

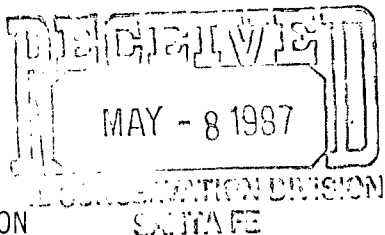


STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS  
GOVERNOR

May 4, 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

RE: Proposed:

MC \_\_\_\_\_  
DHC \_\_\_\_\_  
NSL \_\_\_\_\_ XX  
NSP \_\_\_\_\_  
SWD \_\_\_\_\_  
WFX \_\_\_\_\_  
PMX \_\_\_\_\_

Gentlemen:

I have examined the application for the:

Shell Western E&P Inc.      North Hobbs GB/SA Unit Sec. 32 #343-0    32-18-38  
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 1

/ed

Release Date: 5-25-87

By DEC

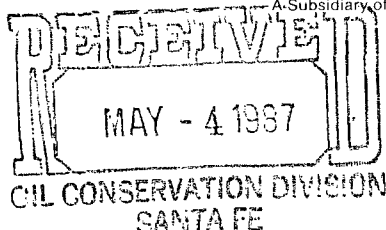
Shell Western E&P Inc.

A Subsidiary of Shell Oil Company



P.O. Box 576  
Houston, TX 77001

April 29, 1987



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

Gentlemen:

SUBJECT: UNORTHODOX WELL LOCATION  
NORTH HOBBS (GB/SA) UNIT  
SECTION 32, WELL NO. 343  
HOBBS (GB/SA) POOL  
LEA COUNTY, NEW MEXICO

*660 FSL & 1550 FEL  
North Hobbs Grayburg San Andres Unit  
Well No. 343  
Section 32, T-18 South, Range 38 East.*

*NSL-2347  
RULE-104 F(I)  
40 Acre dedication  
SW1/4 SE1/4 Sect 32  
Hobbs Grayburg San Andres Pool.*

Pursuant to the provisions of Rule 104-F, Shell Western E&P Inc. (SWEPI) respectfully requests administrative approval to drill the subject well at an unorthodox location. The well will be located less than the minimum 330 feet from the 40-acre proration unit, but is orthodox in all other respects. The certified plat submitted within this application indicates the proposed location.

The location for Well No. 343 is necessary to complete an efficient production and injection pattern, thereby maximizing oil recovery in areas where waterflood oil will be bypassed with the current injection-production well configuration.

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

Very truly yours,

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

JMW:TS

Attachments

BNBC8711901

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

SERVICE LISTOffset Operators

Amoco Production Company

P. O. Box 68

Hobbs, NM 88240

Chevron USA

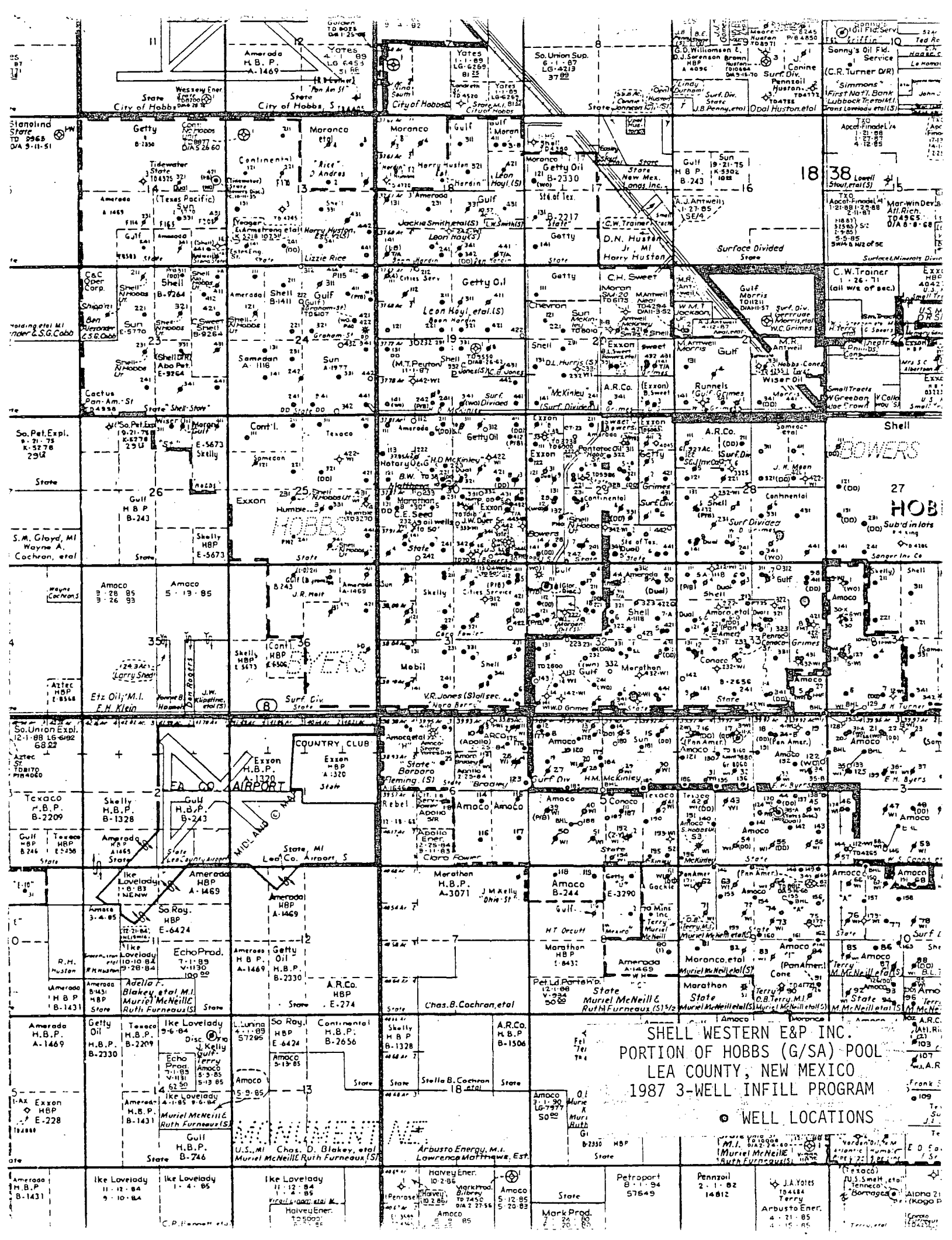
P. O. Box 670

Hobbs, NM 88240

Marathon Oil Company

P. O. Box 552

Midland, TX 79702





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.

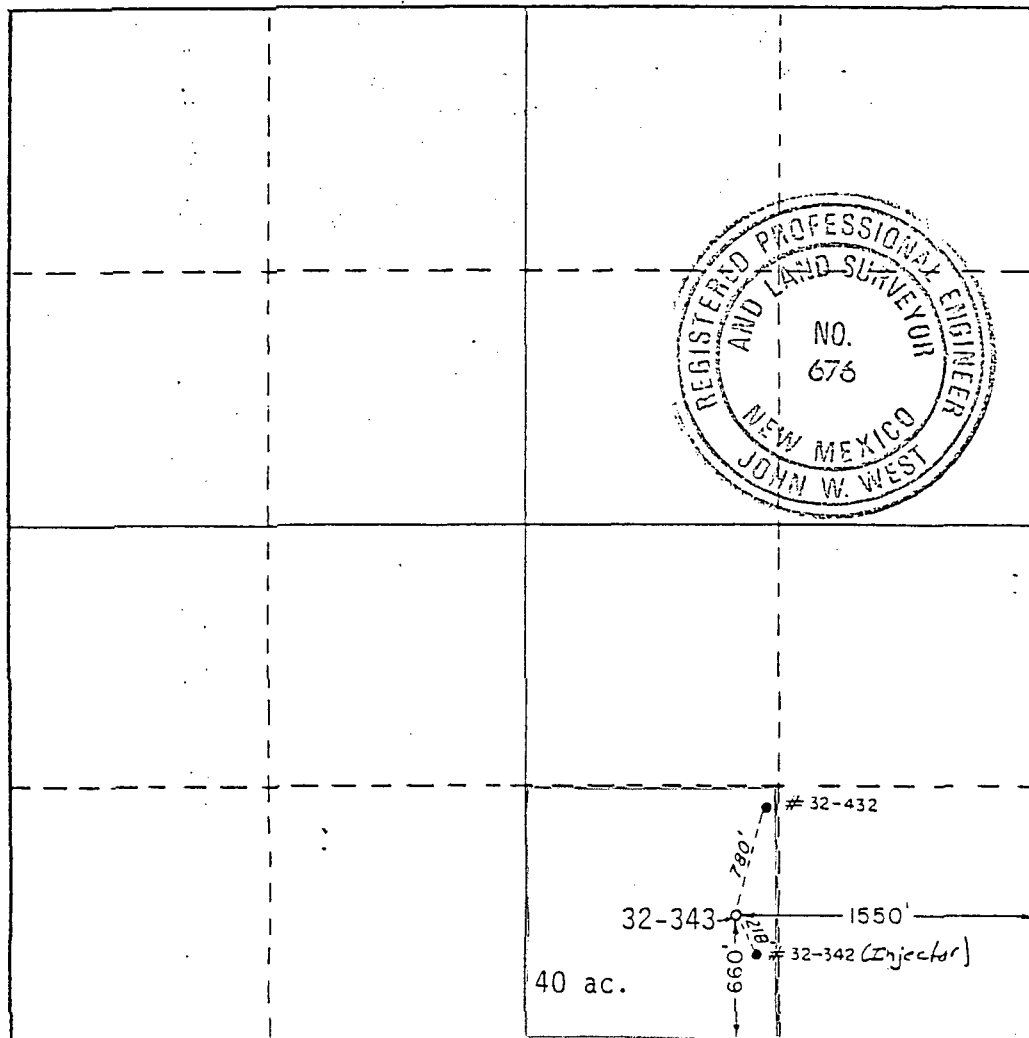
|                                                                                                   |                                            |                      |                                      |                                |                 |
|---------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------|--------------------------------------|--------------------------------|-----------------|
| Operator<br>Shell Western E & P Inc                                                               |                                            |                      | Lease<br>North Hobbs Unit SECTION 32 |                                | Well No.<br>343 |
| Unit Letter<br>0                                                                                  | Section<br>32                              | Township<br>18 South | Range<br>38 East                     | County<br>Lea                  |                 |
| Actual Footage Location of Well:<br>660 feet from the south line and 1550 feet from the east line |                                            |                      |                                      |                                |                 |
| Ground Level Elev.<br>3623.2                                                                      | Producing Formation<br>Grayburg/San Andres |                      | Pool<br>Hobbs GB/SA                  | Dedicated Acreage:<br>40 Acres |                 |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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

Supv. Reg. & Permits  
Company

Shell Western E&P Inc.  
Date

April 29, 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