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. 3333 Order No. R-3002

APPLICATION OF WILLIAM A. AND EDWARD R. HUDSON FOR TWG WATERFLOOD PROJECTS, EDDY COUNTY, NEW MEXICO.

ORDER OF THE CONMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 23, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Mutter.

WOW, on this <u>3rd</u> day of December, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 applicants, William A. and Edward R. Hudson, seek permission to institute two waterflood projects in the Shugart Pool by the injection of water into the Red Sand of the Queen formation through six injection wells in Sections 10, 11, and 15, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

(3) That the wells in both project areas are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood projects should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the subject application should be approved and the projects should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

-2-CASE No. 3333 Order No. R-3002

IT IS THEREFORE ORDERED:

(1) That the applicants, William A. and Edward R. Hudson, are hereby authorized to institute two waterflood projects in the Shugart Pool by the injection of water into the Red Sand of the Queen formation through the following-described wells in Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico:

Shugart "A" Waterflood Project

Injection wells:

H & H Shugart "A" Well No. 2, Unit K, Section 10 H & H Shugart "A" Well No. 3, unit G, Section 10 H & H Shugart "A" Well No. 5, Unit M, Section 10

Shugart "B" Waterflood Project

Injection wells:

H & H Shugart "B" Well No. 1, Unit N, Section 11 H & H Shugart "B" Well No. 2, Unit A, Section 15 H & H Shugart "B" Well No. 6, Unit G, Section 15

(2) That the subject waterflood projects shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood projects herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO DIL CONSERVATION COMMISSION JACK M. CAMPBELL, Chairman GUTTON B. HAYS, Member A. L. PORTER, Jr., Member & Secretary