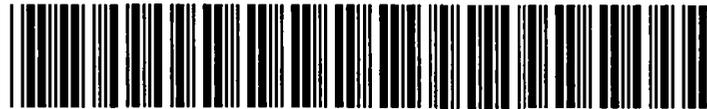




AE Order Number Banner

Report Description

This report shows an AE Order Number in Barcode format for purposes of scanning. The Barcode format is Code 39.



App Number: pDD00000142002

DD - 14

SHELL WESTERN E & P

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

June 12, 1987

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Shell Western E&P Inc.
P.O. Box 576
Houston, TX 77001

Attention: A. J. Fore

AMENDED ADMINISTRATIVE ORDER DD-14

Gentlemen:

Under the provisions of Rule 111 (C) and (D), Shell Western E&P, Inc. made application to the New Mexico Oil Conservation Division on April 24, 1987, for permission to directionally drill and complete for the production of oil in the Hobbs Grayburg San Andres Pool their North Hobbs Grayburg San Andres Unit Section 28 Well No. 342.

Division Administrative Order DD-14 was issued on May 26, 1987; however, due to clerical error and inadvertence this order did not correctly state the intended order of the Division. Furthermore, the applicant requested by letter, dated May 27, 1987, that the surface location for the subject well needed to be changed due to surface use restrictions.

Said Administrative Order DD-14, dated May 26, 1987, is hereby suspended with no effect whatsoever.

The Division Now Finds That:

(1) The application has been duly filed under the provisions of Rule 111 (D) of the Division Rules and Regulations;

(2) Satisfactory information has been provided that all offset operators have been duly notified;

(3) The applicant, Shell Western E&P, Inc., proposes to drill their North Hobbs Grayburg San Andres unit Section 28 Well No. 342 at a surface location 202 feet from the North line and 1764 feet from the East line (Unit B) of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico.

(4) The applicant seeks to directionally drill said well by kicking off from the vertical at a depth of approximately 100 feet and drilling in such a manner as to penetrate said

pool at a standard oil well location 950 feet from the south line and 1650 feet from the East line (Unit O) of Section 28, Township 18 South, Range 38 East, NMPM, Hobbs Grayburg San Andres Pool, Lea County, New Mexico.

(5) The SW/4 SE/4 (Unit O) of Section 28 should be dedicated to the well.

(6) The applicant should be required to determine the subsurface location of the bottom of the hole by means of a continuous multi-shot directional survey conducted subsequent to said directional drilling, if said well is to be completed as a producing well.

(7) Approval of the subject applicant will prevent the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Shell Western E&P, Inc., is hereby authorized to directionally drill its North Hobbs Grayburg San Andres Unit Section 28 Well No. 342 from a surface location 202 feet from the North line and 1764 feet from the East line (Unit B) of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, by kicking off from the vertical at a depth of approximately 500 feet, and drilling in such a manner as to penetrate the Hobbs Grayburg San Andres Pool at a standard oil well location 950 feet from the south line and 1650 feet from the East line (Unit O) of Section 28, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, that prior to the above-described directional drilling, the applicant shall establish the location of the kick-off point by conducting a continuous multi-shot directional survey of the well.

PROVIDED FURTHER, that subsequent to the above-described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the kick-off point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Division, P.O. Box 2088, Santa Fe, NM 87501, and the operator shall notify the Division's Hobbs District Office of the date and time said survey is to be commenced.

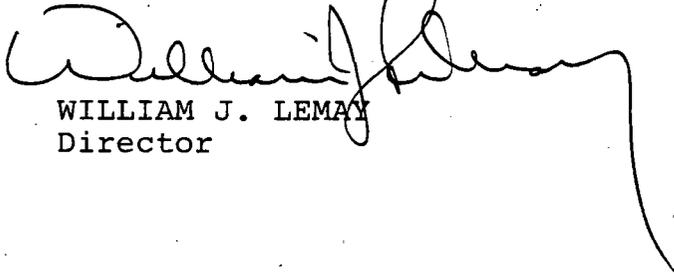
(2) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(3) The SW/4 SE/4 (Unit O) of said Section 28 shall be dedicated to the subject well.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L