



Shell Exploration & Production

State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division-District 4
1220 South St. Francis Drive
Sante Fe, New Mexico 87505
Attn.: Ed Martin, District Supervisor

Shell Exploration & Production Co.

Regulatory Affairs-EP Americas
4582 S. Ulster Street Parkway
Suite 1400
Denver, Colorado 80237

August 6, 2010

Subject: Notice of Intent to Perform Pit Closure and Interim Reclamation
Shell Exploration & Production Co., Webb 3-23 (API No. 30-019-20135)
Guadalupe County, New Mexico

Dear Mr. Martin:

Shell Exploration & Production Company (Shell), as service provider to SWEPI LP in New Mexico, is submitting our Notice of Intent (Form C-103) to perform pit closure and interim reclamation for the subject well, to New Mexico Oil Conservation Division-District 4 (OCD) for your review and approval.

If you have any questions or require any additional information regarding these requests, please contact me at (303) 222-6347, or David Janney at Kleinfelder in Albuquerque at (505) 344-7373.

Regards,

A handwritten signature in black ink that reads "Michael L. Bergstrom". The signature is fluid and cursive, with a large loop at the end of the last name.

Michael L. Bergstrom
Senior Regulatory Advisor
Shell Exploration & Production Company

Attachments: Form C-103
Pit Closure and Interim Reclamation Procedure

Submit 1 Copies to Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
October 13, 2009

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-019-20135
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. NA
7. Lease Name or Unit Agreement Name Hage and Webb Land and Cattle, Inc.
8. Well Number Webb 3-23
9. OGRID Number 250036
10. Pool name or Wildcat Wildcat
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4553.6 +/- graded

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

SWEPI LP

3. Address of Operator

P.O. Box 576 Houston, TX

4. Well Location

Unit Letter **K** **1654** +/- feet from the **South** line and **1646** +/- feet from the **West** line
Section **23** Township **11 N** Range **23 E** NMPM County **Guadalupe**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

4553.6 +/- graded

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: **PIT CLOSURE AND INTERIM RECLAMATION** ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: PRODUCTION ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Pending final disposition of the subject well and well location, SWEPI LP proposes to close the existing drilling (reserve) pit, which was not used during drilling, but rather for storage of flowback and produced water, and to close the completions pit in a phased process and initiate interim reclamation of unused portions of the well location, as described in the attached procedure.

Spud Date:

June 26, 2008

Rig Release Date:

September 16, 2008

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Michael L. Bergstrom TITLE: Senior Regulatory Advisor DATE: August 6, 2010

Type or print name: Michael L. Bergstrom E-mail address: michael.bergstrom@shell.com PHONE: (303) 222-6347

For State Use Only

APPROVED BY: Ed Martin TITLE: **DISTRICT SUPERVISOR** DATE: 8/16/10

Conditions of Approval (if any):

Proposed Pit Closure and Interim Reclamation Procedures for Webb 3-23

SWEPI LP will:

In 2010:

- 1) Reduce flowback and produced water volumes remaining in drilling and completions pits by operating spray evaporation and pumping equipment over the subject pits.**
- 2) Remove residual fluids from the drilling and completions pits for off-site disposal at an OCD-approved facility.**
- 3) Remove all solids, sludges and synthetic liners from the drilling and completions pits for off-site disposal at an OCD-approved facility. As needed, prior to transport for disposal, construct and operate a drying pad (minimum 20 mil HDPE liner and soil berms) to be used to evaporate excess moisture from the excavated pit contents.**
- 4) Collect composite and individual confirmation soil samples from soils underlying the pits. Collect five-point composite soil sample(s) from underlying soils, and discrete soil samples from underlying soils in areas suspected of releases.**
- 5) Submit soil samples for chemical analysis of benzene, total BTEX, TPH, GRO and DRO combined, and chlorides.**
- 6) If laboratory analytical results indicate a release of pit fluids into the subsurface soils, over-excavate the pit areas as needed and confirm removal of affected soils by additional soil sampling.**
- 7) Install and maintain fencing around open pits.**

In 2011:

- 8) Backfill, compact and recontour pit areas to match existing surrounding ground surface.**
 - 9) Recontour all unused well location areas to match existing surrounding ground surface.**
 - 10) Spread reserved topsoil on previously-disturbed areas.**
 - 11) Develop revegetation plan in conjunction with surface owner, by conducting soil and vegetation surveys at and around the recontoured areas and selecting appropriate native species for seeding and identifying any necessary soil amendments.**
 - 12) In the fall, conduct seeding and soil amending (as needed). Install and maintain fencing around the revegetated areas. Monitor germination and growth of vegetation; if needed, re-seed in the subsequent fall.**
 - 13) Prepare and submit a closure report to OCD, including laboratory analytical reports and post-closure Location Photos.**
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