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Artesia, New Mexico May 6, 1960

New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

Attn: Mr. A. L. Porter, Jr., Sec'y. - Director

Dear Sir:

On April 12, 1960, William A. and Edward R. Hudson made application for exceptions to Rule 104(c), in order to permit the drilling of several five-spot locations on their Puckett "A" lease in the Maljamar Field, Eddy County, New Mexico. This letter will supplement their application by specifically designating the 40-acre tracts on which they propose to drill a second well. It is requested that approval be given for the drilling of said five-spot locations within 100 feet of the corners of the 40-acre tracts as designated and shown on the attached map.

Location of wells to be drilled are as follows:

- (a) Southwest corner SW/4 of the SE/4 Section 13-17S-31E.
- (b) Southeast corner NW/4 of the NW/4 Section 24-17S-31E.
- (c) Northwest corner NE/4 of the NW/4 Section 24-17S-31E.
- (d) Southwest corner NW/4 of the NE/4 Section 24-17S-31E.
- (e) Northwest corner NE/4 of the NE/4 Section 24-17S-31E.
- (f) Southeast corner SE/4 of the NW/4 Section 24-17S-31E.
- (g) Northeast corner SW/4 of the NE/4 Section 24-17S-31E.
- (h) Northwest corner NE/4 of the SW/4 Section 24-17S-31E.
- (i) Northwest corner NE/4 of the SE/4 Section 24-17S-31E.

Respectfully submitted,

William A. & Edward R. Hudson

Consulting Engineer

RG: jd

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE

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APPLICATION OF WILLIAM A. HUDSON AND EDWARD R. HUDSON, FOR EXCEPTIONS TO RULE 104 (c), in the MALJAMAR FIELD EDDY COUNTY, NEW MEXICO.

APPLICANTS are WILLIAM A. HUDSON and EDWARD R. HUDSON, 1810 Electric Building, Fort Worth, Texas, Operators of Oil and Gas Lease LC-029415(a) covering:

Township 17 South, Range 31 East, N. M. P. M.

Section 13: The S/2 of the S/2

Section 24: The N/2, and the N/2 of the S/2

in Eddy County, New Mexico; and

Oil and Gas Lease LC-029415(b), covering:

Township 17 South, Range 31 East, N. M. P. M.

Section 12: All

Section 13: The N/2 and the N/2 of the S/2

Section 24: The S/2 of the S/2

Section 25: All

in Eddy County, New Mexico,

all as shown on the enclosed Plat of said Oil and Gas Leases.

That the discovery well on the "A" Lease described above was completed in February, 1936, and said lease is now fully developed with sixteen (16) producing wells.

That all but two of these wells have been producing in excess of ten (10) years and some of the older wells in excess of twenty (20) years. That said wells are now approaching their economic producing limits.

That it is the desire of the Operators, in preparation for eventually waterflooding said "A" Lease, to drill five spot locations, each well to be drilled within one hundred (100) feet of a five spot location the center of which would be the common corner for each tract assigned to four of said producing wells, but shall be included in one of the forty-acre tracts assigned to a presently producing well.

That said wells will be drilled with either rotary or cable tools and $4\frac{1}{2}$ " casing cemented through all of the producing zones in the Maljamar Field, down to and including the ninth zone. The casing will be selectively perforated in said zones.

The Continental Oil Company, owners of the Leases offsetting this property to the east, have accepted notice of this Application and have no objection to the granting of the exceptions requested herein.

The Skelly Oil Company, owners of the Leases to the west offsetting this property, have accepted notice of this Application and have no objection to the granting of the exceptions requested herein.

WHEREFORE, the Applicants pray that after due consideration, the Commission grant an exception to Rule 104 (c) to drill said five spot locations in accordance with the above, and that each well so drilled be assigned to the forty-acre tract upon which a presently producing well is

now located.

Respectfully submitted,

WILLIAM A. HUDSON and EDWARD R. HUDSON

Joint Operator and Attorney

Dated at Fort Worth, Texas, this 12th day of April, 1960.