

APPLICATION OF WILLIAM A. & EDWARD R. HUDSON
FOR AN EXCEPTION TO RULE 506(A) AND FOR AUTH-
ORIZATION TO TRANSFER ALLOWABLE IN THE WEST
TONTA (Y-SR) POOL

APPLICANTS WILLIAM A. AND EDWARD R. HUDSON, 1810 Electric
Building, Fort Worth, Texas, respectfully show:

1. That they are Operators of Oil and Gas Leases
LC-067847 and LC-064790, insofar as they cover the follow-
ing land in Lea County, New Mexico, above the base of the
Grayburg Formation: ✓

Township 19 South, Range 33 East
Section 18: All

2. That the West Tonto (Y-SR) Pool has a very sub-
stantial part of the reservoir porosity filled with gas ✓
overlying the oil.

3. That the gas has a very high Nitrogen content,
making its use as a marketable gas questionable. ✓

4. That the reservoir rock has a vuggy and fractur-
ed type of porosity, which permits easy vertical communica-
tion. ✓

5. That due to the characteristics, the limiting gas-
oil ratio should be raised from 2,000 to 6,000 cubic feet
per barrel in order to prevent undue hardships from gas-oil
ratio penalties. ✓

6. That in order to conserve reservoir energy, the
Commission is asked to transfer the allowable from Federal 18
Well #3, to Federal 18 Well #2. ✓

7. That the producing of this extra allowable from
Well #2 can be done without creating waste and will conserve
the reservoir energy.

WHEREFORE, the Applicants pray that after due consider-
ation, the Commission change the limiting gas-oil ratio for
the West Tonto (Y-SR) Pool from 2,000 to 6,000 cubic feet per
barrel, and authorize the transfer of allowable from Well #3
to Well #2.

Respectfully submitted,

WILLIAM A. & EDWARD R. HUDSON

By: Edward R. Hudson