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MAY 29 1987
OIL CONSERVATION DIVISION
SANTA FE

Shell Western E&P Inc.

A Subsidiary of Shell Oil Company



P.O. Box 576
Houston, TX 77001

May 27, 1987

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 1980
Hobbs, NM 88240

Gentlemen:

SUBJECT: DIRECTIONAL DRILLING
ORDER NO. DD-14
NORTH HOBBS (G/SA) UNIT
SEC. 28, T-18-S, R-38-E, NMPM
LEA COUNTY, NEW MEXICO

Shell Western E&P Inc., as operator of the North Hobbs Unit, hereby advises you that due to surface use restrictions, it has become necessary to move Well No. 342 to a new surface location. The bottomhole location will remain unchanged. The previously approved and proposed locations are shown on the attached table.

The certified plat submitted with this request indicates the revised location.

Inasmuch as the basis of our original application remains unchanged, we recommend your approval of Shell's proposal to drill this infill producer at the amended location.

We apologize for any inconvenience caused by this change.

Yours very truly,

A handwritten signature in cursive script, appearing to read "A. J. Fore".

A. J. Fore
Supervisor Regulatory
and Permitting
Production Administration
Western Division

JMW:TS

Attachment

cc: State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

BNBC8714703

NORTH HOBBS (G/SA) UNIT
STAKED WELL LOCATION AND TARGET DEPTH

<u>WELL NO.</u>	<u>SURFACE LOCATION</u>	<u>BOTTOM HOLE LOCATION (TARGET 100' RADIUS CIRCLE)</u>	<u>KICK-OFF DEPTH</u>	<u>DEPARTURE & DIRECTION DISTANCE</u>
NHU-342	202 FNL; 1764 FEL* Sec. 33, T-18-S, R-38-E.	950 FSL; 1650 FEL Sec. 28, T-18-S, R-38-E	500'	1158' NNE

*Original Surface Location: 540 FSL & 529 FEL of Sec. 28, T-18-S, R-38-E.

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LAND OFFICE		
OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well DRILL <input checked="" type="checkbox"/> Directional DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		North Hobbs (GB/SA) Unit	
2. Name of Operator		8. Farm or Lease Name	
Shell Western E & P Inc.		Sec. 28	
3. Address of Operator		9. Well No.	
P. O. Box 576 Houston, Texas 77001		342	
4. Location of Well		10. Field and Pool, or Wildcat	
UNIT LETTER <u>B</u> LOCATED <u>202</u> FEET FROM THE <u>NORTH</u> LINE AND <u>1764</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>33</u> TWP. <u>18S</u> RGE. <u>38E</u> NMPM		Hobbs GB/SA	
		12. County	
		Lea	
		19. Proposed Depth	19A. Formation
		4400'	GB/SA
		20. Rotary or C.T.	
		Rotary	
21. Elevations (Show whether DF, RT, etc.)	21A. Kind & Status Plug. Bond	21B. Drilling Contractor	22. Approx. Date Work will start
3641.1' GR	Blanket	Norton Drilling Co.	June 20, 1987

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	9 5/8"	32.3 & 36#	± 1625'	1400 *	Surface
8 3/4"	7"	20 & 23#	± 4400'	1350 **	Surface

Directional well: BHL Unit Letter "0" 950' FSL & 1650' FEL, Sec. 28-18S-38E

* Lead in w/1200 sxs 50-50 Poz "C" + 6% gel + 3# salt
Tail in w/200 sxs Class "C" + 2% Cacl2

** Lead in w/1000 sxs 50-50 Poz "A" + 6% gel + 3% salt
Tail in w/350 sxs Densified Class "C"

BOP Program: 3000# Ram Preventer

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed A. J. Fore A. J. Fore Title Supv. Reg. & Permits Date MAY 27, 1987

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

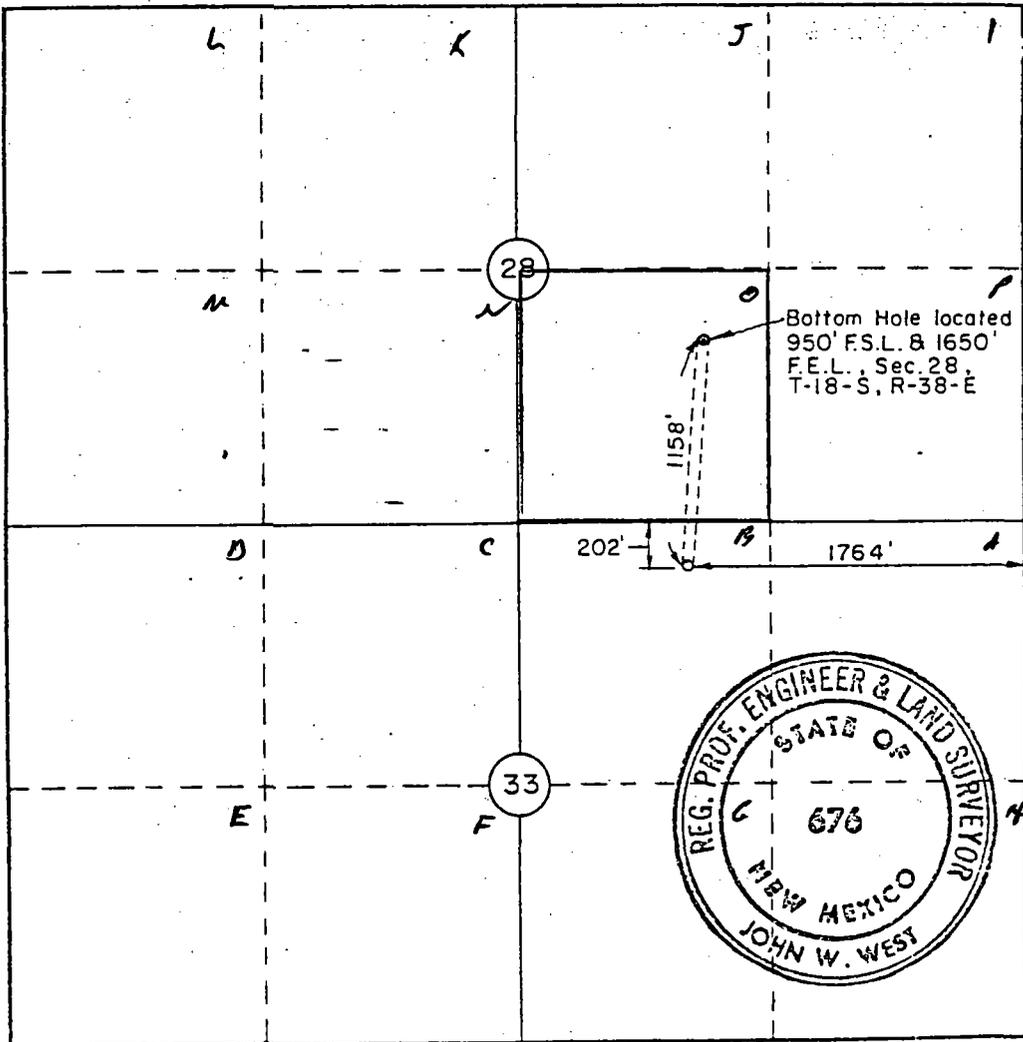
Operator SHELL WESTERN E & P INC.		Lease North Hobbs Unit SECTION 28		Well No. 342
Unit Letter B	Section 33	Township 18 South	Range 38 East	County Lea
Actual Footage Location of Well: 1764 feet from the East line and 202 feet from the North line				
Ground Level Elev. 3641.1	Producing Formation GRAYBURG/SAN ANDRES	Pool HOBBS GB/SA	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation UNITIZATION

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name
A. J. Fore A. J. FORE

Position
SUPV. REG. & PERMITS

Company
SHELL WESTERN E&P INC.

Date
MAY 27, 1987

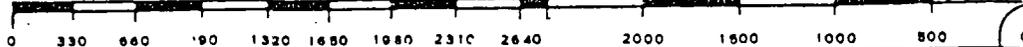
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
May 15, 1987

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239





STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
 GOVERNOR

RECEIVED
 MAY - 1 1987
 OIL CONSERVATION DIVISION
 SANTA FE

April 28, 1987

POST OFFICE BOX 1980
 HOBBS, NEW MEXICO 88241-1980
 (505) 393-6161

OIL CONSERVATION DIVISION
 P. O. BOX 2088
 SANTA FE, NEW MEXICO 87501

DD-14

RE: Proposed:

MC _____
 DHC _____
 NSL XX & Directionally Drill X
 NSP _____
 SWD _____
 WFX _____
 PMX _____

Gentlemen:

I have examined the application for the:

Shell Western E&P Inc.	North Hobbs GB/SA Unit	Sec. 33 412	33-18-38	(NSL)
Operator	Lease & Well No. Unit	Sec. 28 #342	28-18-38	
			S-T-R	

and my recommendations are as follows:

 OK --Jerry Sexton

Yours very truly

Jerry Sexton
 Jerry Sexton
 Supervisor, District 1

/ed

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11/19/87 BY SP-1/STP/STP

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



May 26, 1987

GARREY CARRUTHERS
GOVERNOR

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, Texas 77001

Attention: A. J. Fore

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.

The Division Director 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 540 feet from the South line and 529 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.

(4) The applicant seeks to directionally drill said well by kicking off from the vertical at a depth of approximately 500 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 P) of said Section 28.

(5) The SE/4 SE/4 (Unit P) 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 application 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 standard surface location 540 feet from the South line and 529 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, by kicking off from the vertical at a depth of approximately 500 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 P) of Section 28.

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, New Mexico 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 SE/4 SE/4 (Unit P) 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

Shell Western E&P Inc.

A Subsidiary of Shell Oil Company



P.O. Box 576
Houston, TX 77001

April 21, 1987

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

Gentlemen:

SUBJECT: APPLICATION FOR ADMINISTRATIVE APPROVAL TO
DIRECTIONALLY DRILL NORTH HOBBS (GB/SA) UNIT SECTION 28
NO. 342 & SECTION 33 NO. 412 AND FOR AN UNORTHODOX LOCATION
FOR NO. 412
HOBBS (GB/SA) POOL *See NSL-2346(DP)*
LEA COUNTY, NEW MEXICO

Shell Western respectfully requests administrative approval to directionally drill its North Hobbs (GB/SA) Unit Nos. 342 & 412. The location of the wells are shown on the attachment. Additionally, we request approval for an unorthodox location for well No. 412 with respect to the required distance from the $\frac{1}{2}$ $\frac{1}{2}$ proration unit.

Both wells will be drilled within the city limits of Hobbs, New Mexico where surface use restrictions prevent the drilling of vertical holes at the desired locations. These wells are necessary to complete an efficient production and injection pattern, thereby maximizing oil recovery in areas where waterflood oil will be by-passed with the current injection-production well configuration.

By copy of this letter and attachments, we have notified, by certified mail, the operators shown on the attached service list.

Very truly yours,

A handwritten signature in cursive script, appearing to read "A. J. Fore", located below the "Very truly yours," text.

A. J. Fore
Supervisor Regulatory
and Permitting
Production Administration
Western Division

AJF:TS

Attachments

BNBC8711101

cc: State of New Mexico
Energy & Minerals Division
Oil Conservation Division
P. O. Box 1980
Hobbs, NM 88240

SERVICE LIST

Offset Operators
Amoco Production Company
P. O. Box 68
Hobbs, NM 88240

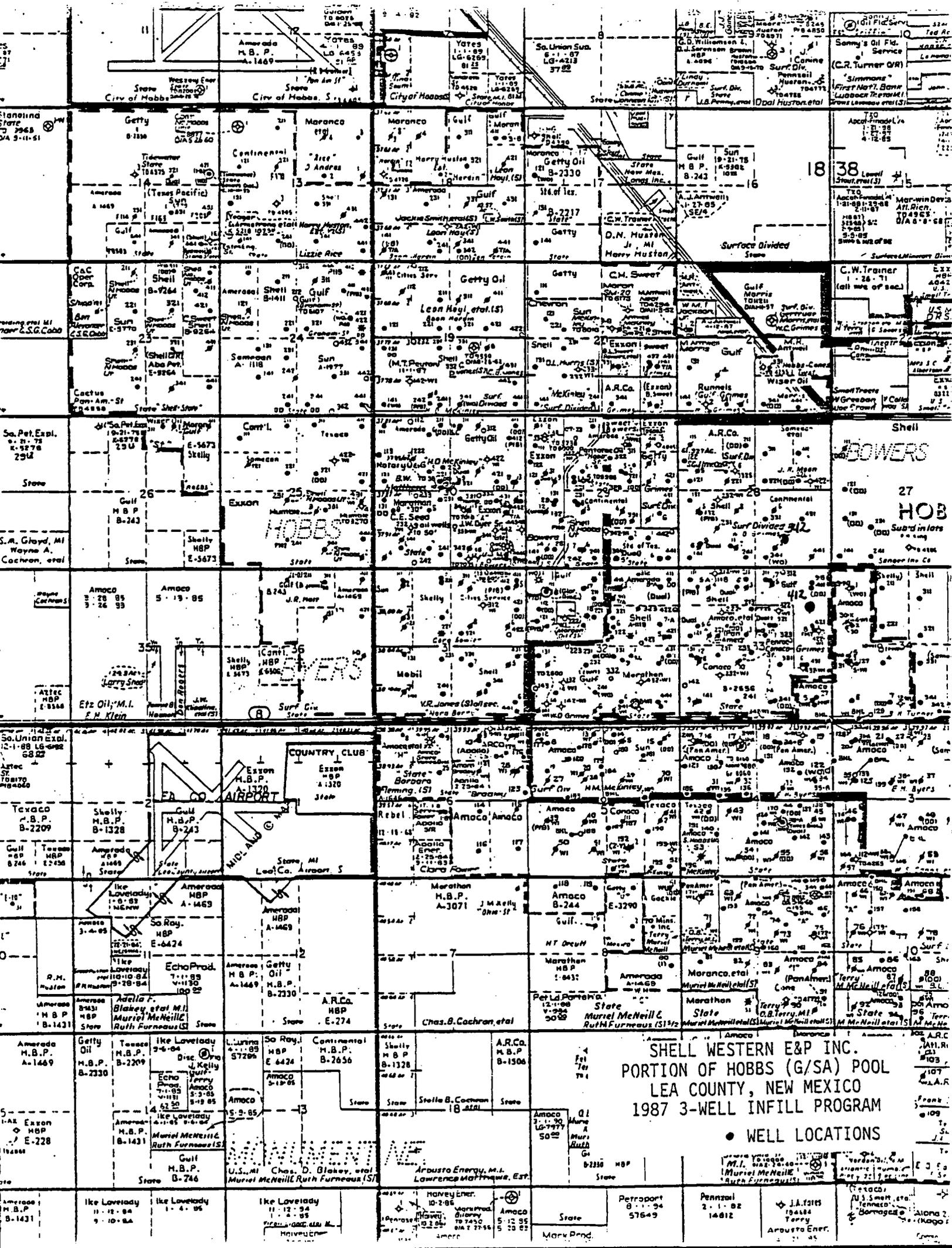
Conoco, Inc.
P. O. Box 460
Hobbs, NM 88240

Chevron USA
P. O. Box 670
Hobbs, NM 88240

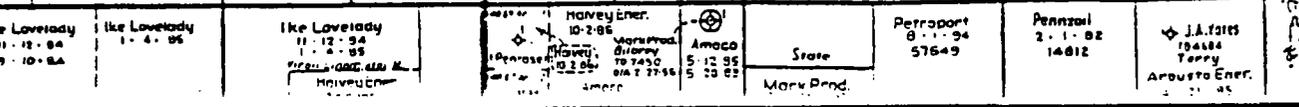
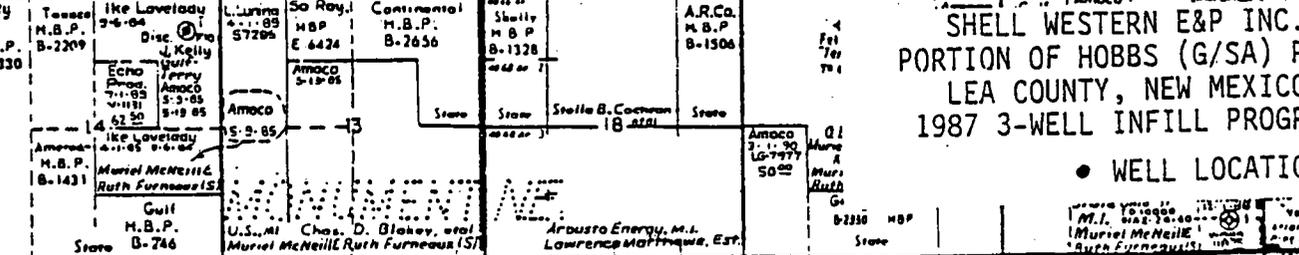
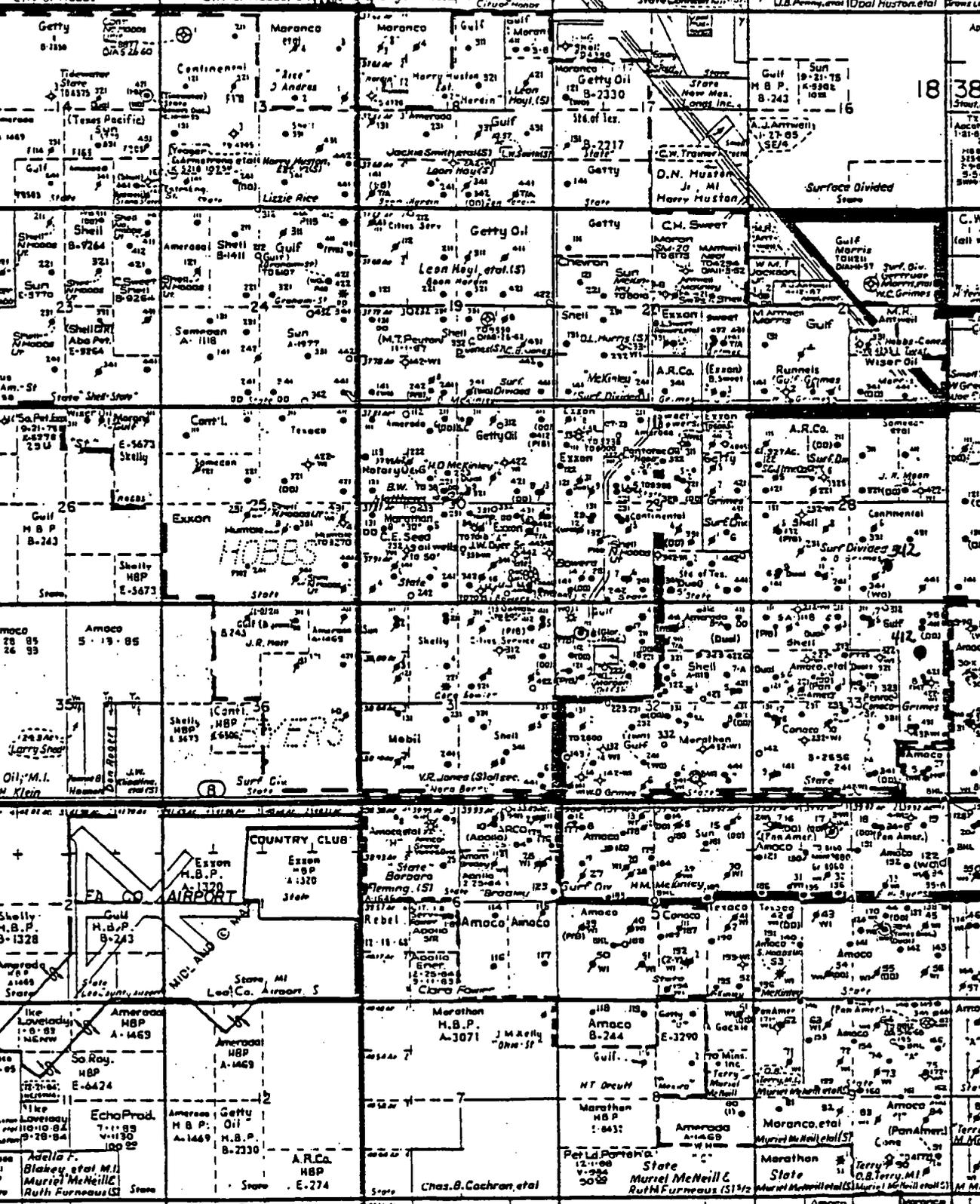
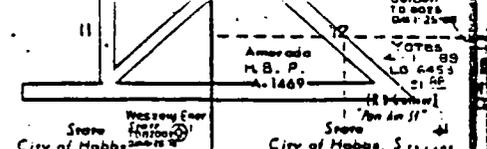
1987 NORTH HOBBS UNIT DRILLING PROGRAM
STAKED WELL LOCATIONS AND TARGET DEPTHS

<u>WELL NO.</u>	<u>SURFACE LOCATION</u>	<u>BOTTOM HOLE LOCATION (TARGET 100' RADIUS CIRCLE)</u>	<u>KICK-OFF DEPTH</u>	<u>DEPARTURE & DIRECTION DISTANCE</u>
NHU-342	540 FSL; 529 FEL Sec. 28, T-18-S, R-38-E	950 FSL; 1650 FEL Sec. 28, T-18-S, R-38-E	500'	1194 NW
NHU 412*	1973 FNL & 530 FEL Sec. 33, T-18-S, R38-E	1300 FNL & 750 FEL Sec. 33, T-18-S, R-38-E	500'	708 NNW

*Well No. 412 is unorthodox with respect to $\frac{1}{4}$ $\frac{1}{4}$ proration unit



SHELL WESTERN E&P INC.
 PORTION OF HOBBS (G/SA) POOL
 LEA COUNTY, NEW MEXICO
 1987 3-WELL INFILL PROGRAM
 • WELL LOCATIONS



Above Fore



Shell Western E&P Inc.

A Subsidiary of Shell Oil Company

P.O. Box 576
Houston, TX 77001

April 20, 1987

City of Hobbs
ATTN Bob Gallagher
300 North Turner
Hobbs, NM 88240

Gentlemen:

SUBJECT: PROPOSED INFILL PRODUCERS
SHELL WESTERN NORTH HOBBS (GB/SA) UNIT
LEA COUNTY, NEW MEXICO

This is to advise you that Shell Western E&P Inc. proposes to drill three NHU infill producers within the city of Hobbs. The well numbers and locations are attached.

Shell Western, of course, will make the necessary arrangements to notify residents in the immediate area prior to starting operations. For your information, we have also attached a plat showing the proposed well locations.

Your contact person within Shell Western will be Mr. J. L. Clark - Drilling Superintendent - Phone No. (713) 870-2966.

We appreciate the usual cooperation of the City of Hobbs.

Very truly yours,

A handwritten signature in cursive script, appearing to read "A. J. Fore", is located below the closing phrase.

A. J. Fore
Supervisor Regulatory
and Permitting
Production Administration
Western Division

AJF:TS

Attachment

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LAND OFFICE		
OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-4-65

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
b. Type of Well DRILL Directional DEEPEN PLUG BACK
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

7. Unit Agreement Name
North Hobbs (GB/SA) Unit

8. Farm or Lease Name
Sec. 28

2. Name of Operator
Shell Western E & P Inc.

9. Well No.
342

3. Address of Operator
P. O. Box 576 Houston, Texas 77001

10. Field and Pool, or Wildcat
Hobbs GB/SA

4. Location of Well UNIT LETTER P LOCATED 540 FEET FROM THE South LINE
AND 529 FEET FROM THE East LINE OF SEC. 28 TWP. 18S RGE. 38E NMPM



12. County
Lea



19. Proposed Depth 4400'
19A. Formation GB/SA
20. Rotary or C.T. Rotary

21. Elevations (Show whether DF, RT, etc.) 3235.9'Gr.
21A. Kind & Status Plug. Bond Blanket
21B. Drilling Contractor Norton Drilling Co.
22. Approx. Date Work will start June 1, 1987

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	9 5/8"	32.3 & 36#	± 1625'	1400 *	Surface
8 3/4"	7"	20 & 23#	± 4400'	1350 **	Surface

Directional well: BHL Unit Letter "0" 950' FSL & 1650' FEL, Sec. 28-18S-38E

* Lead in w/1200 sxs 50-50 Poz "C" + 6% gel + 3# salt
Tail in w/200 sxs Class "C" + 2% Cacl2

** Lead in w/1000 sxs 50-50 Poz "A" + 6% gel + 3% salt
Tail in w/350 sxs Densified Class "C"

BOP Program: 3000# Ram Preventer

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed A. J. Fore Title Supv. Reg. & Permits Date 4/20/87

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

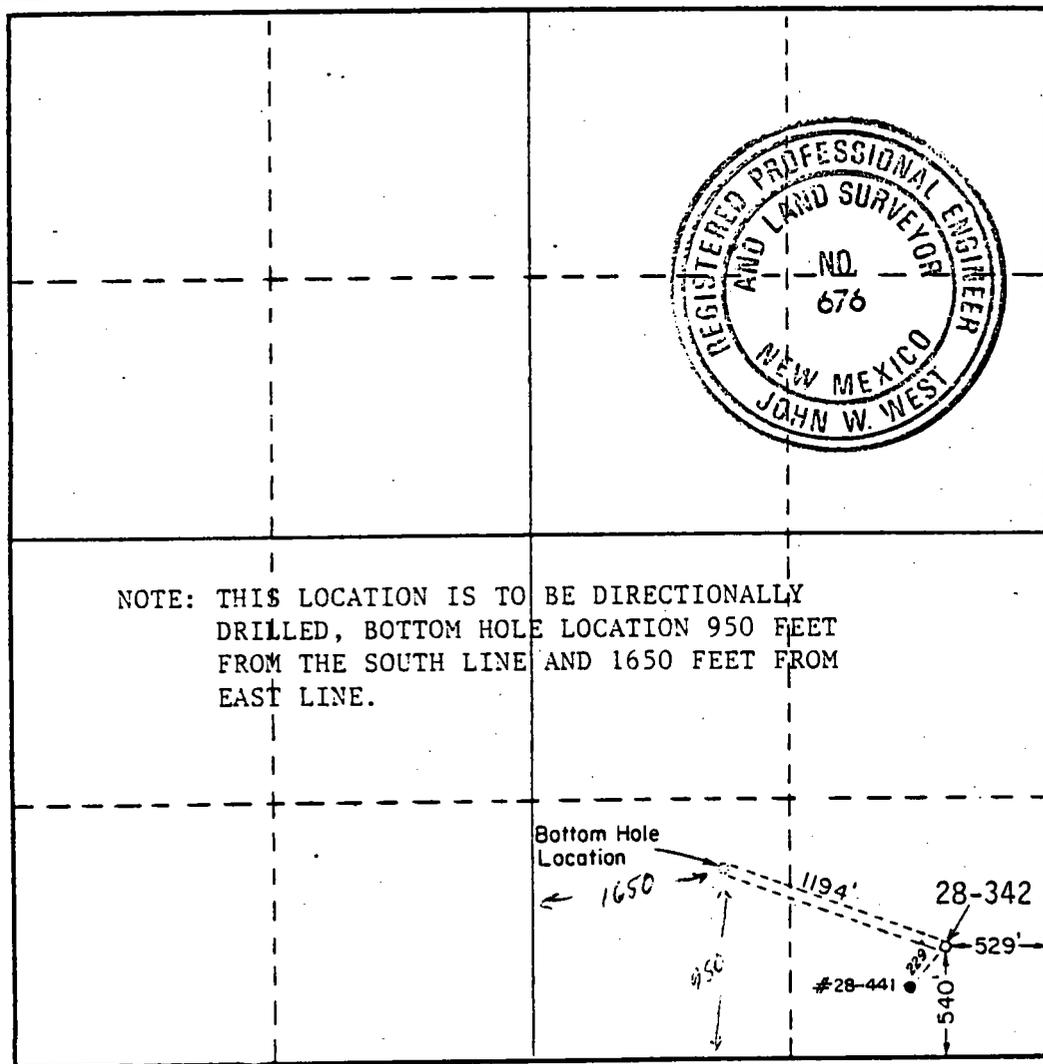
Operator Shell Western E & P Inc.		Lease North Hobbs Unit SECTION 28		Well No. 342
Unit Letter P	Section 28	Township 18 South	Range 38 East	County Lea
Actual Footage Location of Well: 540 feet from the south line and 529 feet from the east line				
Ground Level Elev. 3635.9	Producing Formation Grayburg/San Andres	Pool Hobbs GB/SA	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation Unitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name
A. J. Fore

Position
Shell Western E&P Inc.

Company
Supv. Reg. & Permits

Date
April 20, 1987

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
December 13, 1986

Registered Professional Engineer and/or Land Surveyor
[Signature]

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

91745

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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

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8. Farm or Lease Name
Sec. 33

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Shell Western F & P Inc.

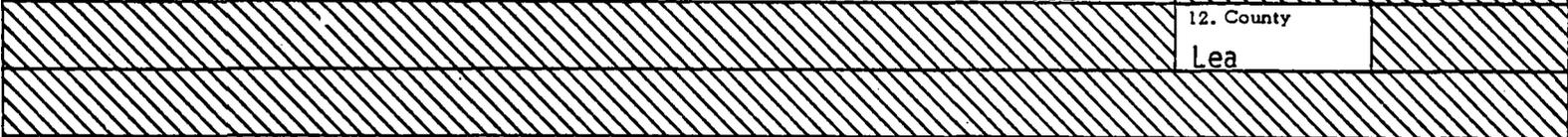
9. Well No.
412

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P. O. Box 576, Houston, Texas 77001

10. Field and Pool, or Wildcat
Hobbs GB/SA

4. Location of Well
UNIT LETTER H LOCATED 1973 FEET FROM THE North LINE
AND 530 FEET FROM THE East LINE OF SEC. 33 TWP. 18S RGE. 38E NMPM

12. County
Lea



19. Proposed Depth ± 4400' 19A. Formation GB/SA 20. Rotary or C.T. Rotary

21. Elevations (Show whether DF, RT, etc.) 3635.8' Gr. 21A. Kind & Status Plug. Bond Blanket 21B. Drilling Contractor Norton Drilling Co. 22. Approx. Date Work will start June 1, 1987

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Directional well: Unit Letter "A" 1300' FNL & 750' FEL, Sec. 33-18S-38E
Unorthodox with respect to 1/4 1/4 Sec.

* Lead in w/1200 sxs 50-50 Poz "C" + 6% gel + 3% salt
Tail in w/200 sxs Class "C" + 2% CaCl2

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

Signed A. J. Fore Title Supv. Reg. & Permits Date 4/20/87

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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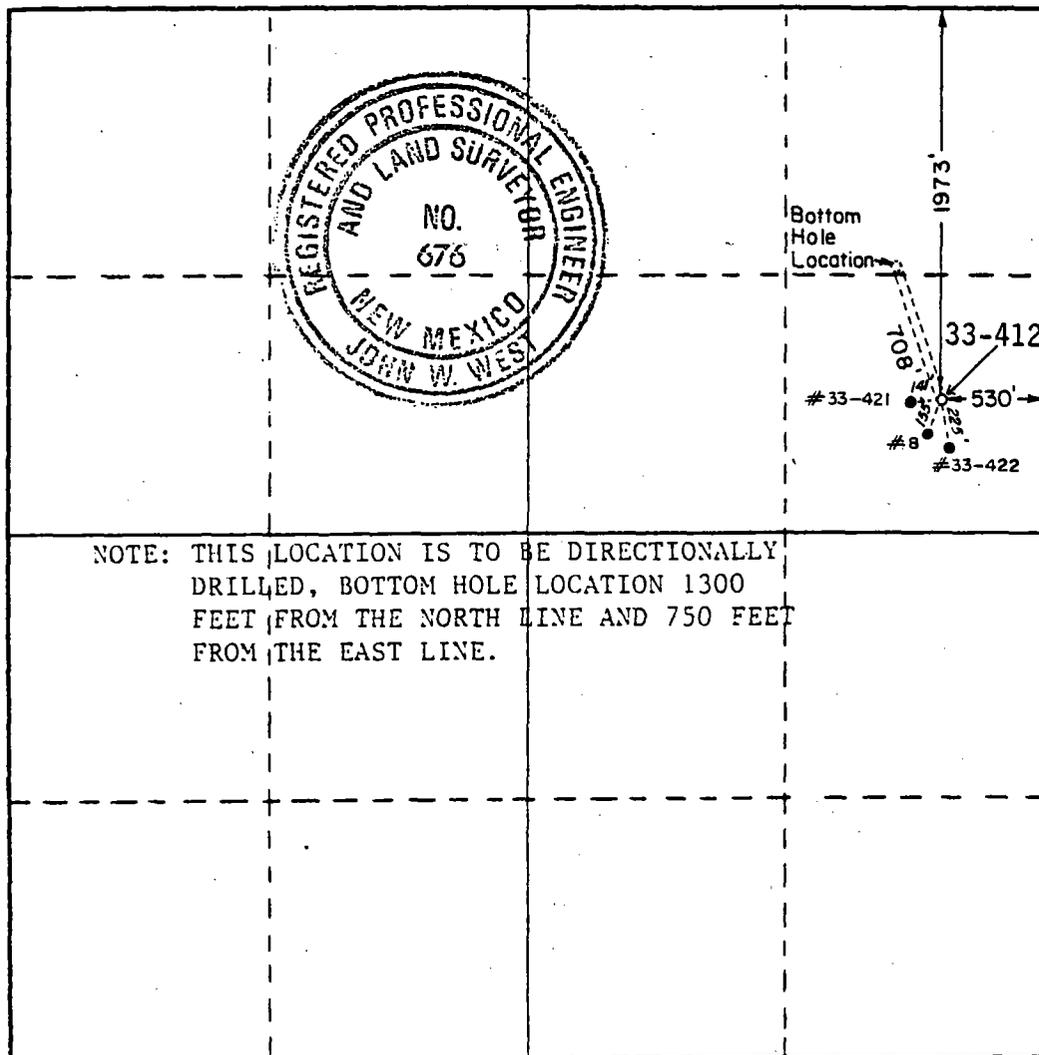
Operator Shell Western E & P Inc		Lease North Hobbs Unit SECTION 33		Well No. 412
Unit Letter H	Section 33	Township 18 South	Range 38 East	County Lea
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CERTIFICATION

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

Name
A. J. Fore

Position
Supv. Reg. & Permits

Company
Shell Western E&P Inc.

Date
April 20, 1987

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

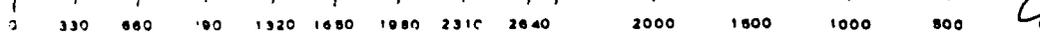
Date Surveyed
December 13, 1986

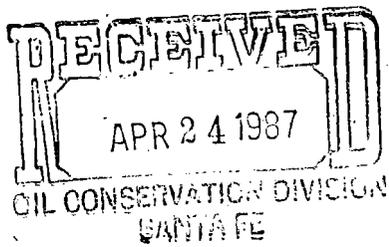
Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

91746





Shell Western E&P Inc.
A Subsidiary of Shell Oil Company



P.O. Box 576
Houston, TX 77001

April 21, 1987

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

Gentlemen:

SUBJECT: APPLICATION FOR ADMINISTRATIVE APPROVAL TO
DIRECTIONALLY DRILL NORTH HOBBS (GB/SA) UNIT SECTION 28
NO. 342 & SECTION 33 NO. 412 AND FOR AN UNORTHODOX LOCATION
FOR NO. 412
HOBBS (GB/SA) POOL
LEA COUNTY, NEW MEXICO

Shell Western respectfully requests administrative approval to directionally drill its North Hobbs (GB/SA) Unit Nos. 342 & 412. The location of the wells are shown on the attachment. Additionally, we request approval for an unorthodox location for well No. 412 with respect to the required distance from the $\frac{1}{4}$ $\frac{1}{4}$ proration unit.

Both wells will be drilled within the city limits of Hobbs, New Mexico where surface use restrictions prevent the drilling of vertical holes at the desired locations. These wells are necessary to complete an efficient production and injection pattern, thereby maximizing oil recovery in areas where waterflood oil will be by-passed with the current injection-production well configuration.

By copy of this letter and attachments, we have notified, by certified mail, the operators shown on the attached service list.

Very truly yours,

A. J. Fore
Supervisor Regulatory
and Permitting
Production Administration
Western Division

AJF:TS

Attachments

BNBC8711101

cc: State of New Mexico
Energy & Minerals Division
Oil Conservation Division
P. O. Box 1980
Hobbs, NM 88240

SERVICE LIST

Offset Operators
Amoco Production Company
P. O. Box 68
Hobbs, NM 88240

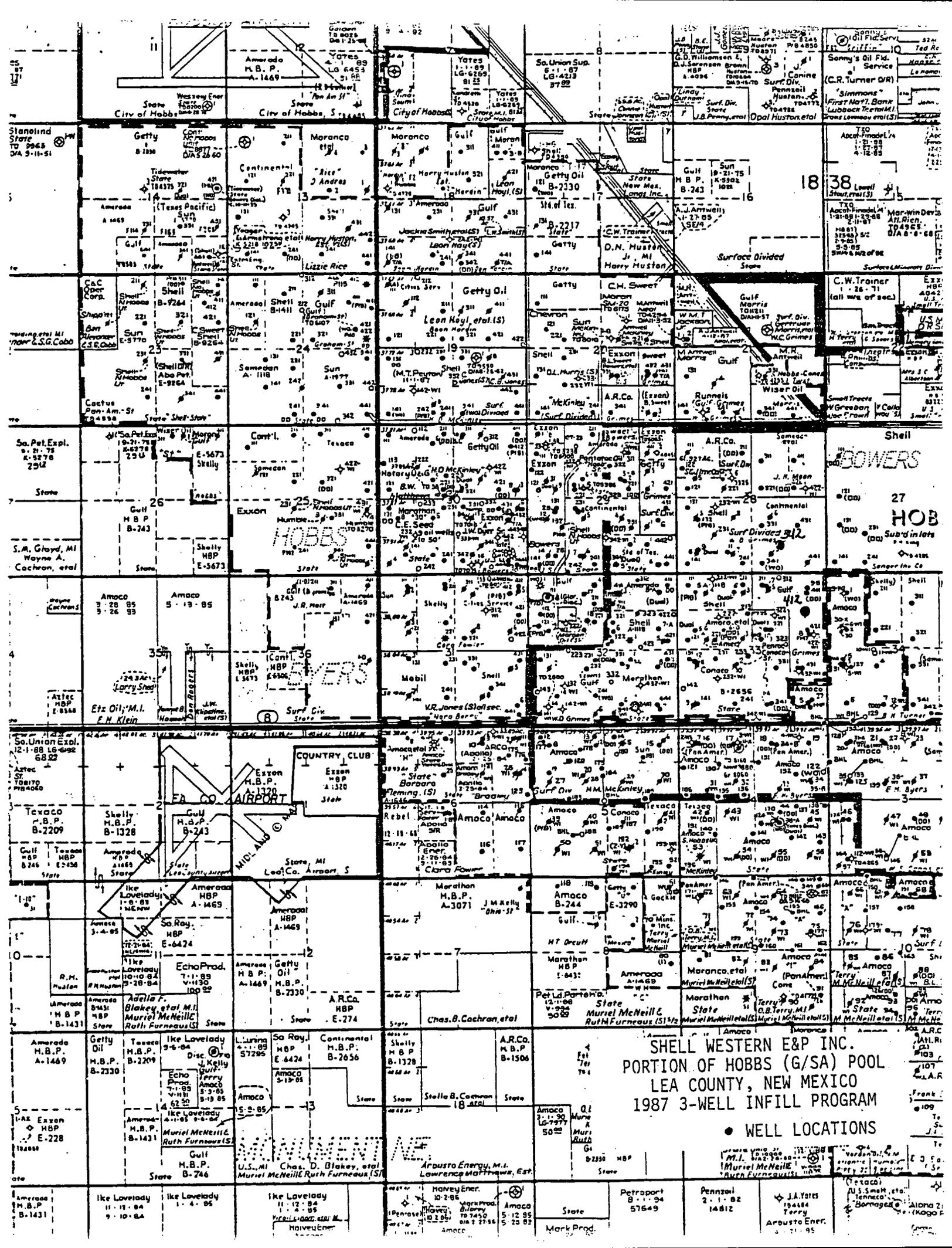
Conoco, Inc.
P. O. Box 460
Hobbs, NM 88240

Chevron USA
P. O. Box 670
Hobbs, NM 88240

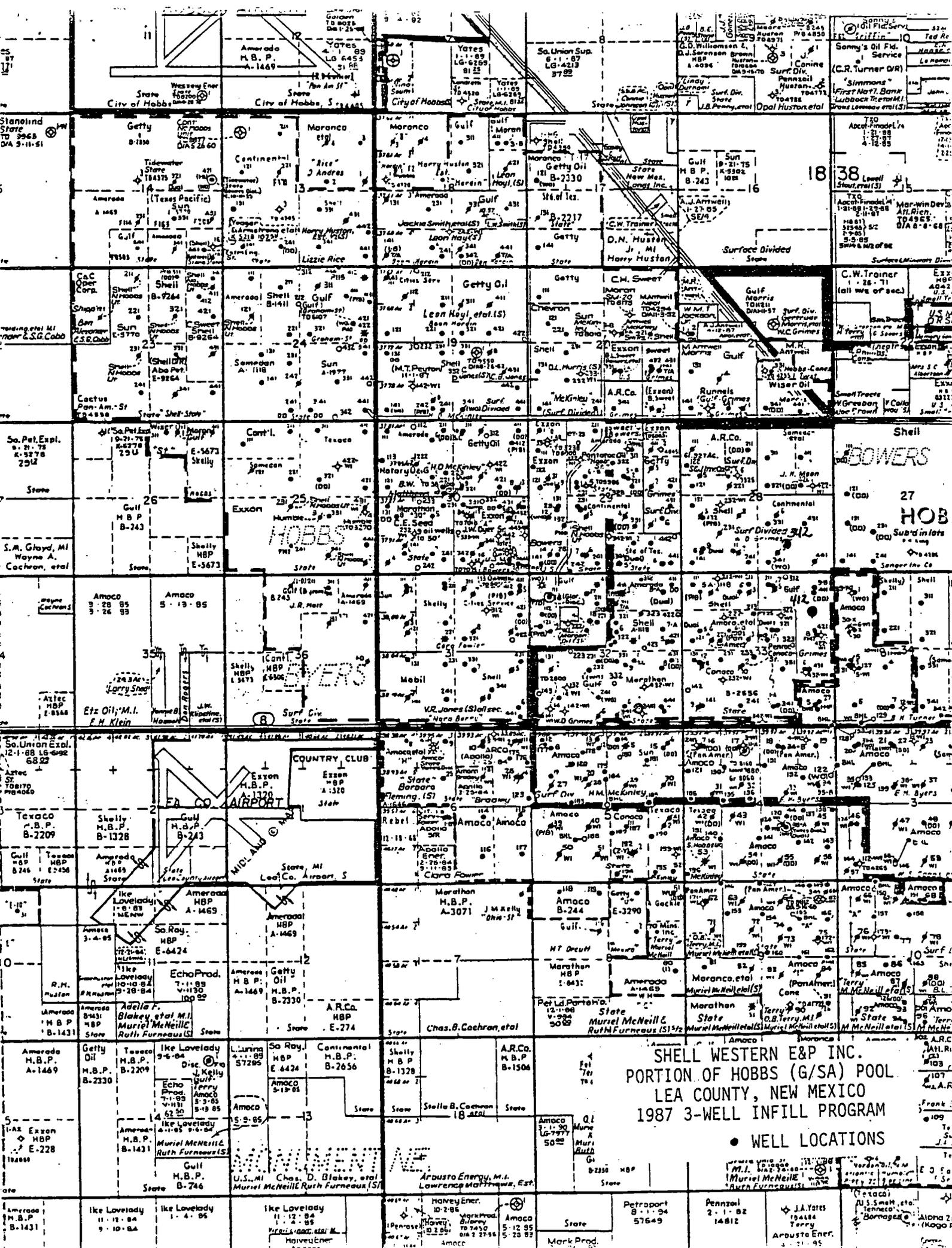
1987 NORTH HOBBS UNIT DRILLING PROGRAM
STAKED WELL LOCATIONS AND TARGET DEPTHS

<u>WELL NO.</u>	<u>SURFACE LOCATION</u>	<u>BOTTOM HOLE LOCATION (TARGET 100' RADIUS CIRCLE)</u>	<u>KICK-OFF DEPTH</u>	<u>DEPARTURE & DIRECTION DISTANCE</u>
NHU-342	540 FSL; 529 FEL Sec. 28, T-18-S, R-38-E	950 FSL; 1650 FEL Sec. 28, T-18-S, R-38-E	500'	1194 NW
NHU 412*	1973 FNL & 530 FEL Sec. 33, T-18-S, R38-E	1300 FNL & 750 FEL Sec. 33, T-18-S, R-38-E	500'	708 NNW

*Well No. 412 is unorthodox with respect to $\frac{1}{4}$ $\frac{1}{4}$ proration unit



SHELL WESTERN E&P INC.
PORTION OF HOBBS (G/SA) POOL
LEA COUNTY, NEW MEXICO
1987 3-WELL INFILL PROGRAM
• WELL LOCATIONS



A. J. Fore



Shell Western E&P Inc.
A Subsidiary of Shell Oil Company

P.O. Box 576
Houston, TX 77001

April 20, 1987

City of Hobbs
ATTN Bob Gallagher
300 North Turner
Hobbs, NM 88240

Gentlemen:

SUBJECT: PROPOSED INFILL PRODUCERS
SHELL WESTERN NORTH HOBBS (GB/SA) UNIT
LEA COUNTY, NEW MEXICO

This is to advise you that Shell Western E&P Inc. proposes to drill three NHU infill producers within the city of Hobbs. The well numbers and locations are attached.

Shell Western, of course, will make the necessary arrangements to notify residents in the immediate area prior to starting operations. For your information, we have also attached a plat showing the proposed well locations.

Your contact person within Shell Western will be Mr. J. L. Clark - Drilling Superintendent - Phone No. (713) 870-2966.

We appreciate the usual cooperation of the City of Hobbs.

Very truly yours,

A handwritten signature in cursive script, appearing to read "A. J. Fore", is located below the closing phrase.

A. J. Fore
Supervisor Regulatory
and Permitting
Production Administration
Western Division

AJF:TS

Attachment

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FILE		
U.S.G.S.		
LAND OFFICE		
OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well DRILL <input checked="" type="checkbox"/> Directional DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		North Hobbs (GB/SA) Unit	
2. Name of Operator Shell Western E & P Inc.		8. Farm or Lease Name Sec. 28	
3. Address of Operator P. O. Box 576 Houston, Texas 77001		9. Well No. 342	
4. Location of Well UNIT LETTER <u>P</u> LOCATED <u>540</u> FEET FROM THE <u>South</u> LINE AND <u>529</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>28</u> TWP. <u>18S</u> RGE. <u>38E</u> NMPM		10. Field and Pool, or Wildcat Hobbs GB/SA	
		12. County Lea	
		19. Proposed Depth 4400'	19A. Formation GB/SA
		20. Rotary or C.T. Rotary	
21. Elevations (Show whether DF, RT, etc.) 3235.9' Gr.	21A. Kind & Status Plug. Bond Blanket	21B. Drilling Contractor Norton Drilling Co.	22. Approx. Date Work will start June 1, 1987

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	9 5/8"	32.3 & 36#	± 1625'	1400 *	Surface
8 3/4"	7"	20 & 23#	± 4400'	1350 **	Surface

Directional well: BHL Unit Letter "O" 950' FSL & 1650' FEL, Sec. 28-18S-38E

* Lead in w/1200 sxs 50-50 Poz "C" + 6% gel + 3# salt
Tail in w/200 sxs Class "C" + 2% Cacl2

** Lead in w/1000 sxs 50-50 Poz "A" + 6% gel + 3% salt
Tail in w/350 sxs Densified Class "C"

BOP Program: 3000# Ram Preventer

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed A. J. Fore Title Supv. Reg. & Permits Date 4/20/87
(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

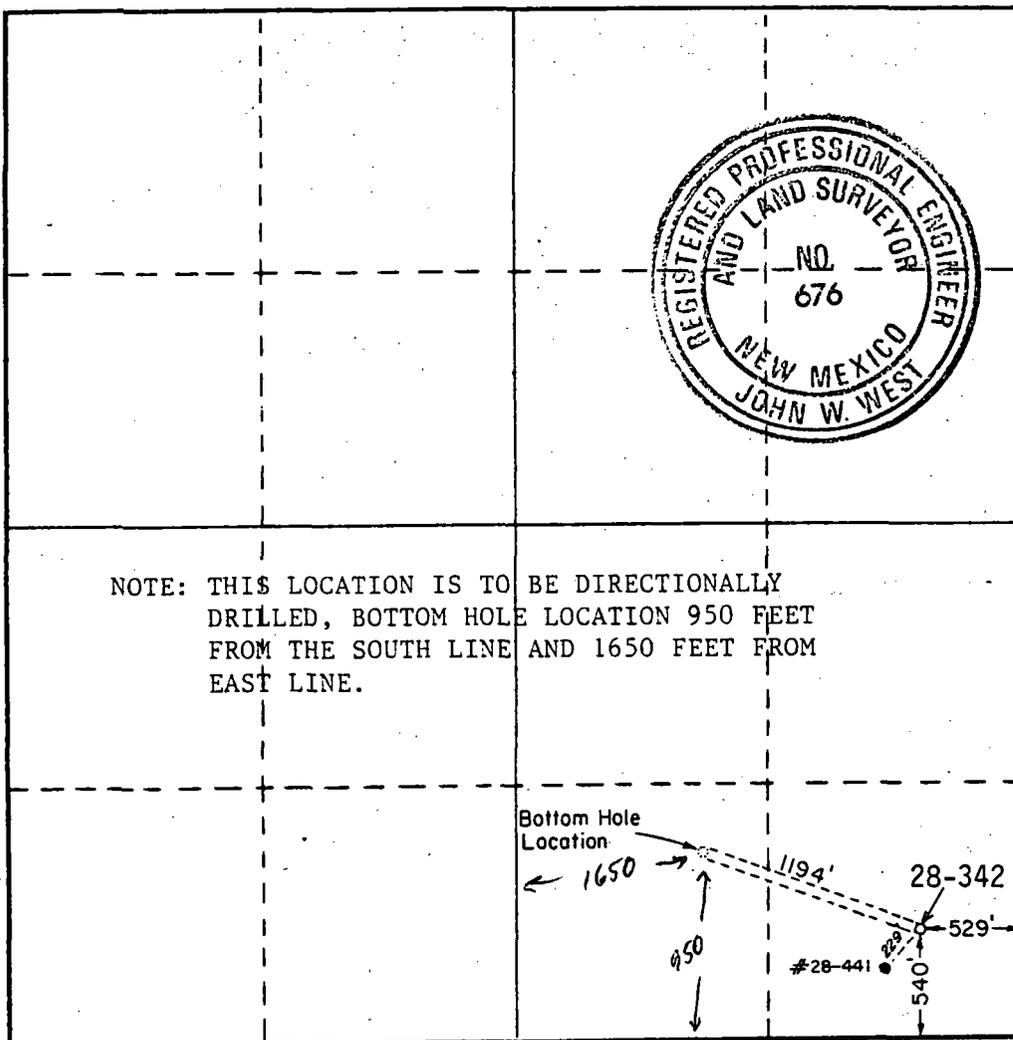
Operator Shell Western E & P Inc.		Lease North Hobbs Unit SECTION 28		Well No. 342
Unit Letter P	Section 28	Township 18 South	Range 38 East	County Lea
Actual Footage Location of Well: 540 feet from the south line and 529 feet from the east line				
Ground Level Elev. 3635.9	Producing Formation Grayburg/San Andres	Pool Hobbs GB/SA	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation Unitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

A. J. Fore
Name
A. J. Fore
Position
Shell Western E&P Inc.
Company
Supv. Reg. & Permits
Date
April 20, 1987

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
December 13, 1986
Registered Professional Engineer and/or Land Surveyor

Ronald J. Eidson
Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

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LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
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2. Name of Operator Shell Western F & P Inc.		8. Farm or Lease Name Sec. 33	
3. Address of Operator P. O. Box 576, Houston, Texas 77001		9. Well No. 412	
4. Location of Well UNIT LETTER <u>H</u> LOCATED <u>1973</u> FEET FROM THE <u>North</u> LINE AND <u>530</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>33</u> TWP. <u>18S</u> RGE. <u>38E</u> NMPM		10. Field and Pool, or Wildcat Hobbs GB/SA	
21. Elevations (Show whether DF, RT, etc.) 3635.8' Gr.		19. Proposed Depth ± 4400'	19A. Formation GB/SA
21A. Kind & Status Plug. Bond Blanket	21B. Drilling Contractor Norton Drilling Co.	20. Rotary or C.T. Rotary	
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Directional well: Unit Letter "A" 1300' FNL & 750' FEL, Sec. 33-18S-38E
Unorthodox with respect to 1/4 1/4 Sec.

* Lead in w/1200 sxs 50-50 Poz "C" + 6% gel + 3% salt
Tail in w/200 sxs Class "C" + 2% CaCl2

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Tail in w/350 sxs Densified Class "C"

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

Signed A. J. Fore Title Supv. Reg. & Permits Date 4/20/87

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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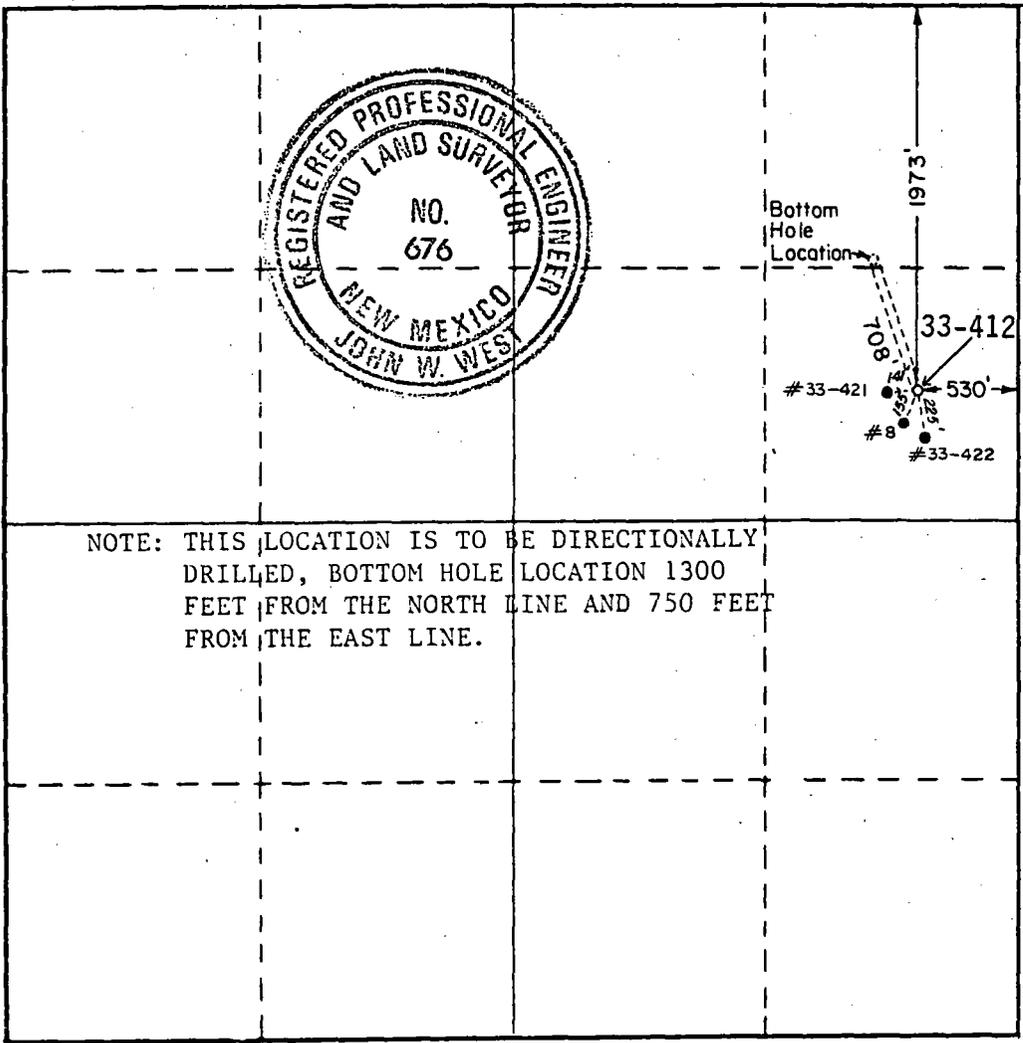
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Unit Letter H	Section 33	Township 18 South	Range 38 East	County Lea
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A. J. Fore
Name

A. J. Fore
Position

Supv. Reg. & Permits
Company

Shell Western E&P Inc.
Date

April 20, 1987

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Registered Professional Engineer and/or Land Surveyor

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Certificate No. JOHN W. WEST, 676

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