

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

*see
DP-14*

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

*Minor Winkler
713-870-3797
Call Evelyn*

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

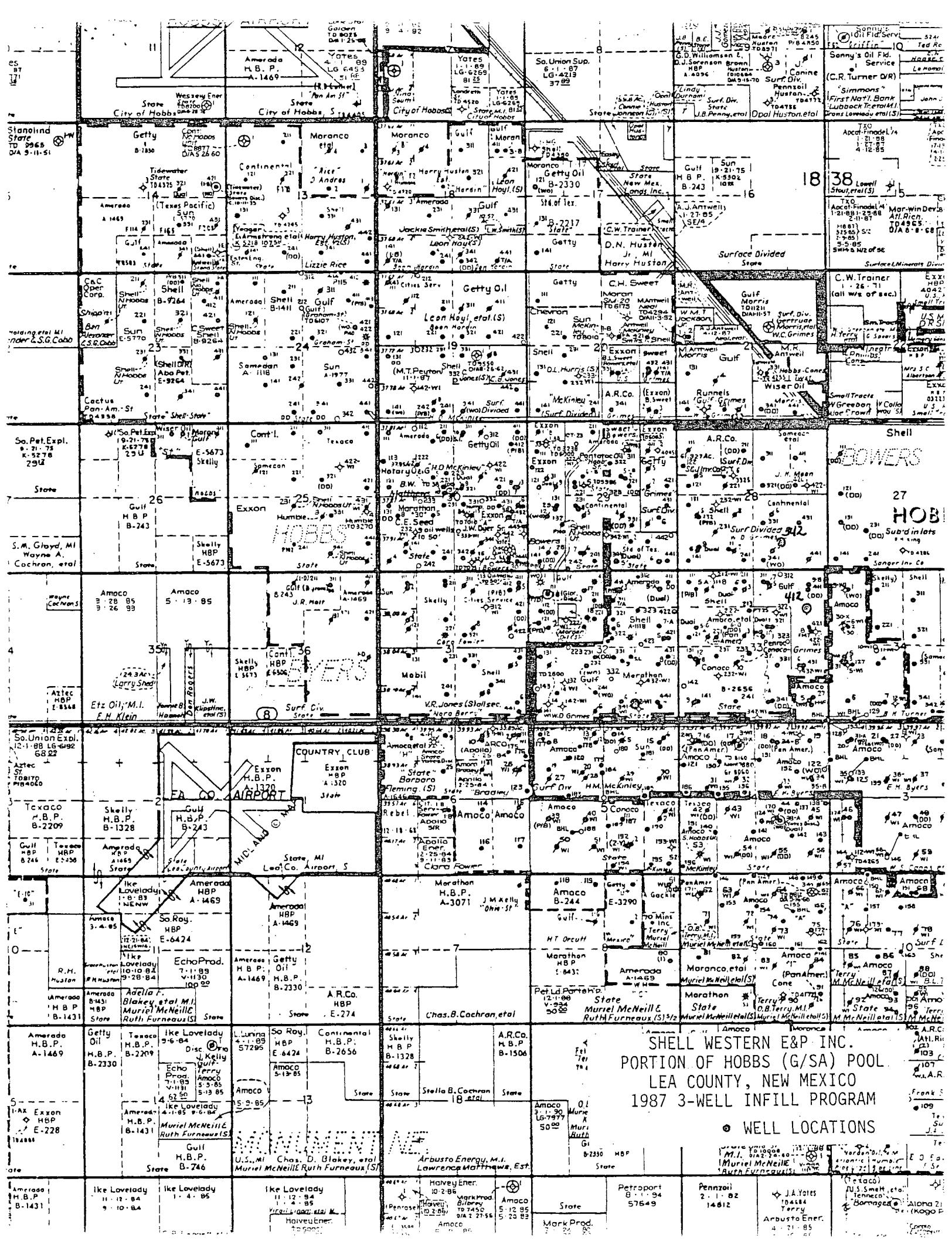
Conoco, Inc.
P. O. Box 460
Hobbs, NM 88240

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 $\frac{1}{4}$ proration unit



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".

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

AJF:TS

Attachment

BNBC8711002

**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.

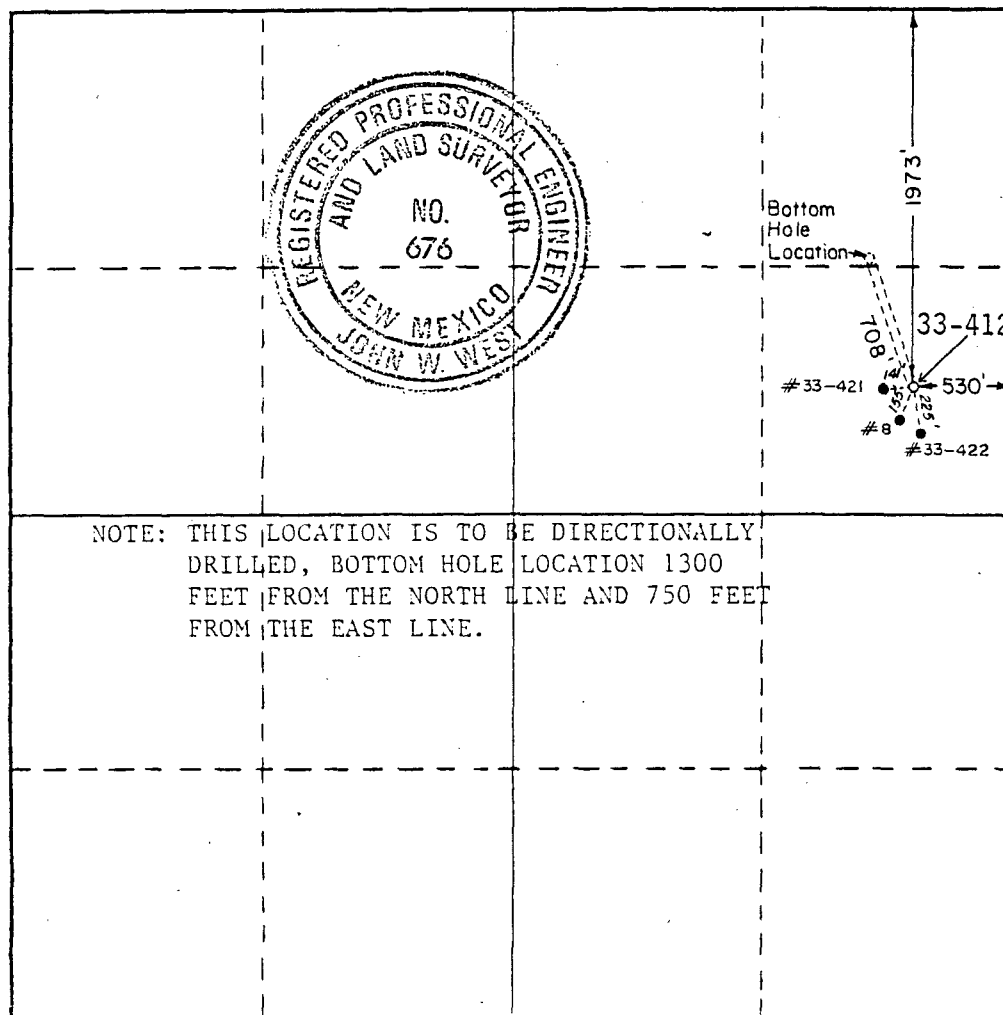
Operator Shell Western E & P Inc			Lease North Hobbs Unit SECTION 33		Well No. 412
Unit Letter H	Section 33	Township 18 South	Range 38 East	County Lea	
Actual Footage Location of Well: 1973 feet from the north line and 530 feet from the east line					
Ground Level Elev. 3635.8	Producing Formation Grayburg/San 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
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

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

**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.

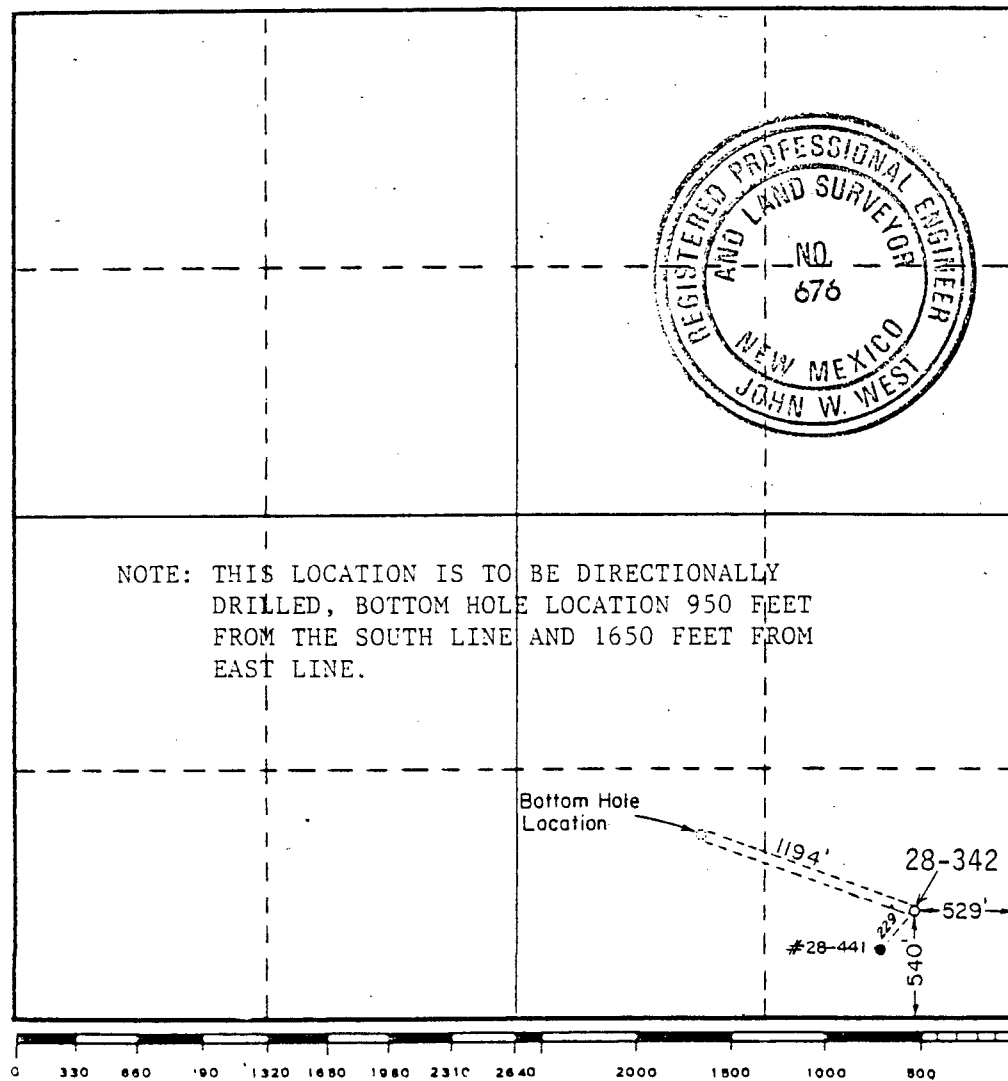
Operator Shell Western E & P Inc.			Lease North Hobbs Unit SECTION 28		Well No. 342
Unit Letter P	Section 28	Township 18 South	Range 38 East	County Lea	
Actual Footage Location of Well: 540 feet from the south line and 529 feet from the east line					
Ground Level Elev. 3635.9	Producing Formation Grayburg/San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

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Name _____

A. J. Fore

Position

Shell Western E&P Inc.

Company

Supv. Reg. & Permits

Date

April 20, 1987

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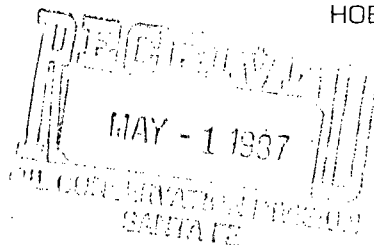


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

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

NSL-2346

RE: Proposed:

MC

DHC

NSL XX

& Directionally Drill X

NSP

SWD

WFX

PMX

Gentlemen:

I have examined the application for the:

Sec. 33 412 33-18-38 (NSL)

Shell Western E&P Inc. North Hobbs GB/SA Unit Sec. 28 #342 28-18-38

Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK --Jerry Sexton

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District I

/ed