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March 21, 2011

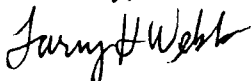
Ms. Florene Davidson  
Oil Conservation Division  
New Mexico Dept. of Energy, Minerals and Natural Resources  
1220 S St. Francis Drive  
Santa Fe, NM 87505

Re: Case #14617 Application of Shell Exploration & Production Co. for approval of salt water disposal well, Guadalupe County, New Mexico

Dear Ms. Davidson:

This letter serves as my declaration of intent to make an entry of appearance in the above referenced case.

Sincerely,



Larry Webb  
Hage & Webb Land & Cattle  
HCR 67 Box 16  
Newkirk, NM 88431  
575-403-9910

cc:

Holland & Hart  
Attn: William F. Carr  
P.O. Box 2208  
Santa Fe, NM 87504-2208

Ms. Florene Davidson  
Oil Conservation Division  
New Mexico Dept. of Energy, Minerals and Natural Resources  
1220 S St. Francis Drive  
Santa Fe, NM 87505

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2011 MAR 23 A 11: 36

Re: Pre-Hearing Statement: Case #14617 Application of Shell Exploration & Production Co. for approval of salt water disposal well, Guadalupe County, New Mexico

Dear Ms. Davidson:

In the aforementioned case regarding the application to inject salt water into the Webb 3-23 gas well, I wish to point out the following:

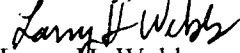
Paragraph 4 of section VII of the application fails to note that Shell imported additional salt water and drilling fluids to the Webb 3-23 pit from an off-site location, namely the Latigo wells, which is in direct violation of the oil and gas lease between Hage & Webb Land & Cattle and SWEPI LP.

Section XI of the application notes that "No chemical analysis exists for the Webb 3-23 water supply well (CR05133)." Before proceeding with this application, such baseline chemical analysis should be conducted of the said water supply well and the two existing windmills which are within the required one mile radius of the proposed injection well. *— or 1/2 mile?*

Hage & Webb Land & Cattle is entered into an Oil and Gas Lease with SWEPI LP for the purposes of exploration, development and production of oil and gas, not for the purposes of disposal of salt water and drilling fluids. In fact the lease specifically excludes such disposal from other lands. Furthermore it would seem disadvantageous to turn a well with demonstrated production potential into a salt water disposal well.

These are my major concerns and your consideration in this matter is greatly appreciated.

Sincerely,



Larry D. Webb  
Hage & Webb Land & Cattle  
HCR 67 Box 16  
Newkirk, NM 88431  
575-403-9910

cc:

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