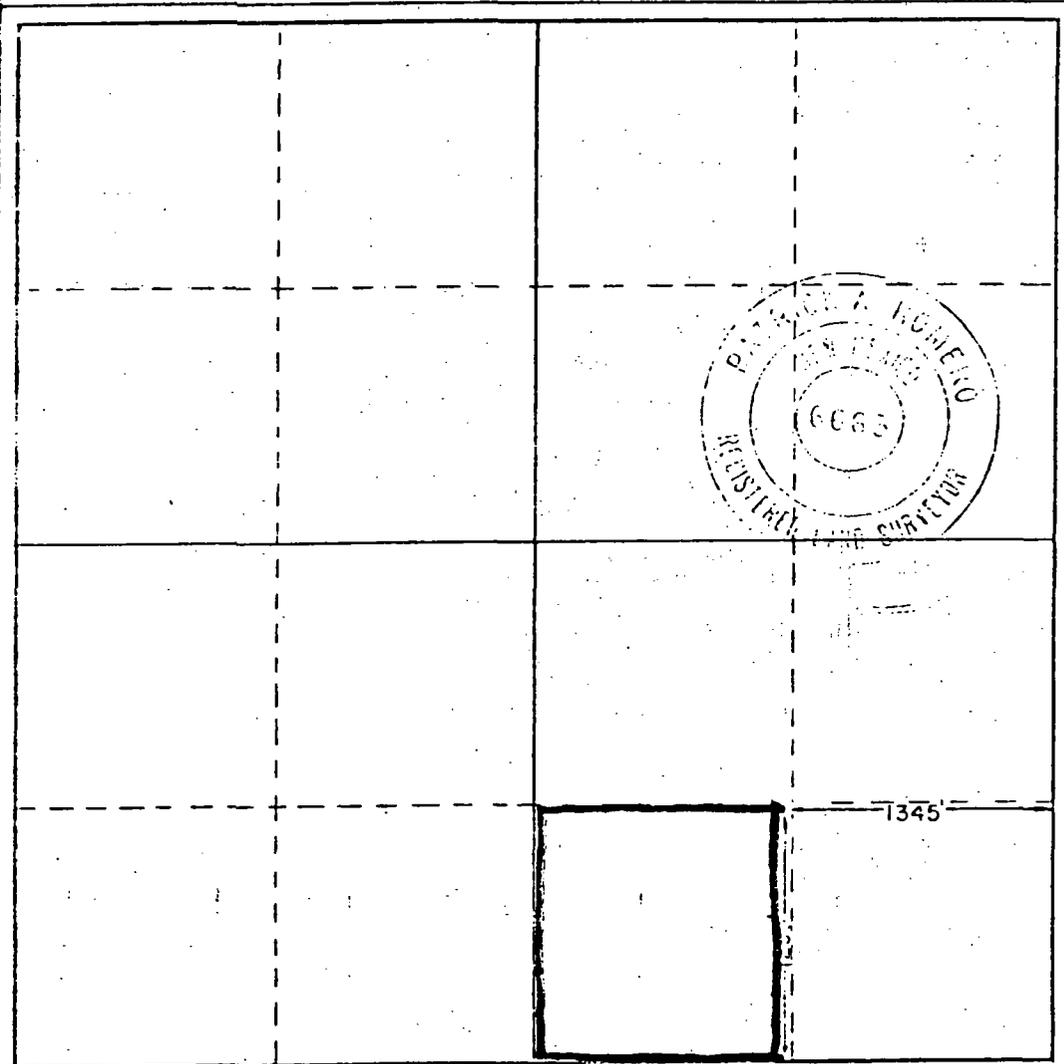
Well Elev.	Producing Formation	Pool	Dedicated Acreage
353.9	Grayburg-San Andres	Maljamar G-SA	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

APR 23 1981

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_  
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



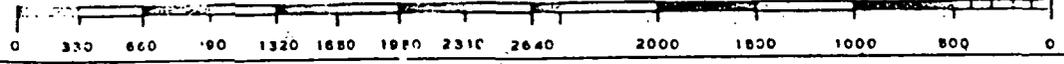
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name: *Paul J Gray*  
 Profession: Consulting Engineer  
 Company: WILLIAM A. & EDWARD R. HUDSON  
 Date: April 21, 1981

I hereby certify that the well location shown on this plat 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: 4-1-81  
 Registered Professional Engineer and/or Land Surveyor  
*Patrick A. Romero*  
 Certificate No. JOHN W. VEST 670  
 PATRICK A. ROMERO 6583  
 Ronald J. Eidson 3239



~~L. CRATOR'S COPY~~  
**UNITED STATES  
DEPARTMENT OF THE INTERIOR**

SUBMIT IN TRIPLI E\*  
(Other instructions on reverse side)

Form approved,  
Budget Bureau No. 42-R1425.

**GEOLOGICAL SURVEY**

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

1a. TYPE OF WORK  
 DRILL       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

3. ADDRESS OF OPERATOR  
 Box #198, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
 At surface 1295' from south and 1345' from east lines of Section 25-17S-31E.  
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 6 miles SW of Maljamar, New Mexico

10. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1295'  
 16. NO. OF ACRES IN LEASE  
 17. NO. OF ACRES ASSIGNED TO THIS WELL  
 Waterflood Project

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 930'  
 19. PROPOSED DEPTH 4150'  
 20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 3864' ground

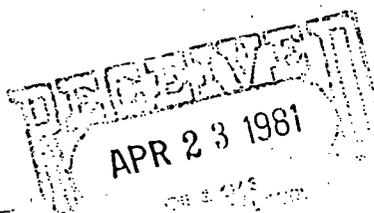
5. LEASE DESIGNATION AND SERIAL NO.  
 LC-029415-B  
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 7. UNIT AGREEMENT NAME  
 8. FARM OR LEASE NAME  
 Puckett "B"  
 9. WELL NO.  
 29  
 10. FIELD AND POOL, OR WILDCAT  
 Maljamar (G-SA)  
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 Sec. 25-17S-31E  
 12. COUNTY OR PARISH  
 Eddy  
 13. STATE  
 New Mexico

22. APPROX. DATE WORK WILL START\*  
 Sept. 1, 1981

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" O.D.	24# J-55	845' CIRCULAR	1600 sx. Class "C" + 2% CaCl.
7-7/8"	5 1/2" O.D.	20.5# J-55 15.5#	4150'	400 sx. Class "C"

It is proposed to drill this well with rotary tools to a depth of approximately 4150'. Production string will be cemented near bottom and pays will be perforated and treated with acid and frac. All casing will be new. See attachment for other data.



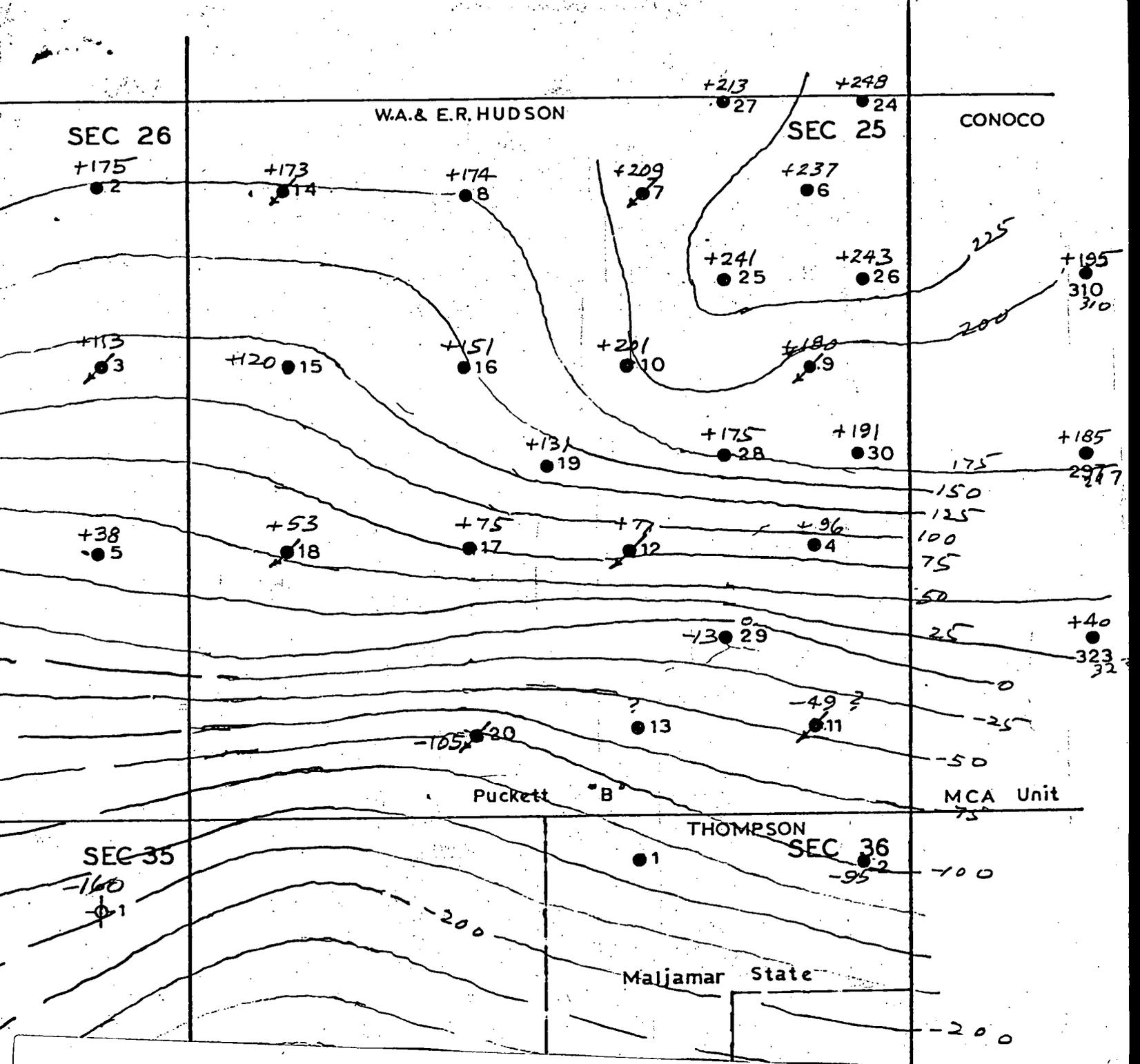
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Ralph J. Gray TITLE Consulting Engineer. DATE April 21, 1981

(This space for Federal or State Use)  
 PERMIT NO. APPROVED APPROVAL DATE \_\_\_\_\_

APPROVED BY Jerry T. Priest DATE \_\_\_\_\_  
 CONDITIONS OF APPROVAL, IF ANY: Approval by State for NON-STD. LOCATION.  
 FOR JAMES A. GILLHAM  
 DISTRICT SUPERVISOR

\*See Instructions On Reverse Side



CONOCO

Maljamar State

THOMPSON

Puckett B

MCA Unit

SEC 26

SEC 25

SEC 35

SEC 36

W.A. & E.R. HUDSON

CONOCO

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF  
EDWARD R. AND WILLIAM A. HUDSON FOR  
INFILL FINDINGS PURSUANT TO DIVISION  
ORDER R-6013

A P P L I C A T I O N

William A. and Edward R. Hudson seek a finding of the New Mexico Oil Conservation Division that their Puckett "B" Well #29, located in Unit O, Section 25, T17S, R31E, Eddy County, New Mexico is a necessary well in order to effectively and efficiently drain the SW/4SE/4 of said Section:

RULE 3

Copies of this application and all exhibits were sent all offset operators by certified mail, return receipt requested, as of the date of mailing of this application.

RULE 5

Attached is a copy of the approved federal form for Permit to Drill and a copy of the Form C-102.

RULE 6

The subject well is located in the Maljamar (Grayburg-San Andres) Pool, which has standard oil spacing of 40 acres.

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	<u>OLD WELL</u>	<u>NEW INFILL WELL</u>
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b.	Spudded 6-18-60	Spudded 11-14-81
c.	Completed 8-16-60	Completed 1-13-82
d.	No problems.	No problems.
e.	Current rate of production 16 BO + 22 BWPD.	28 BO + 15 BWPD.
f.	Now producing.	Now producing.
g.	Well #13 has been pumping with a low fluid level for years. Well #29, new infill well, was completed <u>flowing</u> 44 BO + 72 BWPD, indicating a higher reservoir pressure and undrained area.	

RULE 9

- a. A formation structure map is attached showing top of San Andres. However, the structure is not related to drainage and spacing requirements. Lack of drainage by wells drilled on 40 acre spacing was definitely shown when infill well #24 was drilled (NE/4 NE/4 Section 25) and completed on Sept. 24, 1977, flowing 500 BO + 30 BW in 24 hours. At that time, the old offsetting producers were "B" #3 (pumping 5 BO + 27 BWPD), and "B" #6 (pumping 47 BO + 10 BWPD). The high pressure and high producing capacity at the new well #24 indicated that the infill area had not been significantly drained. Other infill wells in the area showed comparable results.
- b. Volume of increase oil expected. Attached is production curve showing monthly oil produced, and projected future production after 1982.
- Oil Production 1982 - - - 12,078 bbls.
- Oil Production after 1982-19,408 bbls.
- Total expected recovery- -31,486 bbls.
- c. Other data. Porosity averages about 10 percent. Permeability valves are very erratic, which accounts for lack of drainage of 40 acres by one well. This finding is also shared by Conoco who operates the MCA Unit directly offsetting the Hudson lease to the east. This very large unit has been completely re-drilled by infill wells in order to recover the maximum oil.

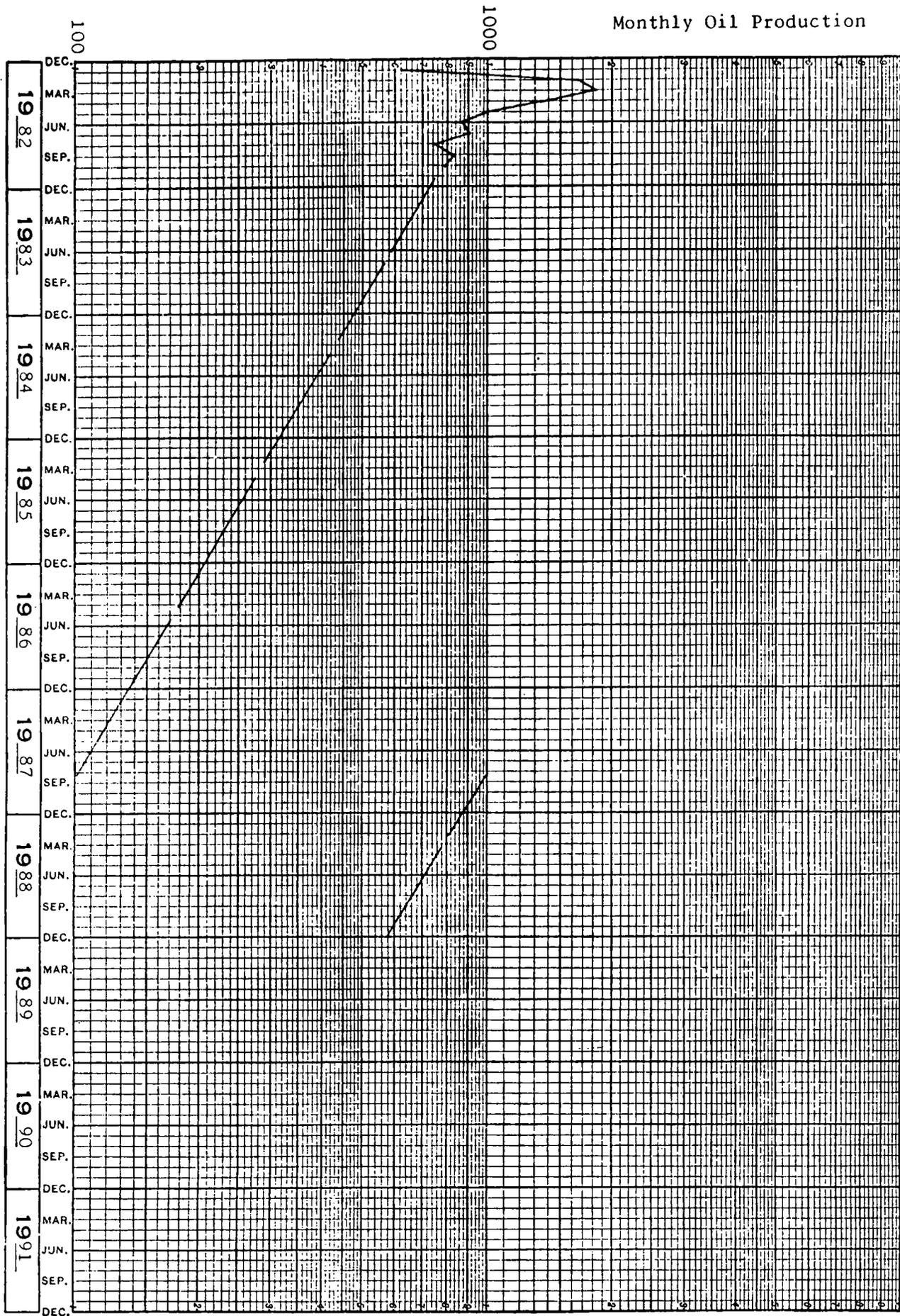
RULE 11

Names and Addresses of Operators offsetting the Hudson Unit:

Conoco, Inc.  
Box #460  
Hobbs, New Mexico 88240

J. Pete Thompson  
1208 Great Plains Bldg.  
Lubbock, Texas 79401

Monthly Oil Production



Puckett "B" #29

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form No. 1  
Supersedes Form  
1-1-1978

All distances must be from the center line of the well.

WILLIAM A. & EDWARD R. HUDSON			PUCKETT "B"			29
0	25	17 SOUTH	31 EAST	EDDY		

Well Location of Well: 1295 feet from the SOUTH line and 1345 feet from the EAST line

3	5.9	Grayburg-San Andres	Maljamar G-SA
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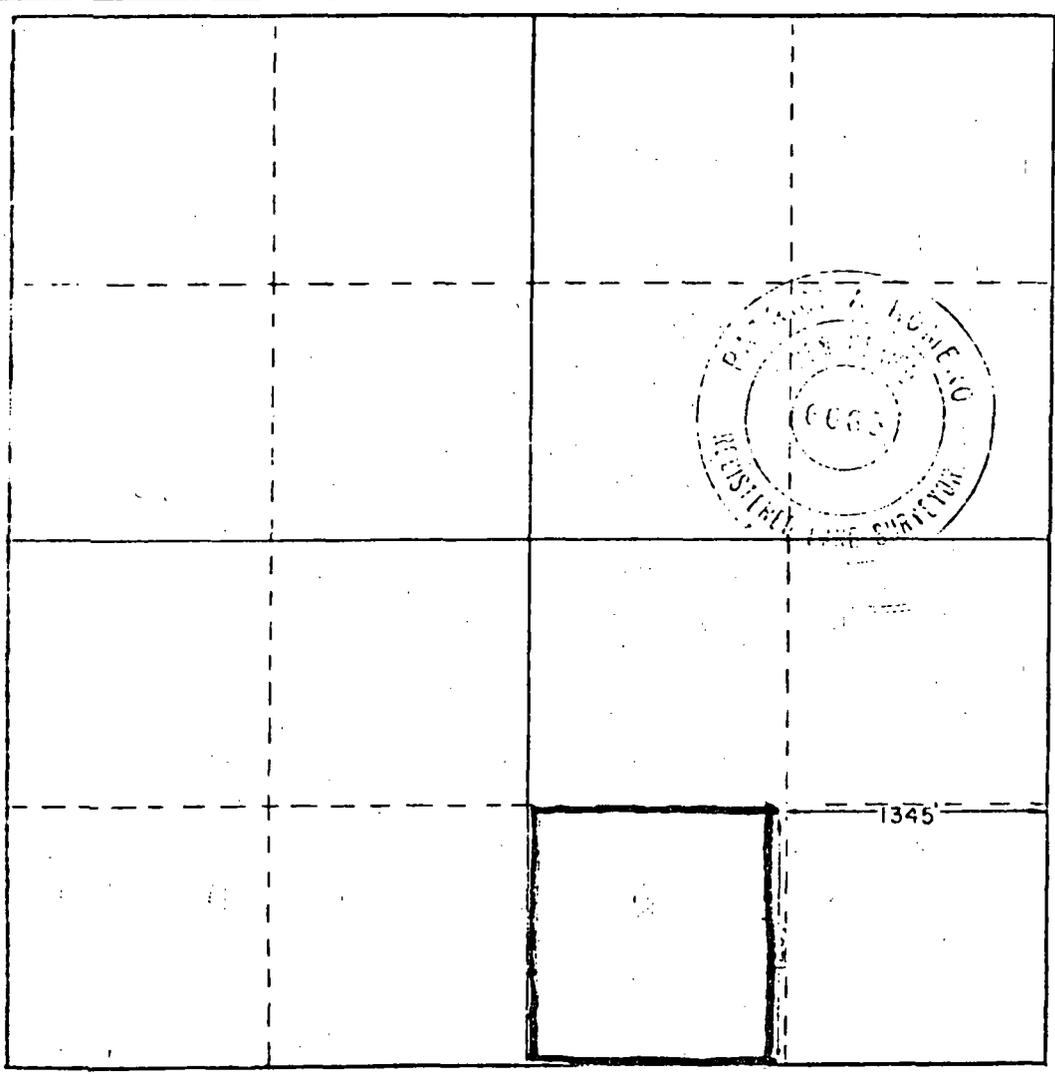
- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to water interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

APR 23 1981

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION:

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name: *Raymond Gray*  
 Position: Consulting Engineer  
 Company: WILLIAM A. & EDWARD R. HUDSON  
 Date: April 21, 1981

I hereby certify that the well location shown on this plat 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: 4-1-81  
 Registered Professional Engineer and/or Land Surveyor:  
*Patrick A. Romero*

Certificate No. JOHN V. EAST 176  
 PATRICK A. ROMERO 656  
 Ronald J. Eideen 327



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
 DRILL       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

3. ADDRESS OF OPERATOR  
 Box #198, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface 1295' from south and 1345' from east lines of Section 25-17S-31E.  
 At proposed prod. zone

5. LEASE DESIGNATION AND SERIAL NO.  
 LC-029415-B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
 Puckett "B"

9. WELL NO.  
 29

10. FIELD AND POOL, OR WILDCAT  
 Maljamar (G-SA)

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 Sec. 25-17S-31E

12. COUNTY OR PARISH  
 Eddy

13. STATE  
 New Mexico

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 6 miles SW of Maljamar, New Mexico

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1295'

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 Waterflood Project

18. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 930'

19. PROPOSED DEPTH  
 4150'

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 3864' ground

22. APPROX. DATE WORK WILL START\*  
 Sept. 1, 1981

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" O.D.	24# J-55	845' CIRCULAR	600 sx. Class "C" + 2% CaCl.
7-7/8"	5 1/2" O.D.	2.5# J-55 15.5#	4150'	400 sx. Class "C"

It is proposed to drill this well with rotary tools to a depth of approximately 4150'. Production string will be cemented near bottom and pays will be perforated and treated with acid and frac. All casing will be new. See attachment for other data.

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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.

24. SIGNED Ralph J. Gray TITLE Consulting Engineer. DATE April 21, 1981

(This space for Federal or State use only)

PERMIT NO. APPROVED APPROVAL DATE \_\_\_\_\_

APPROVED BY JAMES A. GILLHAM DATE \_\_\_\_\_  
 CONDITIONS OF APPROVAL: Approval by State for NON-STD. LOCATION.

FOR  
 JAMES A. GILLHAM  
 DISTRICT SUPERVISOR

\*See Instructions On Reverse Side

