

*Hudson & Hudson, Inc.*  
*Electric Building*

*In reply refer to*

*our file No.* 116

*Fort Worth, Texas*

April 10th, 1957

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Gentlemen:

Attention: Mr. A. L. Porter

Re: Exception to Rule R 111 A in  
Regard to Casing Program

We own an undivided three-fourths interest and Cox & Hamon own an undivided one-fourth interest, subject to an Operating Contract in our favor granting us exclusive operations of the lease, in Federal Oil and Gas Lease LC-067614, and covering the S/2 of Section 28, and the NE/4 of the NE/4 of Section 29, T20S, R34E, N. M. P. M., in Lea County, New Mexico and containing 360 acres more or less. The royalty under this Lease is owned by the Federal Government and an overriding royalty of 3% is owned by Edith A. Hover. *LC 067614*

We propose to drill an oil and gas well on this Lease to be known as the Hover Federal No. 1, located 1980 feet from the South line and 660 feet from the East line of Section 28, T20S, R34E, N. M. P. M., Lea County, New Mexico. In accordance with a casing program that we have used successfully for drilling wells in this area for over twenty years, we plan to set approximately 60 feet of 13 3/8" casing to prevent caving, as there is no surface water in the area. We will then drill to the top of the water bearing strata of the Santa Rosa formation, which should be encountered at approximately 800 feet, and will run 10 3/4" casing on top of this formation. We will then drill into the water bearing strata and carry the water to approximately 1250 feet, where we will set 8 5/8" casing in the shale immediately above the anhydrite near the top of the salt section. We will then test this casing for a complete water shut-off and drill to test the Yates formation at approximately 3850 feet. In the event oil or gas is encountered we will set a formation bridging plug on a wire line above the oil and gas producing horizon and will cement 5 1/2" casing to the surface after pulling all of the larger pipe in the hole.

The plan for the drilling of this well as outlined above will adequately protect the entire salt section and any potash deposits contained therein, and we hereby request that an exception be granted to Rule R 111 A to allow us to drill this well in accordance with this program.

Will you kindly set the date for a hearing on this Application and after hearing and due deliberation, grant the exception requested.

In the event this well is abandoned, we will plug the well in accordance with the applicable rules and regulations.

The Oil and Gas Lease covering this property expires on November 30, 1957, unless oil and gas is being produced therefrom by that date.

Very truly yours,

HUDSON & HUDSON, INC.

ERH:jbm

By: *Edward A. Hudson*

CC: National Potash Company  
P. O. Box 731  
Carlsbad, New Mexico

✓ Potash Company of America  
P. O. Box 31  
Carlsbad, New Mexico

✓ Duvall Sulphur & Potash Company  
P. O. Box 510  
Carlsbad, New Mexico

✓ International Mining & Chemical Company  
P. O. Box 71  
Carlsbad, New Mexico

✓ Southwestern Potash Company  
P. O. Box 472  
Carlsbad, New Mexico

✓ Farmers Chemical Resources Development Company  
P. O. Box 625  
Carlsbad, New Mexico

*U.S. Potash was notified by mail - testimony*