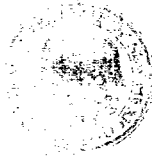


GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER



P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY DIRECTOR

February 9, 1961

Mr. Jason Kellahin
Kellahin & Fox
Box 1713
Santa Fe, New Mexico

Re: Case No. 2164
Order No. R-1868
Applicant:
Hudson & Hudson

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC

Other

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

MEMORANDUM

TO: Governor Mechem and Commissioner Walker
FROM: A. L. Porter, Jr., Secretary-Director
SUBJECT: Commission Order R-1868

This order is a denial of an application by Hudson & Hudson to increase the gas-oil ratio limits in an Eddy County pool from 2000 to 1 to 6000 to 1, and to allow them to shut-in a well with an excessive ratio and transfer its allowable to another well on the lease.

We feel that the application should be denied in the interest of conservation. The increase in G.O.R. limit would allow a much more rapid dissipation of reservoir energy as well as the flaring of a much greater volume of gas. In the matter of allowable transfer, there was little evidence that it would result in efficient drainage.

ALP/ir

February 9, 1961

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. 2164
Order No. R-1868

APPLICATION OF HUDSON AND HUDSON
FOR AN EXCEPTION TO RULE 506 (A) OF
THE COMMISSION RULES AND REGULATIONS
AND FOR PERMISSION TO TRANSFER ALLOW-
ABLES IN THE WEST TONTO YATES-SEVEN
RIVERS POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 25, 1961, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 9th day of February, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 and Hudson, seeks an exception to Rule 506 (A) by increasing the limiting gas-oil ratio for the West Tonto Yates-Seven Rivers Pool, Lea County, New Mexico, from 2,000 to 6,000 cubic feet of gas per barrel of oil, and further seeks permission to shut-in its Federal 18 Well No. 3 producing from said pool and transfer its allowable to its Federal 18 Well No. 2.

(3) That approval of the subject application would not be in the best interests of conservation.

IT IS THEREFORE ORDERED:

That the subject application is hereby denied.

-2-

CASE No. 2164

Order No. R-1868

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



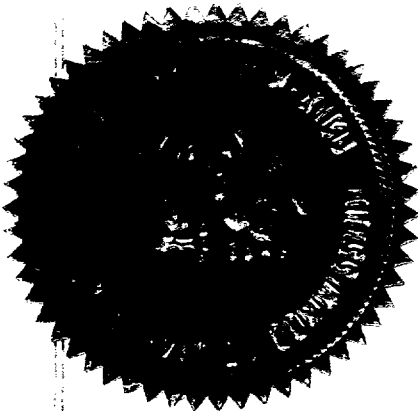
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



A. L. PORTER, Jr., Member & Secretary



esr/