

Shell Western E&P Inc.

An affiliate of Shell Oil Company



P. O. Box 576
Houston, TX 77001

February 2, 1995

AIRBORNE EXPRESS

Mr. Michael E. Stogner
State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Dear Mr. Stogner:

SUBJECT: APPLICATION FOR ADMINISTRATIVE APPROVAL OF
UNORTHODOX LOCATION
VACUUM-UPPER PENNSYLVANIAN POOL
STATE "A" WELL NO. 10
SECTION 31, T17S-R35E
LEA COUNTY, NM

OIL CONSERVATION DIVISION
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Shell Western respectfully requests administrative approval of an unorthodox location for the State "A" #10 in the Vacuum-Upper Pennsylvanian Pool. The State "A" #10 is currently approved to drill to the Vacuum Wolfcamp Pool at a location 940' FNL & 940' FEL Section 31, T17S, R35E in Lea County, New Mexico. Special pool rules provided in Order No. R-2697-A require the first well drilled on each proration unit in the Vacuum-Upper Pennsylvanian Pool to be located within 200 feet of the center of either the NW/4 or the SE/4 of a governmental quarter section. Surface use restrictions (as shown on the attached plat) in the NW/4 of the quarter section prevented drilling the subject well at an orthodox location. Directional drilling to reach a legal bottom-hole location is not economically feasible.

The following information is enclosed: Form C-102 showing the proposed 80-acre proration unit, topographical plat identifying surface obstructions preventing use of the legal location, list of offset operators, and a land plat map identifying offset operators. The undersigned hereby certifies that all information presented in the enclosed is current and correct.

Shell Western believes approval of this request will be in the interest of conservation, will protect correlative rights, and will allow for a more complete recovery of oil reserves from the subject acreage.

Shell Western is notifying all offset operators of this application by sending a copy of the application package, along with waiver of objection forms, via certified mail. Should you require further information, please call Marcus Winder at (713) 544-3797.

Sincerely,

A. Marcus Winder

for

G. S. Nady
Manager - Asset Administration
Western Asset
Continental Division

cc: Mr. Jerry Sexton
New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88241-1980

DISTRICT I
P.O. Box 1990, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-32844	Pool Code 62340 / 62320	Pool Name VACUUM WOLFCAMP / VACUUM UPPER PENN
Property Code 10120	Property Name STATE "A"	Well Number 10
OGRM No. 020676	Operator Name SHELL WESTERN E & P INC.	Elevation 3973

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	31	17 S	35 E		940	NORTH	940	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 80	Joint or Infill Y	Consolidation Code	Order No.
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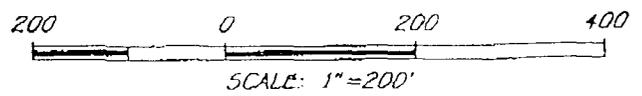
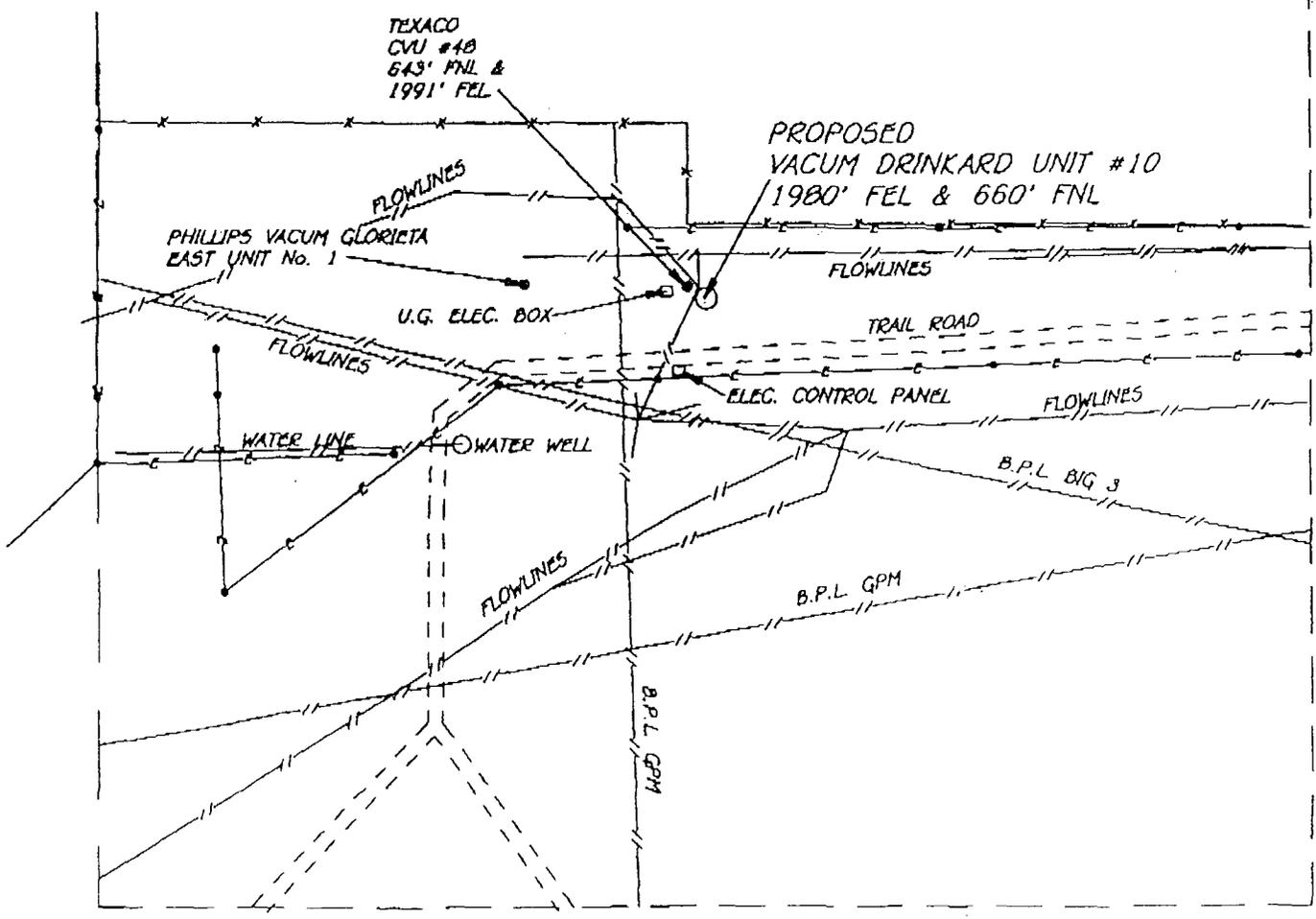
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 1 37.50 ACRES LOT 2 37.51 ACRES LOT 3 37.42 ACRES LOT 4 37.42 ACRES			<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>J. Marcus Winkler</i> Signature</p> <p>G. S. NADY Printed Name</p> <p>MGR - ASSET ADMIN. Title</p> <p>1-26-95 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>JANUARY 19, 1995 Date Surveyed</p> <p><i>[Signature]</i> Signature of Professional Surveyor</p> <p>Professional Surveyor</p>		<p>JLP</p> <p>No. 1-26-95</p> <p>WFO 94-103225B</p> <p>676 2259</p>

30 NORTH QUARTER CORNER
31

NE. CORNER OF THE
NW/4 NE/4 OF SEC. 31,
T-17-S, R-35-E, N.M.P.M.
LEA COUNTY, NEW MEXICO

GPM LEE GAS PLANT



SHELL WESTERN E & P, INC.

TOPO SURVEY OF THE AREA AROUND THE PROPOSED VACUM DRINKARD UNIT #10, LOCATED 660 FEET FROM THE NORTH LINE & 1980 FEET FROM THE EAST LINE OF SECTION 31, TOWNSHIP 17 SOUTH, RANGE 35 EAST N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 2/1/95	Sheet 1 of 1 Sheets
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OFFSET OPERATORS

State "A" #10
Section 31, T17S-R35E
Lea County, New Mexico

Chevron U.S.A. Inc.
Box 1635
Houston, TX 77251

Marathon Oil Company
Box 552
Midland, TX 79702-0552

Mobil Exploration & Production U.S., Inc.
Box 633
Midland, TX 79702-0633

Phillips Petroleum Company
4001 Penbrook
Odessa, TX 79762

Texaco, Inc.
Box 3109
Midland, TX 79702-3109

Offset Operators:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please return the signed waiver in the enclosed self-addressed, stamped envelope to the NMOCD in Santa Fe and one copy to Shell Western E&P Inc. (For Shell Western E&P Inc.'s copy, business reply envelopes are enclosed for your convenience.)

Thank you for your cooperation in this matter.

WAIVER TO OBJECTION

SHELL WESTERN E&P INC.

**Application for an
Unorthodox Vacuum-Upper Pennsylvanian Oil Well Location
State "A" #10
Vacuum-Upper Pennsylvanian Pool
NE/4 NE/4 Section 31, T17S, R35E
Lea County, New Mexico**

I/We do hereby waive any objection to Shell Western E&P Inc.'s request for NMOCD Administrative Approval of an unorthodox well location for the State "A" #10 located 940' FNL & 940' FEL Section 31, T17S, R35E in Lea County, NM.

Signed: _____
Title: _____
Company: _____
Date: _____

(VACUUM-DEVONIAN POOL—Cont'd.)

RULE 3. The Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. The first well drilled on every standard or non-standard unit in the Vacuum-Devonian Oil Pool shall be located within 200 feet of the center of either the NW/4 or the SE/4 of a governmental quarter section.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) in the Vacuum-Devonian Oil Pool shall be assigned an 80-acre proportional factor of 7.75 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the Vacuum-Devonian Oil Pool as the acreage in such non-standard unit bears to 80-acres.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Devonian formation within the Vacuum-Devonian Oil Pool or within one mile of the Vacuum-Devonian Oil Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of Rule 4. The operator shall notify the Hobbs District Office in writing of the name and location of the well on or before March 1, 1963.

(2) That any operator desiring to dedicate 80 acres to a well presently drilling or completed in the Vacuum-Devonian Oil Pool shall file a new Form C-128 with the Commission on or before March 1, 1963.

(3) That this case shall be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool may appear and show cause why the Vacuum-Devonian Oil Pool should not be developed on 40-acre proration units.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

VACUUM-WOLFCAMP POOL
Lea County, New Mexico

Order No. R-2422, Creating and Adopting Temporary Operating Rules for the Vacuum-Wolfcamp Pool, Lea County, New Mexico, March 1, 1963.

Order No. R-2422-A, March 13, 1964, makes permanent the temporary rules adopted in Order No. R-2422.

Application of Socony Mobil Oil Company, Inc., to create a New Pool for Wolfcamp production and for Special Pool Rules, Lea County, New Mexico.

CASE NO. 2740
Order No. R-2422

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on January 23, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of February, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Socony Mobil Oil Company, Inc., seeks the creation of a new pool for Wolfcamp production and the promulgation of temporary special rules and regulations governing said pool, including a provision for 80-acre spacing units.

(3) That a new oil pool for Wolfcamp production should be created and designated the Vacuum-Wolfcamp Oil Pool. This pool was discovered by the Socony Mobil State Bridges Well No. 95, located in Unit P of Section 26, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico. The top of the perforations in the Wolfcamp formation is at 9518 feet.

(4) That temporary special rules and regulations establishing 80-acre spacing should be promulgated for the subject pool in order to prevent the possibility of economic loss resulting from the drilling of unnecessary wells and in order to allow the operators in the subject pool to gather information concerning the reservoir characteristics of the pool.

(5) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(6) That the temporary special rules and regulations should be established for a one-year period and that during this one-year period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(7) That this case should be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool should appear and show cause why the Vacuum-Wolfcamp Oil Pool should not be developed on 40-acre proration units.

(VACUUM-WOLFCAMP POOL - Cont'd.)**IT IS THEREFORE ORDERED:**

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated the Vacuum-Wolfcamp Oil Pool, consisting of the following-described area:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 26: SE/4

(2) That special rules and regulations for the Vacuum-Wolfcamp Oil Pool are hereby promulgated as follows, effective March 1, 1963.

**SPECIAL RULES AND REGULATIONS
FOR THE
VACUUM-WOLFCAMP OIL POOL.**

RULE 1. Each well completed or recompleted in the Vacuum-Wolfcamp Oil Pool or in the Wolfcamp formation within one mile of the Vacuum-Wolfcamp Oil Pool, and not nearer to or within the limits of another designated Wolfcamp pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Vacuum-Wolfcamp Oil Pool shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. The first well drilled on every standard or non-standard unit in the Vacuum-Wolfcamp Oil Pool shall be located within 200 feet of the center of either the NW/4 or the SE/4 of a governmental quarter section.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) in the Vacuum-Wolfcamp Oil Pool shall be assigned an 80-acre proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the Vacuum-Wolfcamp Oil Pool as the acreage in such non-standard unit bears to 80-acres.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Wolfcamp formation within the Vacuum-Wolfcamp Oil Pool or within one mile of the Vacuum-Wolfcamp Oil Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of Rule 4. The operator shall notify the Hobbs District Office in writing of the name and location of the well on or before March 1, 1963.

(2) That any operator desiring to dedicate 80 acres to a well presently drilling or completed in the Vacuum-Wolfcamp Oil Pool shall file a new Form C-128 with the Commission on or before March 1, 1963.

(3) That this case shall be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool may appear and show cause why the Vacuum-Wolfcamp Oil Pool should not be developed on 40-acre proration units.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



February 27, 1995

*Vacuum Upper
Penn Pool*

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

Attention: G. S. Nady

RE: *Administrative Application for an Unorthodox Oil Well Location.
State "A" Well No. 10 to be Drilled 940' FN & EL (Unit A) of Section
31, Township 17 South, Range 35 East, NMPM, Lea County, New
Mexico.*

Dear Mr. Nady:

Per your application by letter dated February 2, 1995, it mentioned that said well was currently approved to drill to the Vacuum-Wolfcamp Pool. Since the Vacuum-Wolfcamp Pool rules are identical to those for the Vacuum-Upper Pennsylvanian Pool, see Division Order Nos. R-2422 and R-2697, respectively, the Division would have issued an order number, either administratively or after notice and hearing. Please provide me with a copy of that particular order.

Thank you. Should you have any questions, please contact me in Santa Fe at (505) 827-8185.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: Oil Conservation Division - Hobbs
William J. LeMay, O.C.D. Director - Santa Fe

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

Oil Conservation
827-7131

OIL CONSERVATION DIVISION
RECEIVED

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Shell Western E&P Inc.
An affiliate of Shell Oil Company



P. O. Box 576
Houston, TX 77001

March 6, 1995

AIRBORNE EXPRESS

Mr. Michael E. Stogner
State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Dear Mr. Stogner:

SUBJECT: APPLICATION FOR ADMINISTRATIVE APPROVAL OF
UNORTHODOX LOCATION
VACUUM-WOLFCAMP POOL
STATE "A" WELL NO. 10
SECTION 31, T17S-R35E
LEA COUNTY, NM

Shell Western respectfully requests administrative approval of an unorthodox location for the State "A" #10 in the Vacuum-Wolfcamp Pool. Special pool rules provided in Order No. R-2422-A require the first well drilled on each proration unit in the Vacuum-Wolfcamp Pool to be located within 200 feet of the center of either the NW/4 or the SE/4 of a governmental quarter section. Surface use restrictions (as shown on the attached plat) in the NW/4 of the quarter section prevented drilling the subject well at an orthodox location. Directional drilling to reach a legal bottom-hole location is not economically feasible.

The following information is enclosed: Form C-102 showing the proposed 80-acre proration unit, topographical plat identifying surface obstructions preventing use of the legal location, list of offset operators, and a land plat map identifying offset operators. The undersigned hereby certifies that all information presented in the enclosed is current and correct.

Shell Western believes approval of this request will be in the interest of conservation, will protect correlative rights, and will allow for a more complete recovery of oil reserves from the subject acreage.

Shell Western is notifying all offset operators of this application by sending a copy of the application package, along with waiver of objection forms, via certified mail. Should you require further information, please call Marcus Winder at (713) 544-3797.

Sincerely,

J. Marcus Windes

JM
G. S. Nady

Manager - Asset Administration

Western Asset

Continental Division

cc: Mr. Jerry Sexton
New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88241-1980

DISTRICT I
P.O. Box 1980, Hobbs, NM 88243

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
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State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

DISTRICT III
1000 Ebo Brazos Rd., Aztec, NM 87410

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-32844	Pool Code 62340 / 62320	Pool Name VACUUM WOLFCAMP / VACUUM UPPER PENN
Property Code 10120	Property Name STATE "A"	Well Number 10
OGRM No. 020676	Operator Name SHELL WESTERN E & P INC.	Elevation 3973

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	31	17 S	35 E		940	NORTH	940	EAST	LEA

Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 80	Joint or Infill Y	Consolidation Code	Order No.
-----------------------	----------------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>LOT 1 37.50 ACRES</p>		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p>	
		<p><i>J. Marcus Winder</i> Signature</p>	
		<p>G. S. NADY Printed Name</p>	
		<p>MGR - ASSET ADMIN. Title</p>	
<p>LOT 2 37.51 ACRES</p>		<p>3-06-95 Date</p>	
<p>LOT 3 37.42 ACRES</p>		<p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p>	
<p>LOT 4 37.42 ACRES</p>		<p>JANUARY 19, 1995 Date Surveyed</p>	
		<p>Signature of Surveyor Professional Surveyor</p>	
		<p>REGISTERED LAND SURVEYOR No. 124-95 WEO. CLARK 94-10-2258 676 3259</p>	

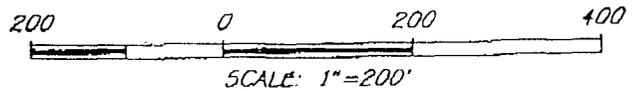
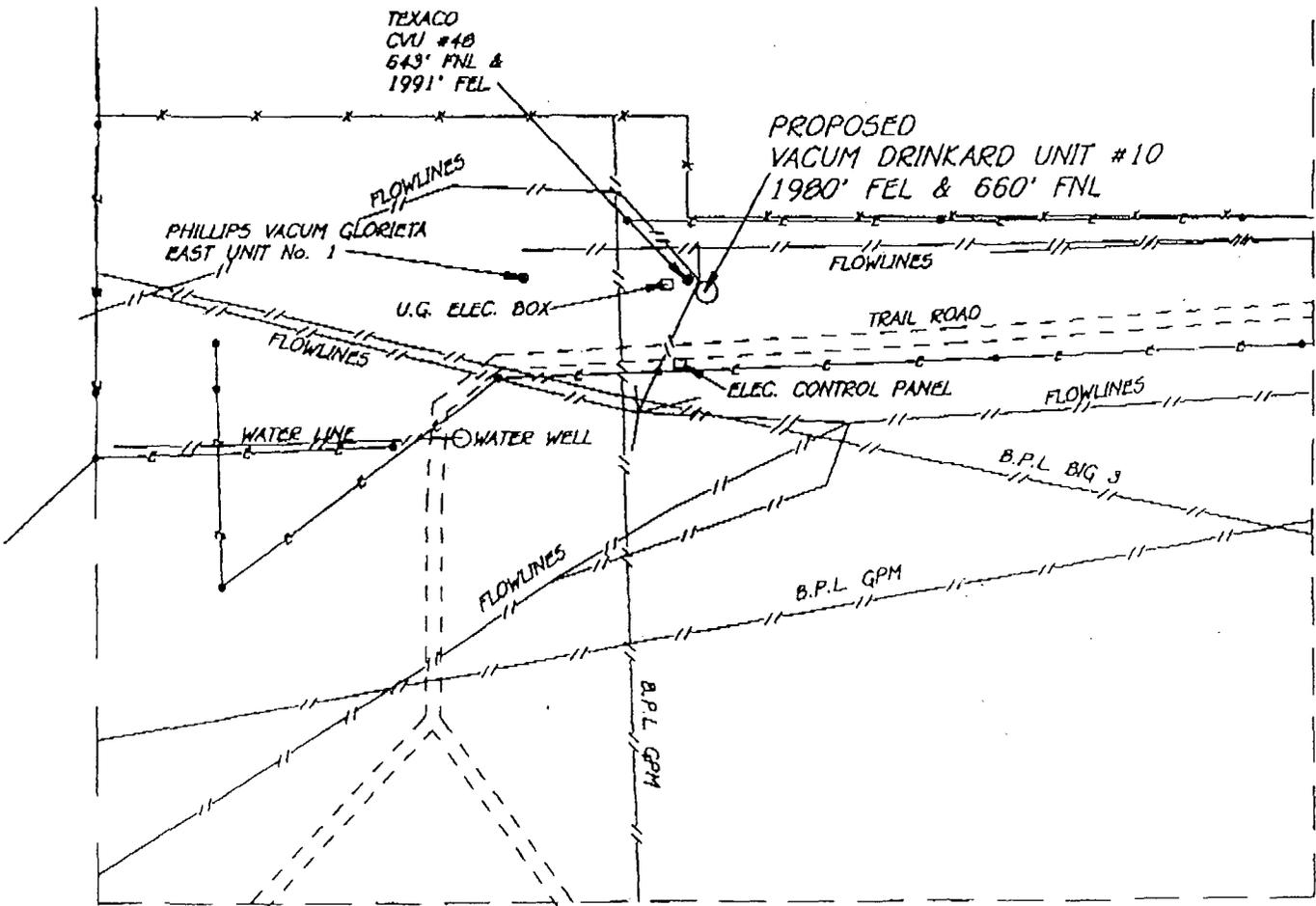
30

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31

NE. CORNER OF THE
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LEA COUNTY, NEW MEXICO

GPM LEE GAS PLANT



SHELL WESTERN E & P, INC.

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Survey Date: 2/1/95

Sheet 1 of 1 Sheets

OFFSET OPERATORS

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Section 31, T17S-R35E
Lea County, New Mexico**

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Box 1635
Houston, TX 77251**

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Odessa, TX 79762**

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Box 3109
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'95 MAR 7 AM 8 52

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An affiliate of Shell Oil Company



P. O. Box 576
Houston, TX 77001

March 6, 1995

AIRBORNE EXPRESS

Mr. Michael E. Stogner
State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco
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LEA COUNTY, NM

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DISTRICT I
P.O. Box 1000, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

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OIL CONSERVATION DIVISION

DISTRICT III
1000 Rio Mrazos Rd., Aztec, NM 87410

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-32844	Pool Code 62340 / 62320	Pool Name VACUUM WOLFCAMP / VACUUM UPPER PENN
Property Code 10120	Property Name STATE "A"	Well Number 10
OGED No. 020676	Operator Name SHELL WESTERN E & P INC.	Elevation 3973

Surface Location

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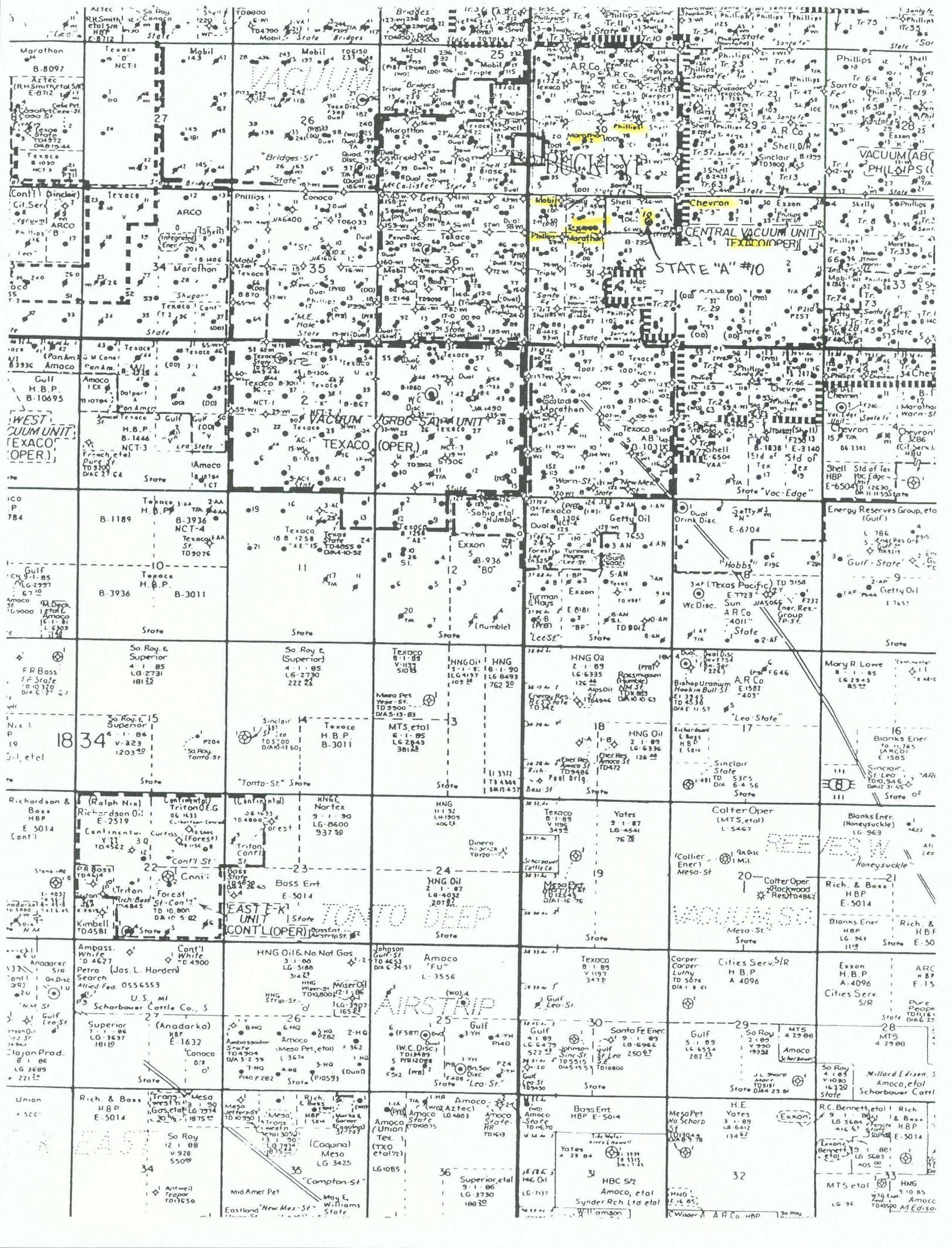
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UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 80	Joint or Infill Y	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 1 37.50 ACRES LOT 2 37.51 ACRES LOT 3 37.42 ACRES LOT 4 37.42 ACRES			<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>G. S. Nady</i> Signature</p> <p>G. S. NADY Printed Name</p> <p>MGR - ASSET ADMIN. Title</p> <p>3-06-95 Date</p>
			<p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>JANUARY 19, 1995 Date Surveyed</p> <p><i>[Signature]</i> Signature Professional Surveyor</p> <p>WFO 94-10-225B No. 94-10-225B</p> <p>670 2259</p>
			<p>REGISTERED LAND SURVEYOR</p> <p>WFO 94-10-225B</p>
			<p>670 2259</p>



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OIL CONSERVATION DIVISION
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Shell Western E&P Inc.
An affiliate of Shell Oil Company



P. O. Box 576
Houston, TX 77001

March 6, 1995

AIRBORNE EXPRESS

Mr. Michael E. Stogner
State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Dear Mr. Stogner:

SUBJECT: APPLICATION FOR ADMINISTRATIVE APPROVAL OF
UNORTHODOX LOCATION
VACUUM-WOLFCAMP POOL
STATE "A" WELL NO. 10
SECTION 31, T17S-R35E
LEA COUNTY, NM

Shell Western respectfully requests administrative approval of an unorthodox location for the State "A" #10 in the Vacuum-Wolfcamp Pool. Special pool rules provided in Order No. R-2422-A require the first well drilled on each proration unit in the Vacuum-Wolfcamp Pool to be located within 200 feet of the center of either the NW/4 or the SE/4 of a governmental quarter section. Surface use restrictions (as shown on the attached plat) in the NW/4 of the quarter section prevented drilling the subject well at an orthodox location. Directional drilling to reach a legal bottom-hole location is not economically feasible.

The following information is enclosed: Form C-102 showing the proposed 80-acre proration unit, topographical plat identifying surface obstructions preventing use of the legal location, list of offset operators, and a land plat map identifying offset operators. The undersigned hereby certifies that all information presented in the enclosed is current and correct.

Shell Western believes approval of this request will be in the interest of conservation, will protect correlative rights, and will allow for a more complete recovery of oil reserves from the subject acreage.

Shell Western is notifying all offset operators of this application by sending a copy of the application package, along with waiver of objection forms, via certified mail. Should you require further information, please call Marcus Winder at (713) 544-3797.

Sincerely,

J. Marcus Winder

JM
G. S. Nady
Manager - Asset Administration
Western Asset
Continental Division

cc: Mr. Jerry Sexton
New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88241-1980

DISTRICT I
P.O. Box 1880, Hobbs, NM 88240

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Arteria, NM 86210

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-32844	Pool Code 62340 / 62320	Pool Name VACUUM WOLFCAMP / VACUUM UPPER PENN
Property Code 10120	Property Name STATE "A"	Well Number 10
OGRID No. 020676	Operator Name SHELL WESTERN E & P INC.	Elevation 3973

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	31	17 S	35 E		940	NORTH	940	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 80	Joint or Infill Y	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>LOT 1 37.50 ACRES</p> <p>LOT 2 37.51 ACRES</p> <p>LOT 3 37.42 ACRES</p> <p>LOT 4 37.42 ACRES</p>			<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature</p> <p>G. S. NADY Printed Name</p> <p>MGR - ASSET ADMIN. Title</p> <p>3-06-95 Date</p>
			<p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>JANUARY 19, 1995 Date Surveyed</p> <p><i>[Signature]</i> Signature Professional Surveyor</p> <p>No. 1-24-95 94-10-225B</p> <p>676 3259</p>
			<p>WED. 94-10-225B</p>
			<p>676 3259</p>

Offset Operators:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please return the signed waiver in the enclosed self-addressed, stamped envelope to the NMOCD in Santa Fe and one copy to Shell Western E&P Inc. (For Shell Western E&P Inc.'s copy, business reply envelopes are enclosed for your convenience.)

Thank you for your cooperation in this matter.

WAIVER TO OBJECTION
SHELL WESTERN E&P INC.

RECEIVED

MAR 17 1995

Oil Conservation Division

Application for an
Unorthodox Vacuum-Wolfcamp Oil Well Location
State "A" #10
Vacuum-Wolfcamp Pool
NE/4 NE/4 Section 31, T17S, R35E
Lea County, New Mexico

I/We do hereby waive any objection to Shell Western E&P Inc.'s request for NMOCD Administrative Approval of an unorthodox well location for the State "A" #10 located 940' FNL & 940' FEL Section 31, T17S, R35E in Lea County, NM.

Signed:
Title:
Company:
Date:

A.C. Head / KFH
Un. Habbs Asset Team Mgr.
Toraco
3/14/95

RECEIVED

OIL CONSERVATION DIVISION
RECEIVED

MAR - 9 1995

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LAND SECTION
PHILLIPS PETROLEUM CO
ODESSA, TEXAS

Offset Operators:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please return the signed waiver in the enclosed self-addressed, stamped envelope to the NMOCD in Santa Fe and one copy to Shell Western E&P Inc. (For Shell Western E&P Inc.'s copy, business reply envelopes are enclosed for your convenience.)

Thank you for your cooperation in this matter.

WAIVER TO OBJECTION

SHELL WESTERN E&P INC.

**Application for an
Unorthodox Vacuum-Wolfcamp Oil Well Location
State "A" #10
Vacuum-Wolfcamp Pool
NE/4 NE/4 Section 31, T17S, R35E
Lea County, New Mexico**

I/We do hereby waive any objection to Shell Western E&P Inc.'s request for NMOCD Administrative Approval of an unorthodox well location for the State "A" #10 located 940' FNL & 940' FEL Section 31, T17S, R35E in Lea County, NM.

Signed:

Title:

Company:

Date:

DR Wier
Rear. Eng. Div.
Phillips Petr. Co.
3/15/95

Mobil Exploration & Producing U.S. Inc.

March 9, 1995

OIL CONSERVATION DIVISION
RECEIVED
95 MAR 13 AM 8 52
P.O. BOX 633
MIDLAND, TEXAS 79702

Mr. Michael E. Stogner
State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

**APPLICATION FOR ADMINISTRATIVE
APPROVAL OF UNORTHODOX LOCATION
VACUUM-WOLFCAMP POOL
STATE "A" WELL NO. 10
SECTION 31, T-17-S, R-35-E
LEA COUNTY, NEW MEXICO
NM-567**

Dear Mr. Stogner:

In accordance with Shell Western E & P Inc.'s application on the referenced unorthodox location for the State "A" Well No. 10, this is to advise that Mobil hereby waives any objection to the proposed location. Enclosed please find a fully executed waiver to said well location.

If I can be of further assistance, please let me know.

Very truly yours,

MOBIL EXPLORATION & PRODUCING U.S. INC.
as agent for
MOBIL PRODUCING TEXAS & NEW MEXICO INC.


Danny Pequeno
Land/Joint Interest Advisor
Midland North Area

DP/sb
Enclosure

cc: Shell Western E & P Inc.
Attn: J. M. Winder
P. O. Box 576
Houston, TX 77001

M. Jiminez/Midland

RECEIVED

MAR 09 1995

Midland North Land/JI

Offset Operators:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please return the signed waiver in the enclosed self-addressed, stamped envelope to the NMOCD in Santa Fe and one copy to Shell Western E&P Inc. (For Shell Western E&P Inc.'s copy, business reply envelopes are enclosed for your convenience.)

Thank you for your cooperation in this matter.

WAIVER TO OBJECTION

SHELL WESTERN E&P INC.

**Application for an
Unorthodox Vacuum-Wolfcamp Oil Well Location
State "A" #10
Vacuum-Wolfcamp Pool
NE/4 NE/4 Section 31, T17S, R35E
Lea County, New Mexico**

I/We do hereby waive any objection to Shell Western E&P Inc.'s request for NMOCD Administrative Approval of an unorthodox well location for the State "A" #10 located 940' FNL & 940' FEL Section 31, T17S, R35E in Lea County, NM.

Signed:
Title:
Company:
Date:


LAND / JOINT Interest Advisor
Mobil Producing Texas & New Mexico Inc.
309.95

Shell Western E&P Inc.

An affiliate of Shell Oil Company



P. O. Box 576
Houston, TX 77001

March 15, 1995

AIRBORNE EXPRESS

Mr. Michael E. Stogner
State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Dear Mr. Stogner:

SUBJECT: APPLICATION FOR ADMINISTRATIVE APPROVAL OF
UNORTHODOX LOCATION
NORTH VACUUM-ABO OIL POOL
STATE "A" WELL NO. 10
SECTION 31, T17S-R35E
LEA COUNTY, NM

Shell Western respectfully requests administrative approval of an unorthodox location for the State "A" #10 in the North Vacuum-Abo Oil Pool. The State "A" #10, located 940' FNL & 940' FEL Section 31, T17S, R35E in Lea County, New Mexico reached total depth on March 8, 1995. Shell plans to plug back the Vacuum Middle Penn and Vacuum Wolfcamp and recomplete to the North Vacuum-Abo Oil Pool. Special pool rules provided in Order No. R-2421-A require the first well drilled on each proration unit in the North Vacuum-Abo Oil Pool to be located within 200 feet of the center of either the NW/4 or the SE/4 of a governmental quarter section. Surface use restrictions (as shown on the attached plat) in the NW/4 of the quarter section prevented drilling the subject well at an orthodox location. Directional drilling to reach a legal bottom-hole location is not economically feasible.

The following information is enclosed: Form C-102 showing the proposed 80-acre proration unit, for the North Vacuum-Abo Pool, topographical plat identifying surface obstructions preventing use of the legal location, list of offset operators, and a land plat map identifying offset operators. The undersigned hereby certifies that all information presented in the enclosed is current and correct.

Shell Western believes approval of this request will be in the interest of conservation, will protect correlative rights, and will allow for a more complete recovery of oil reserves from the subject acreage.

Shell Western is notifying all offset operators of this application by sending a copy of the application package, along with waiver of objection forms, via certified mail. Should you require further information, please call Yvonne Iverson at (713) 544-3226.

195 MAR 16 PM 8 52
OIL CONSERVATION DIVISION
RECEIVED

Sincerely,

Juanne T. Luerson

for G. S. Nady
Manager - Asset Administration
Western Asset
Continental Division

cc: Mr. Jerry Sexton
New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88241-1980

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-32844	Pool Code 61760	Pool Name NORTH VACUUM-ABO OIL
Property Code 10120	Property Name STATE "A"	Well Number 10
OGRID No. 020676	Operator Name SHELL WESTERN E & P INC.	Elevation 3973

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	31	17 S	35 E		940	NORTH	940	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 80	Joint or Infill Y	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>LOT 1 37.50 ACRES</p> <p>LOT 2 37.51 ACRES</p> <p>LOT 3 37.42 ACRES</p> <p>LOT 4 37.42 ACRES</p>			<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Yvonne T. Nady</i> Signature</p> <p>Y. S. NADY Printed Name</p> <p>MGR - ASSET ADMIN. Title</p> <p>3/15/95 Date</p>
			<p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p>
			<p>JANUARY 19, 1995 Date</p> <p>W. O. EIDSON Professional Surveyor</p> <p>No. 3739 1-24-95</p> <p>W. O. EIDSON 1-258</p> <p>Certification No. WEST, 676 RONALD J. EIDSON, 3239</p>
			<p>JLP</p>

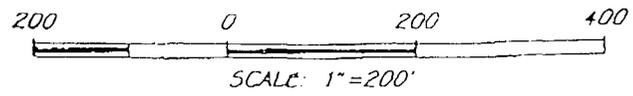
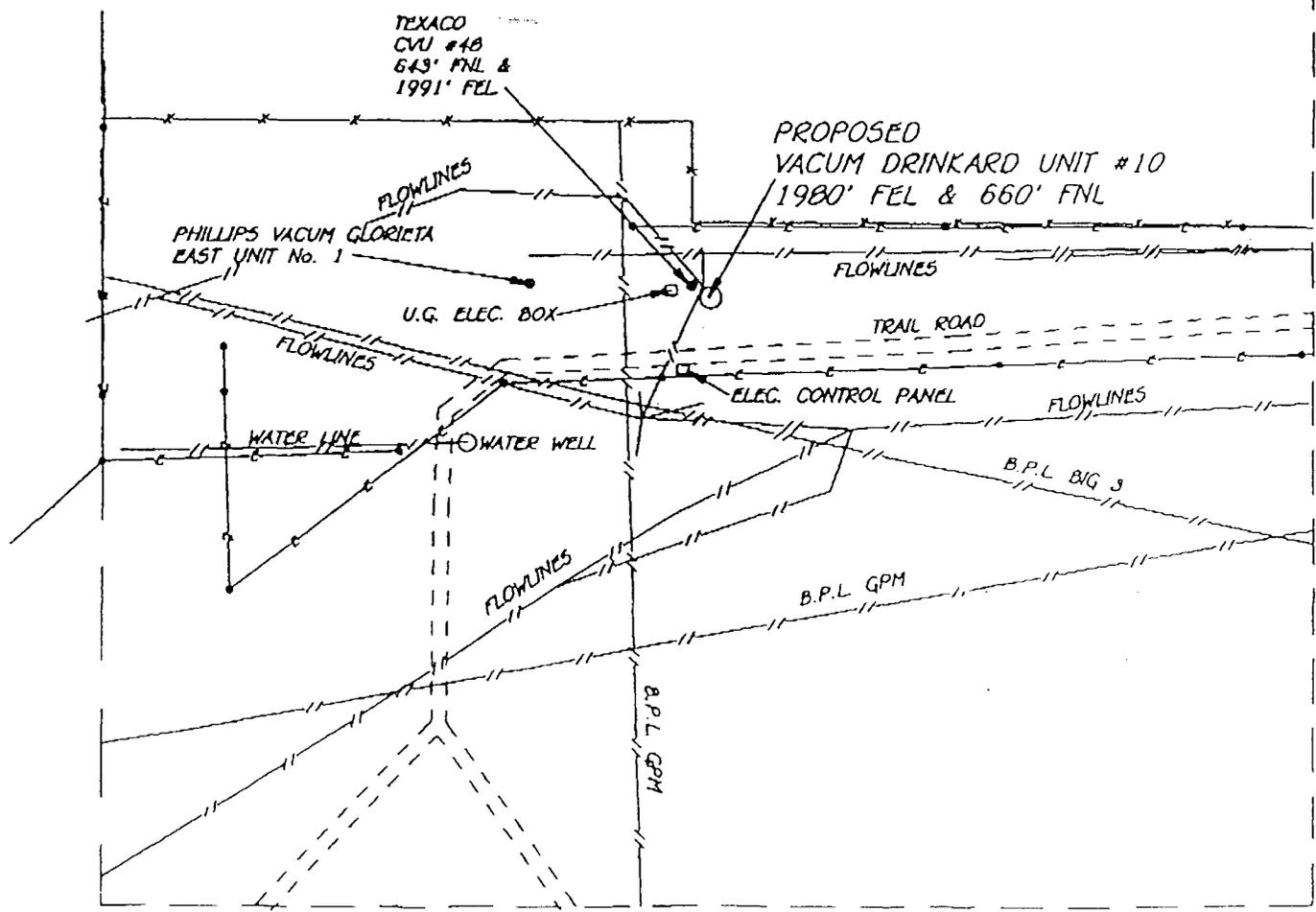
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NORTH QUARTER CORNER

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NE. CORNER OF THE
NW/4 NE/4 OF SEC. 31.
T-17-S, R-35-E, N.M.P.M.
LEA COUNTY, NEW MEXICO

GPM LEE GAS PLANT



SHELL WESTERN E & P, INC.

TOPO SURVEY OF THE AREA AROUND THE PROPOSED VACUM DRINKARD UNIT #10, LOCATED 660 FEET FROM THE NORTH LINE & 1980 FEET FROM THE EAST LINE OF SECTION 31, TOWNSHIP 17 SOUTH, RANGE 35 EAST N.M.P.M., LEA COUNTY, NEW MEXICO.

OFFSET OPERATORS

State "A" #10
Section 31, T17S-R35E
Lea County, New Mexico

Chevron U.S.A. Inc.
Box 1635
Houston, TX 77251

Marathon Oil Company
Box 552
Midland, TX 79702-0552

Mobil Exploration & Production U.S., Inc.
Box 633
Midland, TX 79702-0633

Phillips Petroleum Company
4001 Penbrook
Odessa, TX 79762

Texaco, Inc.
Box 3109
Midland, TX 79702-3109

Offset Operators:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please forward the signed waiver to the NMOCD, P. O. Box 2088, Santa Fe, NM 87505 and forward one copy to Shell Western E&P Inc. in the enclosed business reply envelope.

Thank you for your cooperation in this matter.

WAIVER TO OBJECTION

SHELL WESTERN E&P INC.

**Application for an
Unorthodox North Vacuum-Abo Oil Pool - Oil Well Location
State "A" #10
North Vacuum-Abo Oil Pool
NE/4 NE/4 Section 31, T17S, R35E
Lea County, New Mexico**

I/We do hereby waive any objection to Shell Western E&P Inc.'s request for NMOCD Administrative Approval of an unorthodox well location for the State "A" #10 located 940' FNL & 940' FEL Section 31, T17S, R35E in Lea County, NM.

Signature: _____
Title: _____
Company: _____
Date: _____

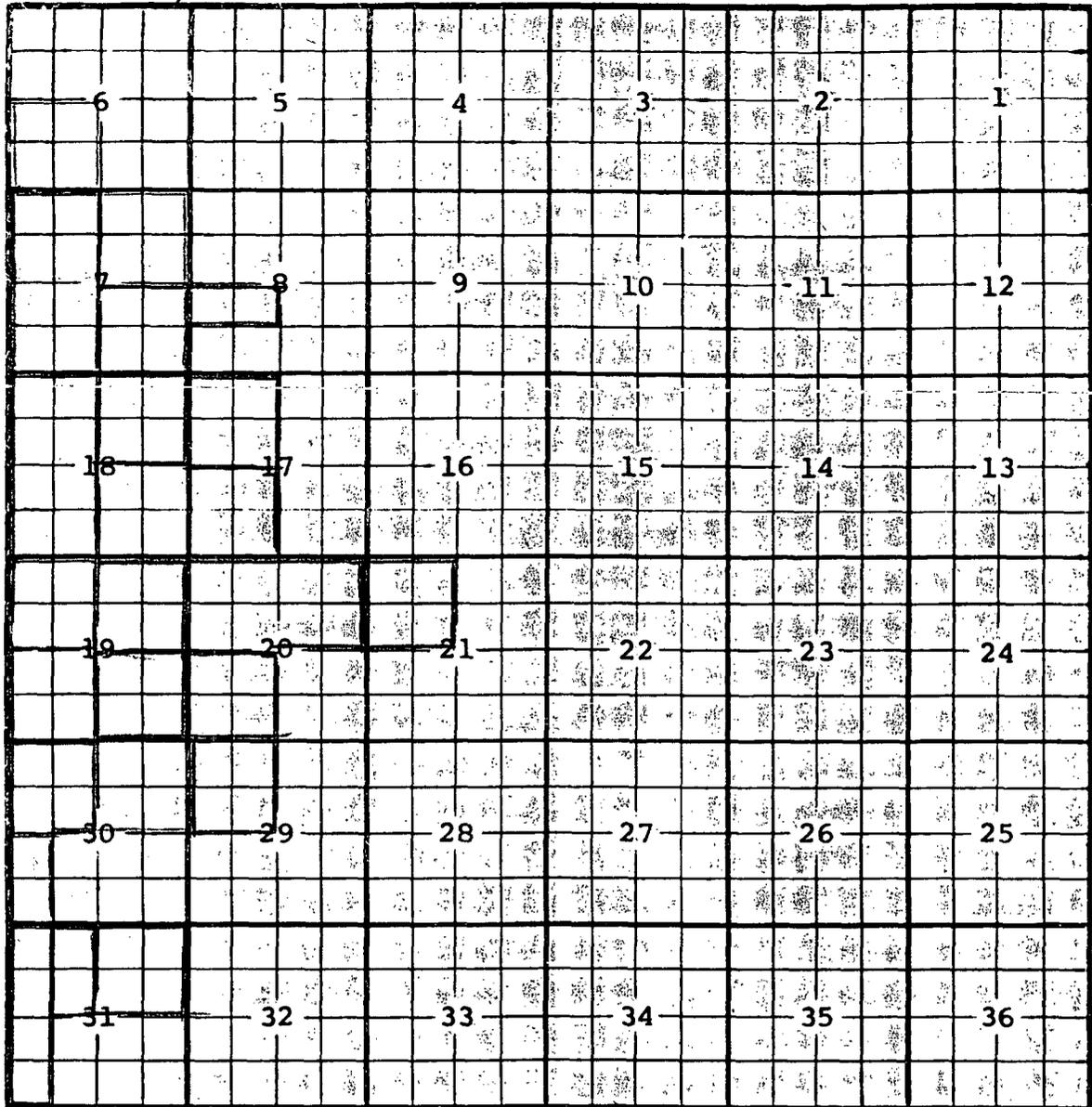
COUNTY *Lea*

POOL *North Vacuum - Abo*

TOWNSHIP *17 South*

RANGE *35 East*

NMPM



Ext: $\frac{W}{2} \frac{W}{2}$ Sec. 31 (R-2705, 6-1-64) - $\frac{W}{2} \frac{SW}{4}$ Sec. 30; $\frac{E}{2} \frac{NW}{4}$ Sec. 31 (R-2771, 10-1-64)
 - $\frac{NW}{4}$ Sec. 19; $\frac{NW}{4}$ Sec. 30 (R-4149, 1-1-71) - $\frac{SW}{4}$ Sec. 19 (R-4219, 12-1-70) - $\frac{W}{2}$ Sec. 18 (R-4242, 2-1-72)
 - $\frac{W}{2}$ Sec. 7; $\frac{NE}{4}$ Sec. 18; $\frac{SE}{4}$ Sec. 19 (R-4279, 4-1-72) - $\frac{NE}{4}$ Sec. 19 (R-4304, 6-1-72)
 - $\frac{SE}{4}$ Sec. 7; $\frac{SW}{4}$ Sec. 20 (R-4351, 8-1-72) - $\frac{NW}{4}$ Sec. 29; $\frac{NE}{4}$ Sec. 31 (R-4423, 11-1-72)
 - $\frac{N}{2}$ Sec. 20 (R-4486, 3-1-73) - $\frac{N}{2} \frac{SW}{4}$ Sec. 8 (R-4511, 5-1-73) - $\frac{SW}{4}$ Sec. 17; $\frac{SE}{4}$ Sec. 18; $\frac{NW}{4}$ Sec. 21 (R-4604, 8-1-73)
 Ext: $\frac{SW}{4}$ Sec. 6 (R-5143, 2-1-76) Ext: $\frac{NE}{4}$ Sec. 7 (R-5338, 1-1-77)
 Ext: $\frac{NE}{4}$ Sec. 30 (R-5667, 4-1-78) Ext: $\frac{NW}{4}$ Sec. 17 (R-6368, 7-1-80)

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2739
Order No. R-2421
NOMENCLATURE

APPLICATION OF SOCONY MOBIL OIL
COMPANY, INC., TO CREATE A NEW
POOL FOR ABO PRODUCTION AND FOR
SPECIAL POOL RULES, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 23, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of February, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Socony Mobil Oil Company, Inc., seeks the creation of a new pool for Abo production and the promulgation of temporary special rules and regulations governing said pool, including a provision for 80-acre spacing units.
- (3) That a new oil pool for Abo production should be created and designated the North Vacuum-Abo Oil Pool. This pool was discovered by the Socony Mobil State Bridges Well No. 95, located in Unit P of Section 26, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico. The top of the perforations in the Abo formation is at 9070 feet.
- (4) That temporary special rules and regulations establishing 80-acre spacing should be promulgated for the subject pool in order to prevent the possibility of economic loss resulting from the drilling of unnecessary wells and in order to allow the operators in the subject pool to gather information concerning the reservoir characteristics of the pool.

CASE No. 2739
Order No. R-2421

(5) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(6) That the temporary special rules and regulations should be established for a one-year period and that during this one-year period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(7) That this case should be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool should appear and show cause why the North Vacuum-Abo Oil Pool should not be developed on 40-acre proration units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Abo production is hereby created and designated the North Vacuum-Abo Oil Pool, consisting of the following-described area:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 26: SE/4

(2) That special rules and regulations for the North Vacuum-Abo Oil Pool are hereby promulgated as follows, effective March 1, 1963.

SPECIAL RULES AND REGULATIONS
FOR THE
NORTH VACUUM-ABO OIL POOL

RULE 1. Each well completed or recompleted in the North Vacuum-Abo Oil Pool or in the Abo formation within one mile of the North Vacuum-Abo Oil Pool, and not nearer to or within the limits of another designated Abo pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the North Vacuum-Abo Oil Pool shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising

a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. The first well drilled on every standard or non-standard unit in the North Vacuum-Abo Oil Pool shall be located within 200 feet of the center of either the NW/4 or the SE/4 of a governmental quarter section.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) in the North Vacuum-Abo Oil Pool shall be assigned an 80-acre proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the North Vacuum-Abo Oil Pool as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Abo formation within the North Vacuum-Abo Oil Pool or within one mile of the North Vacuum-Abo Oil Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of Rule 4. The operator shall notify the Hobbs District Office in writing of the name and location of the well on or before March 1, 1963.

(2) That any operator desiring to dedicate 80 acres to a well presently drilling or completed in the North Vacuum-Abo Oil

-4-

CASE No. 2739

Order No. R-2421

Pool shall file a new Form C-128 with the Commission on or before March 1, 1963.

(3) That this case shall be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool may appear and show cause why the North Vacuum-Abo Oil Pool should not be developed on 40-acre proration units.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2739
Order No. R-2421-A

APPLICATION OF SOCONY MOBIL OIL
COMPANY, INC., TO CREATE A NEW
POOL FOR ABO PRODUCTION AND FOR
SPECIAL POOL RULES, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
February 19, 1964, at Santa Fe, New Mexico, before Examiner
Elvis A. Utz.

NOW, on this 13th day of March, 1964, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That by Order No. R-2421 dated February 13, 1963,
temporary Special Rules and Regulations were promulgated for the
North Vacuum-Abo Oil Pool.

(3) That pursuant to the provisions of Order No. R-2421,
this case was reopened to allow the operators in the subject pool
to appear and show cause why the North Vacuum-Abo Oil Pool should
not be developed on 40-acre proration units.

(4) That the evidence establishes that one well in the
North Vacuum-Abo Oil Pool can efficiently and economically drain
and develop 80 acres.

(5) That to prevent the economic loss caused by the drill-
ing of unnecessary wells, to avoid the augmentation of risk
arising from the drilling of an excessive number of wells, to
prevent reduced recovery which might result from the drilling of

CASE No. 2739
Order No. R-2421-A

too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-2421 should be continued in full force and effect until further order of the Commission.

(6) That the Special Rules and Regulations promulgated by Order No. R-2421 have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil in the pool.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the North Vacuum-Abo Oil Pool promulgated by Order No. R-2421 are hereby continued in full force and effect until further order of the Commission.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

Mobil Exploration & Producing U.S. Inc.

OIL CONSERVATION DIVISION
RECEIVED
P.O. BOX 633
MIDLAND, TEXAS 79702-0633
195 MAR 24 PM 8 52

March 21, 1995

Mr. Michael E. Stogner
State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

**APPLICATION FOR ADMINISTRATIVE
APPROVAL OF UNORTHODOX LOCATION
NORTH VACUUM-ABO POOL
STATE "A" WELL NO. 10
SECTION 31, T-17-S, R-35-E
LEA COUNTY, NEW MEXICO
NM-567**

Dear Mr. Stogner:

In accordance with Shell Western E & P Inc.'s application on the referenced unorthodox location for the State "A" Well No. 10, this is to advise that Mobil hereby waives any objection to the proposed location. Enclosed please find a fully executed waiver to said well location.

If I can be of further assistance, please let me know.

Very truly yours,

MOBIL EXPLORATION & PRODUCING U.S. INC.
as agent for
MOBIL PRODUCING TEXAS & NEW MEXICO INC.



Danny Pequeno
Land/Joint Interest Advisor
Midland North Area

DP/sb
Enclosure

cc: Shell Western E & P Inc.
Attn: Ms. Yvonne Iverson
P. O. Box 576
Houston, TX 77001

M. Jiminez/Midland

RECEIVED

MAR 20 1995

Midland North Land/JI

Offset Operators:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please forward the signed waiver to the NMOCD, P. O. Box 2088, Santa Fe, NM 87505 and forward one copy to Shell Western E&P Inc. in the enclosed business reply envelope.

Thank you for your cooperation in this matter.

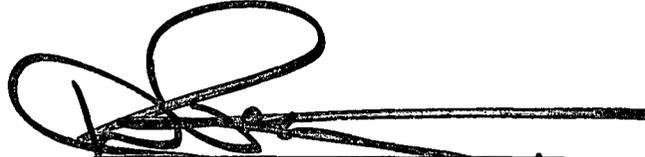
WAIVER TO OBJECTION

SHELL WESTERN E&P INC.

**Application for an
Unorthodox North Vacuum-Abo Oil Pool - Oil Well Location
State "A" #10
North Vacuum-Abo Oil Pool
NE/4 NE/4 Section 31, T17S, R35E
Lea County, New Mexico**

I/We do hereby waive any objection to Shell Western E&P Inc.'s request for NMOCD Administrative Approval of an unorthodox well location for the State "A" #10 located 940' FNL & 940' FEL Section 31, T17S, R35E in Lea County, NM.

Signature:
Title:
Company:
Date:


LAND/JOINT INTEREST ADVISOR
Mobil Producing Texas & New Mexico Inc.
3-21-95

OIL CONSERVATION DIVISION
 RECEIVED
 '95 MAR 27 PM 8 52

Offset Operators:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please forward the signed waiver to the NMOCD, P. O. Box 2088, Santa Fe, NM 87505 and forward one copy to Shell Western E&P Inc. in the enclosed business reply envelope.

Thank you for your cooperation in this matter.

WAIVER TO OBJECTION
SHELL WESTERN E&P INC.

Application for an
Unorthodox North Vacuum-Abo Oil Pool - Oil Well Location
 State "A" #10
 North Vacuum-Abo Oil Pool
 NE/4 NE/4 Section 31, T17S, R35E
 Lea County, New Mexico

I/We do hereby waive any objection to Shell Western E&P Inc.'s request for NMOCD Administrative Approval of an unorthodox well location for the State "A" #10 located 940' FNL & 940' FEL Section 31, T17S, R35E in Lea County, NM.

Signature: J.A. Head / KFH
 Title: N. Hobbs Asset Team Manager
 Company: Texaco E&P Inc.
 Date: 3/20/95

PERMIAN WEST BUSINESS UNIT NORTH HOBBS ASSET TEAM									
MAR 20 1995									
JAH		CES		ELJjr		DCL			
RJB		MSW		MAC					
RMC		SCW				MEB			
RSE		RKW		MACo		LRH			
RHH		CRW		MAES		SMS			
KFH		CC				LET			
ZWH		SRT		TLF					
RVWL	20	NAZ		JMW		FILE			
D - DISCUSS w/JAH					X - HANDLE				
C - COPY					✓ - NOTE				

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

August 23, 1972

August 4, 1972

Shell Oil Company
P. O. Box 1509
Midland, Texas 79701

Attention: Mr. Jack L. Mahaffey

Shell Oil Company
P. O. Box 1509
Gentlemen, Texas 79701

Administrative Order NSL-566

Reference is made to your application for approval of an unorthodox oil well location for your State "A" Well No. 5, located 990 feet from the North line and 660 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, North Abo Pool, Lea County, New Mexico. Location of well is shown on map attached to your application. Section 31, T-17-S, R-35-E

By authority granted me under the provisions of Rule 5 of Order No. R-2421, the above-described unorthodox location is hereby approved.

Please send this office showing the arrangement to be indicated to the above-described well.

A. L. PORTER, Jr.
Secretary-Director

ALP/GMH/dr

- cc: Oil Conservation Commission - Hobbs
- Oil & Gas Engineering Committee - Hobbs
- State Land Office - Santa Fe
- U. S. Geological Survey - Hobbs

COPY

VACUUM-UPPER PENNSYLVANIAN POOL
Lea County, New Mexico

Order No. R-2697, Adopting Temporary Operating Rules for the Vacuum-Upper Pennsylvanian Pool, Lea County, New Mexico, June 1, 1964.

Order No. R-2697-A, May 19, 1965, makes permanent the temporary rules adopted in Order No. R-2697.

Application of Texaco Inc. for Special Pool Rules, Lea County, New Mexico.

CASE NO. 3016
Order No. R-2697

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on April 29, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of May, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Texaco Inc., seeks the promulgation of special pool rules for the Vacuum-Upper Pennsylvanian Pool in Lea County, New Mexico, establishing 80-acre spacing therein.

(3) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 80-acre spacing units should be promulgated for the Vacuum-Upper Pennsylvanian Pool.

(4) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(5) That the temporary special rules and regulations should be established for a one-year period in order to allow the operators in the subject pool to gather reservoir information to establish the area that can be efficiently and economically drained and developed by one well.

(6) That this case should be reopened at an examiner hearing in May, 1965, at which time the operators in the subject pool should be prepared to appear and show cause why the Vacuum-Upper Pennsylvanian Pool should not be developed on 40-acre spacing units.

IT IS THEREFORE ORDERED:

That temporary Special Rules and Regulations for the Vacuum-Upper Pennsylvanian Pool are hereby promulgated as follows, effective June 1, 1964.

SPECIAL RULES AND REGULATIONS
FOR THE
VACUUM-UPPER PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the Vacuum-Upper Pennsylvanian Pool or in the Upper Pennsylvanian formation within one mile of the Vacuum-Upper Pennsylvanian Pool, and not nearer to or within the limits of another designated Upper Pennsylvanian pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Vacuum-Upper Pennsylvanian Pool shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. The first well drilled on every standard or non-standard unit in the Vacuum-Upper Pennsylvanian Pool shall be located within 200 feet of the center of either the NW/4 or the SE/4 of a governmental quarter section.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) in the Vacuum-Upper Pennsylvanian Pool shall be assigned an 80-acre proportional factor of 5.67 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the Vacuum-Upper Pennsylvanian Pool as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the

(VACUUM-UPPER PENNSYLVANIAN POOL - Cont'd.)

Upper Pennsylvanian formation within the Vacuum-Upper Pennsylvanian Pool or within one mile of the Vacuum-Upper Pennsylvanian Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before June 15, 1964.

(2) That any operator desiring to dedicate 80 acres to a well presently drilling to or completed in the Vacuum-Upper Pennsylvanian Pool shall file a new Form C-128 with the Commission on or before June 15, 1964.

(3) That this case shall be reopened at an examiner hearing in May, 1965, at which time the operators in the subject pool may appear and show cause why the Vacuum-Upper Pennsylvanian Pool should not be developed on 40-acre spacing units.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

DAGGER DRAW-MORROW GAS POOL
Eddy County, New Mexico

Order No. R-2919, Adopting Temporary Operating Rules for the Dagger Draw-Morrow Gas Pool, Eddy County, New Mexico, June 8, 1965.

Order No. R-2919-A, February 23, 1967, makes permanent the rules adopted in Order No. R-2919.

Application of Monsanto Company for Special Pool Rules, Eddy County, New Mexico.

CASE NO. 3243
Order No. R-2919

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on April 28, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 8th day of June, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Monsanto Company, seeks the promulgation of special pool rules for the Dagger Draw-Strawn Gas Pool and the Dagger Draw-Morrow Gas Pool in Eddy County, New Mexico, including provisions for 640-acre spacing and fixed well locations.

(3) That the Monsanto Dagger Draw Well No. 1 located 660 feet from the South line and 1980 feet from the East line of Section 6, Township 20 South, Range 25 East, NMPM, Eddy County, New Mexico, is the only well presently completed in the subject pools.

(4) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 640-acre spacing should be promulgated for the Dagger Draw-Morrow Gas Pool.

(5) That the temporary special rules and regulations for the Dagger Draw-Morrow Gas Pool should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(6) That in order to protect correlative rights, a well location in the NW/4 NE/4 of Section 7, Township 20 South, Range 25 East, NMPM, Eddy County, New Mexico, no nearer than 660 feet to the North line of said Section 7 and no nearer than 330 feet to any other boundary of said quarter-quarter section should be authorized.

(7) That the temporary special rules and regulations for the Dagger Draw-Morrow Gas Pool should be established for a temporary period to expire one year from the date that a pipeline connection is first obtained for a well in the pool in order to allow the operators in the subject pool to gather reservoir information to establish the area that can be efficiently and economically drained and developed by one well.

(8) That this case should be reopened at an examiner hearing one year from the date that a pipeline connection is first obtained for a well in the Dagger Draw-Morrow Gas Pool, at which time the operators in the subject pool should appear and show cause why the Dagger Draw-Morrow Gas Pool should not be developed on 320-acre spacing.

(9) That the first operator to obtain a pipeline connection for a well in the Dagger Draw-Morrow Gas Pool should notify the Commission in writing of such fact, and that the Commission should thereupon issue a supplemental order designating an exact date for reopening this case.

(10) That the applicant has not established that the proposed temporary special rules and regulations for the Dagger Draw-Strawn Gas Pool would prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, prevent reduced recovery which might result from the drilling of too few wells, or otherwise prevent waste.

(11) That the applicant's request for special rules and regulations governing the Dagger Draw-Strawn Gas Pool should be denied.

IT IS THEREFORE ORDERED:

(1) That the applicant's request for special rules and regulations governing the Dagger Draw-Strawn Gas Pool in Eddy County, New Mexico, is hereby denied.

(2) That temporary special rules and regulations for the Dagger Draw-Morrow Gas Pool are hereby promulgated as follows:

RESERVATION DIVISION
RECEIVED
95 FEB 13 AM 8 52

Offset Operators:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please return the signed waiver in the enclosed self-addressed, stamped envelope to the NMOCD in Santa Fe and one copy to Shell Western E&P Inc. (For Shell Western E&P Inc.'s copy, business reply envelopes are enclosed for your convenience.)

No Envelopes!

Thank you for your cooperation in this matter.

WAIVER TO OBJECTION

SHELL WESTERN E&P INC.

Application for an
Unorthodox Vacuum-Upper Pennsylvanian Oil Well Location
State "A" #10
Vacuum-Upper Pennsylvanian Pool
NE/4 NE/4 Section 31, T17S, R35E
Lea County, New Mexico

I/We do hereby waive any objection to Shell Western E&P Inc.'s request for NMOCD Administrative Approval of an unorthodox well location for the State "A" #10 located 940' FNL & 940' FEL Section 31, T17S, R35E in Lea County, NM.

Signed: *J. A. Head*
Title: Asset Team Leader
Company: Texaco Exploration & Prod. Inc.
Date: 2-9-95

OIL CONSERVATION DIVISION
RECEIVED

Mobil Exploration & Producing U.S. Inc.

75 FEB 24 AM 8 52

February 22, 1995

P.O. BOX 633
MIDLAND, TEXAS 79702

Mr. Michael E. Stogner
State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

**APPLICATION FOR ADMINISTRATIVE
APPROVAL OF UNORTHODOX LOCATION
VACUUM-UPPER PENNSYLVANIAN POOL
STATE "A" WELL NO. 10
SECTION 31, T-17-S, R-35-E
LEA COUNTY, NEW MEXICO
NM-567**

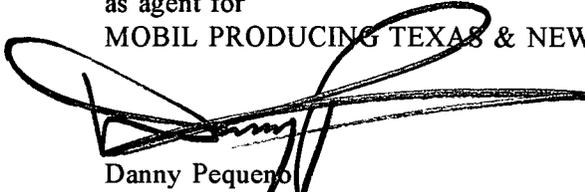
Dear Mr. Stogner:

In accordance with Shell Western E & P Inc.'s application on the referenced unorthodox location for the State "A" Well No. 10, this is to advise that Mobil hereby waives any objection to the proposed location. Enclosed please find a fully executed waiver to said well location.

If I can be of further assistance, please let me know.

Very truly yours,

MOBIL EXPLORATION & PRODUCING U.S. INC.
as agent for
MOBIL PRODUCING TEXAS & NEW MEXICO INC.



Danny Pequeno
Land/Joint Interest Advisor
Midland North Area

DP/sb
Enclosure

cc: Shell Western E & P Inc.
Attn: J. M. Winder
P. O. Box 576
Houston, TX 77001

M. Jiminez/Midland

APR 6 1995

Oil and Gas, Land/Oil

Offset Operators:

Please indicate your approval for our request as detailed in the attached package by signing the waiver form below. Please return the signed waiver in the enclosed self-addressed, stamped envelope to the NMOCD in Santa Fe and one copy to Shell Western E&P Inc. (For Shell Western E&P Inc.'s copy, business reply envelopes are enclosed for your convenience.)

Thank you for your cooperation in this matter.

WAIVER TO OBJECTION

SHELL WESTERN E&P INC.

**Application for an
Unorthodox Vacuum-Upper Pennsylvanian Oil Well Location
State "A" #10
Vacuum-Upper Pennsylvanian Pool
NE/4 NE/4 Section 31, T17S, R35E
Lea County, New Mexico**

I/We do hereby waive any objection to Shell Western E&P Inc.'s request for NMOCD Administrative Approval of an unorthodox well location for the State "A" #10 located 940' FNL & 940' FEL Section 31, T17S, R35E in Lea County, NM.

Signed:
Title:
Company:
Date:


LAND / JOINT INTEREST ADVISOR
Mobil Producing Texas & New Mexico Inc.
2-21-95



OIL CONSERVATION DIVISION STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

'95 FEB 10 AM 8 52 OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

2/7/95

BRUCE KING
GOVERNOR

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	<u> X </u> _____
NSP	_____
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

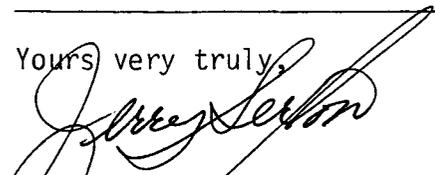
I have examined the application for the:

<u>Shell Western E&P Inc State A</u>	<u>#10-A</u>	<u>31-17-35</u>
Operator	Lease & Well No.	Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,


 Jerry Sexton
 Supervisor, District 1

/ed



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

RECEIVED
 05 MAY 20 PM 8 52

3-17-95

BRUCE KING
 GOVERNOR

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 X _____
 NSP _____
 SWD _____
 WFX _____
 PMX _____

Gentlemen:

I have examined the application for the:

Shell Western & Pine State A #10-A 31-17-35
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
 Jerry Sexton
 Supervisor, District 1

/ed