

NSC

10/7/96

RECEIVED DIVISION
FEL 100



Shell Western E&P Inc.

An affiliate of Shell Oil Company

P. O. Box 576
Houston, TX 77001

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 11, 1996

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
AN UNORTHODOX LOCATION
NORTH VACUUM-ABO POOL - HOOVER 32, WELL #1
SECTION 32, T17S, R35E
LEA COUNTY, NEW MEXICO**

Shell Western E&P Inc. (SWEPI) respectfully requests administrative approval of an unorthodox well location for the proposed Hoover 32, Well #1. The proposed well location for the Hoover 32, Well #1 is 2231' FNL and 385' FEL of Section 32, T17S, R35E in Lea County, New Mexico. Special pool rules provided in Order No. R-2421 require that the first well drilled on each proration unit in the North Vacuum-Abo Pool be located within 200 feet of the center of either the NW/4 or the SE/4 of a governmental quarter section. As shown on the attached topographical survey, existing pipelines and other surface restrictions prevent the drilling of the subject well at a legal location, being within 200 feet of the center of the SE/4 of the NE/4 of Section 32.

The following information is enclosed to support our request: Form C-101, Form C-102 reflecting the proposed unorthodox well location for the 80 acre proration unit for the North Vacuum-Abo pool, a topographical plat identifying surface obstructions preventing use of an orthodox well location for the North Vacuum-Abo pool, a list of affected parties and a land plat identifying the affected parties. The undersigned hereby certifies that all information presented in this application is current and correct.

SWEPI 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.

A copy of this application on this day has been forwarded to the affected parties via certified mail, return receipt requested, along with a waiver of objection form. Should you have any questions or need any additional information, please do not hesitate to give me a call at (713) 544-3226.

Yours very truly,

Yvonne T. Iverson
Western Asset - Asset Administration
Continental Division

Enclosures

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

Affected Parties (See enclosed list)

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Edo Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator name and Address Shell Western E&P Inc. P.O. Box 576 Houston, TX 77001		² OGRID Number 020676
		³ API Number 30-0
⁴ Property Code	⁵ Property Name HOOVER 32	⁶ Well Number 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
H	32	17S	35E		2231'	NORTH	385'	EAST	LEA

⁸ Proposed 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
⁹ Proposed Pool 1 NORTH VACUUM-ABO POOL					¹⁰ Proposed Pool 2 VACUUM; DRINKARD				

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3943' GL
¹⁶ Multiple N	¹⁷ Proposed Depth 9500'	¹⁸ Formations ABO/DRINKARD	¹⁹ Contractor NORTON	²⁰ Spud Date 9/15/96

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
24"	20"	CONDUCTOR	40'	60 SXS	SURFACE
17-1/2"	13-3/8"	48#	1600'	800 SXS	SURFACE
12-1/4"	8-5/8"	24# & 32#	4800'	900 SXS	SURFACE
7-7/8"	5-1/2"	15.5#	9500'	1300 SXS	4300'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary

BOP PROGRAM 2000# RAM PREVENTER.

SWEPI PLANS TO DRILL TO THE TOTAL DEPTH OF 9500' AND TEST THE ABO FORMATION. IN THE EVENT THAT SWEPI'S EVALUATION IS UNFAVORABLE, SWEPI PLANS TO PLUGBACK THE ABO FORMATION AND TEST THE DRINKARD FORMATION.

THIS PROPOSED WELL LOCATION IS UNORTHODOX FOR THE NORTH VACUUM-ABO POOL AND AN APPLICATION HAS BEEN SUBMITTED ON THIS DAY TO THE SANTA FE OFFICE FOR AN ADMINISTRATIVE APPROVAL OF THE PROPOSED UNORTHODOX WELL LOCATION FOR THE NORTH VACUUM-ABO POOL.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Yvonne T. Iverson</i>			
Printed name: YVONNE T. IVERSON		Approved by:	
Title: LAND REPRESENTATIVE		Title:	
Date: SEPTEMBER 11, 1996		Approval Date:	Expiration Date:
Phone: (713) 544-3226		Conditions of Approval: Attached <input type="checkbox"/>	

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

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

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number SD-025-38594	Pool Code 61760	Pool Name NORTH VACUUM-ABO POOL
Property Code	Property Name HOOVER 32	Well Number 1
OGRID No. 020676	Operator Name SHELL WESTERN E. & P. Inc.	Elevation 3943

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	32	17 S	35 E		2231	NORTH	385	EAST	LEA

Bottom Hole Location If Different From Surface

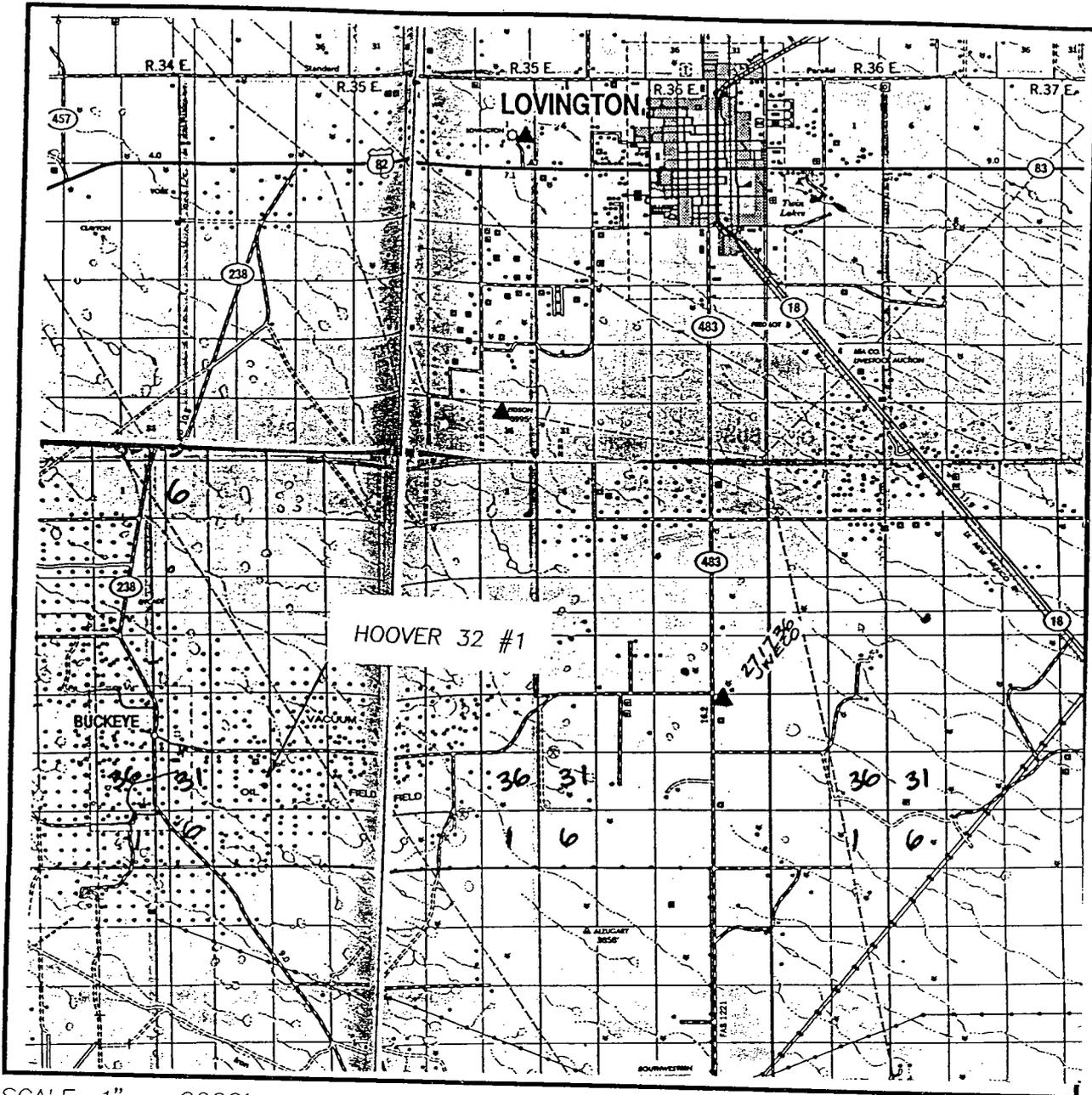
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 80	Joint or Infill	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>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>Juanne T. Iverson</i> Signature</p> <p>YVONNE T. IVERSON Printed Name</p> <p>LAND REPRESENTATIVE Title</p> <p>SEPTEMBER 11, 1996 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>AUGUST 30, 1996 Date Surveyed</p> <p>DSR</p>
	<p>Signature & Seal of Professional Surveyor</p> <p><i>John W. Iverson</i> Professional Surveyor</p>
	<p>Certificate No. JOHN W. IVERSON 676 RONALD S. IVERSON 3239 GAYLE IVERSON 12641</p>

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 5.0'

SEC. 32 TWP. 17-S RGE. 35-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 2231' FNL & 385' FEL

ELEVATION 3943'

OPERATOR SHELL WESTERN E. & P. INC.

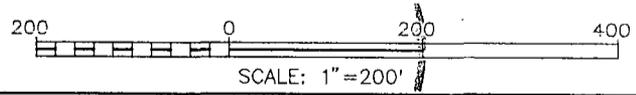
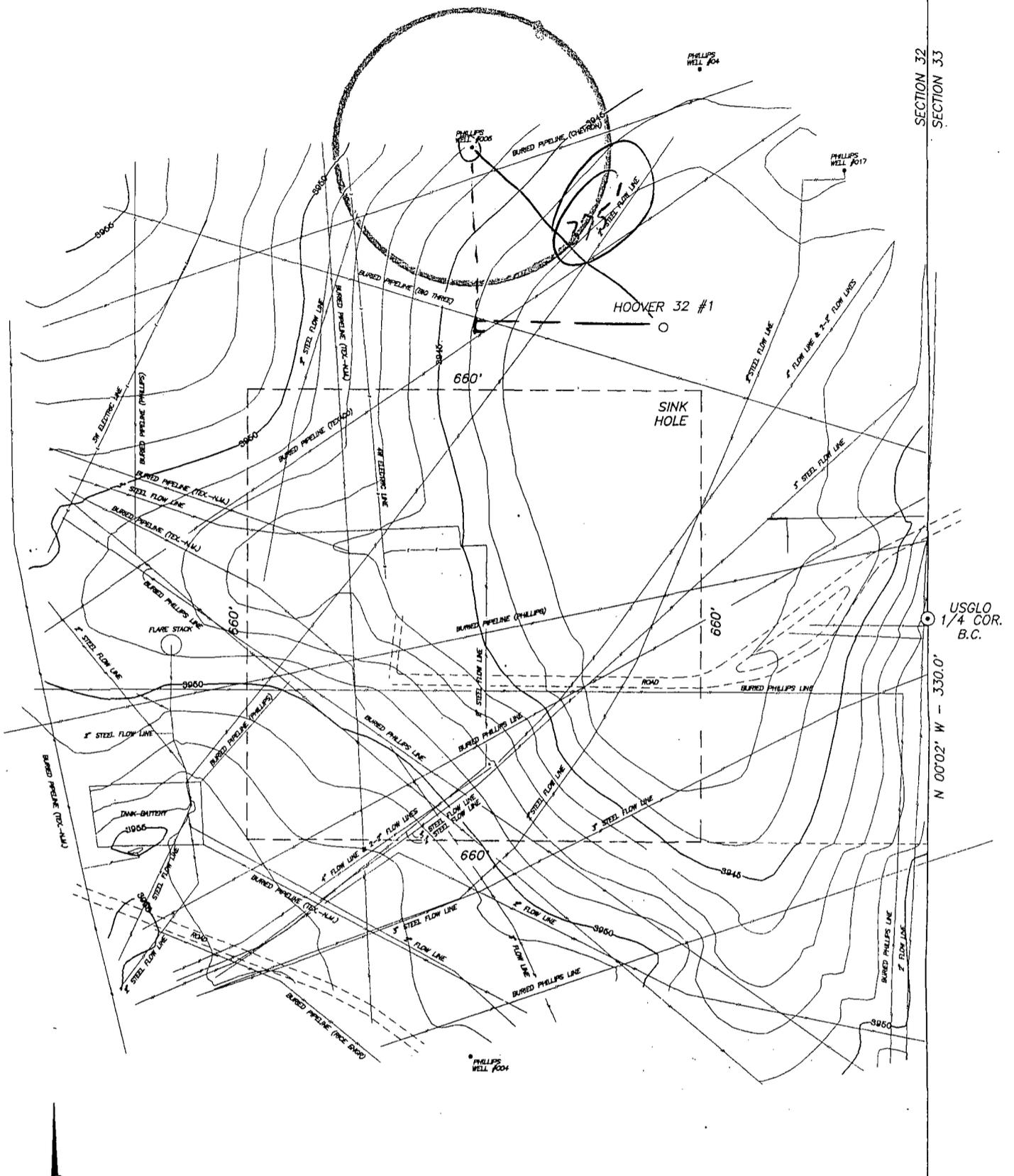
LEASE HOOVER 32 #1

U.S.G.S. TOPOGRAPHIC MAP

LOVINGTON S.E.

JOHN WEST ENGINEERING
 HOBBS, NEW MEXICO
 (505) 393-3117

SECTION 32, TOWNSHIP 17 SOUTH, RANGE 35 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



SHELL WESTERN E. & P. INC.		
Topographic Survey on the ground near HOOVER 32 #1 Located 2231' FNL & 385' FEL Section 32, Township 17 South, Range 35 East, N.M.P.M, Lea County, New Mexico.		
Survey Date: 08/30/96	Sheet 1 of 1	
W.O. Number: 96-11-1061	Drawn by: D. Roberts	
Date: 09/03/96	Revision Date:	SCALE: 1" = 200'

JOHN WEST ENGINEERING COMPANY
CONSULTING ENGINEERS & SURVEYORS - HOBBS, NEW MEXICO

September 11, 1996

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Dear Affected Party:

SUBJECT: APPLICATION FOR ADMINISTRATIVE APPROVAL OF
AN UNORTHODOX LOCATION
NORTH VACUUM-ABO POOL
HOOVER 32, #1
SECTION 32, T17S, R35E
LEA COUNTY, NEW MEXICO

Please find attached an application for administrative approval of an unorthodox well location for the Hoover 32, #1 filed with the State of New Mexico-Oil Conservation Division on this day by Shell Western E&P Inc. (SWEPI). Please be advised that if you have an objection to this application, it must be filed in writing within twenty days from the date of this application.

In the event that you have no objection to this application, please indicate your approval to our request as detailed in the attached application, by signing this waiver of objection form. Please forward the signed waiver to SWEPI in the enclosed business reply envelope.

Thank you for your attention and cooperation in this matter.

WAIVER OF OBJECTION

SHELL WESTERN E&P INC.

APPLICATION FOR AN UNORTHODOX WELL LOCATION
IN THE NORTH VACUUM-ABO POOL
HOOVER 32, #1
SECTION 32, T17S, R35E
LEA COUNTY, NEW MEXICO

I/We do hereby waive any objections to SWEPI's request for NMOCD Administrative approval of an unorthodox well location for the Hoover 32, #1, located 2231' FNL and 385' FEL of Section 32 T17S, R35E in Lea County, NM.

SIGNATURE: _____
TITLE: _____
COMPANY: _____
DATE: _____

NORTH VACUUM-ABO POOL
Lea County, New Mexico

Order No. R-2421, Creating and Adopting Temporary Operating Rules for the North Vacuum-Abo Pool, Lea County, New Mexico, March 1, 1963.

Order No. R-2421-A, March 13, 1964, makes permanent the temporary rules adopted in Order No. R-2421.

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

CASE NO. 2739
Order No. R-2421

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 Daniel S. Nuttner, Examiner duly appointed by the 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 14th 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 the 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 unit.

(3) That a new oil pool for Abo production should be created and designated by the Socony Mobil Oil Pool. This pool was 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. The Commission is hereby informed 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 the one-year period all operators in the subject pool should gather all

SECTION II

R. W. Byram & Co., - April, 1963

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 HEREFORE 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; SW/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 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 a single governmental quarter section may be subdivided into two 40-acre sections, and the application shall prohibit the drilling of a well on each of the quarter-quarter sections in the unit.

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 a single governmental quarter section may be subdivided into two 40-acre sections, and the application shall prohibit 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 the reasons therefor. The Secretary-Director may, for any operator, 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 the reasons therefor. The Secretary-Director may, for any operator, approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an

R. W. Byram & Co., - May, 1963

(NORTH VACUUM-ABO POOL - Cont'd.)

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 location requirements of this pool shall not be 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 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 hereinafter above designated.

SECTION II

New Mexico Page 205

SIMPSON-GALLUP POOL
San Juan County, New Mexico

Order No. R-2375, Creating and Adopting Temporary Operating Rules for the Simpson-Gallup Pool, San Juan County, New Mexico, December 1, 1962, Made Permanent by Order No. R-2375-A, January 29, 1964.

Application of Pan American Petroleum Corporation for the Reclassification of Special Rules and Regulations, San Juan County, New Mexico.

CASE NO. 2682
Order No. R-2375

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on November 8, 1962, at Santa Fe, New Mexico, before Daniel S. Nuttner, 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 21st day of November, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nuttner, and being fully advised in the premises,

FINDS:

(1) That the 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, Pan American Petroleum Corporation, seeks an order creating a new oil pool for Gallup production to be designated the Simpson-Gallup Oil Pool consisting of the following-described acreage in San Juan County, New Mexico:

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM

Section 23; S/2

Section 25; N/2

Section 24; SW/4

Section 26; NE/4

(3) That the applicant proposes the promulgation of special rules and regulations to govern said pool with a provision for 80-acre oil proration units.

(4) That the Simpson-Gallup Oil Pool was discovered by the Pan American Gallegos Canyon Unit Well No. 83, located in Unit A of Section 26, Township 28 North, Range 12 West, NMPM, San Juan County, New Mexico. This unit was completed February 25, 1959. The top of the perforations is at 5346 feet.

(5) That the evidence presently available establishes that the Simpson-Gallup Oil Pool can be efficiently and economically drained and developed on 80-acre oil proration units.

(6) That during the temporary period in which this order will be in effect, all operators in the subject pool should gather all available information relative to drainage and recoverable reserves in said pool.

OGRID Idn : 20676 API Well No: 30 25 33594 APD Status(A/C/P): A
Opr Name, Addr: SHELL WESTERN E & P INC Aprvl/Cncl Date : 09-20-1996
PO BOX 4772
HOUSTON, TX 77210-4772

Prop Idn: 19488 HOOVER 32 Well No: 1

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn	: H	32	17S	35E			FTG 2231 F N	FTG 385 F E
OCD U/L	: H		API County	: 25				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I): S Ground Level Elevation : 3943

State Lease No: Multiple Comp (Y/N) : S
Prpsd Depth : 9500 Prpsd Frmtn : ABO

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

OGRID Identifier : 20676 SHELL WESTERN E & P INC
 Prop Identifier : 19488 HOOVER 32
 API Well Identifier : 30 25 33594 Well No : 001
 Surface Locn - UL : H Sec : 32 Twp : 17S Range : 35E Lot Idn :
 Multiple comp (S/M/C) : S TVD Depth (Feet) : MVD Depth (Feet):
 Spud Date : P/A Date :
 Casing/Linear Record:

 S Size Grade Weight Depth(ft) Depth(ft) Hole Size Cement ---- TOC ----
 (inches) (lb/ft) Top-Liner Bot-Liner (inches) (Sacks) (feet) Code

E0004: No matching record found. Enter data to create.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 PF08 PF09 COMMENT PF10 TLOG PF11 PF12

VACUUM:ABO REEF
 Top Allowable 240 GOR Limit 2000
 Top Castinghead Gas Limit 480 MCF

VACUUM:ABO REEF (cont.)
 PHILLIPS PETROLEUM CO(COCONT.)
 VACUUM ABO UNIT(cont.)

VACUUM:ABO, NORTH (cont.)
 MARATHON OIL CO(COCONT.)
 MARATHON SEC 17 STATE COM

VACUUM:ABO, NORTH (cont.)
 MOBIL PRODUCING TEXAS & NEW MEXICO(cont.)
 NORTH VACUUM ABO UNIT(cont.)

***** ASHER ENTERPRISES LTD. CO. *****
 \ STATE CV (12) 2 E\$25-17-35 M 1000
 \ " (5) 6 E\$25-17-35 M 2000
 ***** BLEDSOE PETRO CORP *****
 TP STATE (6) 1 1 8-18-35 M TSTM
 ***** EXXON CORP *****
 NEW MEXICO BO STATE
 " (14) 1 H 12-18-34 M 929
 " (22) 2 1 12-18-34 M 682
 " (56) 3 J 12-18-34 M 714
 " (13) 5 G 12-18-34 M 2231
 " (6) 7 A 12-18-34 M 167
 " (17) 8 B 12-18-34 M 824
 ***** J & G ENTERPRISE LTD. CO. *****
 T P C & O STATE
 \ " (4) 1 1 26-17-35 M TSTM
 VTP STATE (9) 2 1 26-17-35 M 444
 ***** LYMK PETROLEUM CONSULTANTS INC *****
 B LEE STATE
 \ " (24) 1 F 7-18-35 M 292
 " (18) 3 E 7-18-35 M *228 500
 Acreege Factor 0.950
 *Acreege Factor Limits
 (8) 4 L 7-18-35 *228 875
 Acreege Factor 0.950
 *Acreege Factor Limits
 ***** MARATHON OIL CO *****
 WAIN STATE AC 2 8 N 6-18-35 #M37 4899
 ***** OKY USA INC *****
 STATE BU (3) 1 1 35-17-35 M 1000
 " (2) 3 0 35-17-35 M 1000
 ***** PENROC OIL CORP *****
 LEE (11) 1 G 2-18-35 M 2091
 ***** PERMIAN RESOURCES INC *****
 STATE L (9) 1 C 19-17-36 M 1111
 " (14) 2 L 19-17-36 *222 TSTM
 Acreege Factor 0.925
 *Acreege Factor Limits
 ***** PHILLIPS PETROLEUM CO *****
 R- 3181
 ***** VACUUM ABO UNIT P.M. PROJECT *****
 Maximum Allowable formulas:
 87 X 240 = 20880

VACUUM:ABO, NORTH
 (80 Acre Spacing)
 Top Allowable 355 GOR Limit 2000
 Top Castinghead Gas Limit 710 MCF

***** APACHE CORP *****
 NEW MEXICO N STATE
 " (27) 8 D 30-17-35 *M41 708
 Acreege Factor 0.938
 *Acreege Factor Limits
 ***** ARCO PERMIAN *****
 STATE B 1578 3 F 30-17-35 2A
 ***** CROSS TIMBERS OPER CO *****
 STATE K (3) 2 J 19-17-35 M 5333
 " (8) 3 P 19-17-35 M 5500
 STATE VB COM
 " (5) 1 B 19-17-35 M 2200
 ***** EXXON CORP *****
 NEW MEXICO J STATE
 " (29) 4 L 19-17-35 *333 1103
 Acreege Factor 0.938
 *Acreege Factor Limits
 (18) 5 M 19-17-35 M 1111
 ***** MACK ENERGY CORP *****
 MILLER BU STATE
 " (22) 2 N 3-17-34 M TSTM
 STATE GS 16 1 P 16-17-34 M TSTM
 " (2) 1 P 16-17-34 M TSTM
 ***** MARATHON OIL CO *****

***** MERIT ENERGY CO *****
 GALLAGHER B STATE
 SUPCO STATE
 " 1 F 17-17-34 NO C-116
 " 2 G 17-17-34 NO C-116
 ***** MOBIL PRODUCING TEXAS & NEW MEXICO *****
 STATE CC COM
 " (11) 1 L 36-17-34 #M76 1909
 STATE L (6) 5 L 21-17-35 M 1667
 STATE PR (8) 1 M 17-17-35 M 1250
 STATE ZZ COM
 " (12) 1 F 7-17-35 M 583
 ***** MOBIL PRODUCING TEXAS & NEW MEXICO *****
 ***** WATERFLOOD PROJECT *****
 NORTH VACUUM ABO EAST UNIT
 Maximum Allowable formulas:
 11 X 355 = 3905
 NORTH VACUUM ABO EAST UNIT
 " 1 J 7-17-35 INPUT
 " 2 L 7-17-35 INPUT
 " 3 M 7-17-35 INPUT
 " 4 P 7-17-35 INPUT
 " 5 R 18-17-35 INPUT
 " 6 D 18-17-35 INPUT
 " 7 F 18-17-35 INPUT
 " 8 H 18-17-35 INPUT
 " 9 J 18-17-35 INPUT
 " 10 L 18-17-35 INPUT
 " 11 M 18-17-35 INPUT
 " 12 E 18-17-35 WF
 " 13 M 18-17-35 WF
 " 15 O 18-17-35 WF
 " 16 G 18-17-35 WF
 " 17 C 18-17-35 WF
 " 18 K 18-17-35 WF
 " 19 K 7-17-35 WF
 " 20 I 7-17-35 WF
 " 21 A 18-17-35 WF
 " 22 O 18-17-35 WF
 " 23 N 7-17-35 WF
 ***** MOBIL PRODUCING TEXAS & NEW MEXICO *****
 ***** NORTH VACUUM ABO P.M. PROJECT *****
 R- 4430
 Maximum Allowable formulas:
 79 X 355 = 28045
 NORTH VACUUM ABO UNIT
 " 96 H 26-17-34 INPUT
 " 98 J 26-17-34 INPUT
 " 104 B 25-17-34 WF
 " 109 N 26-17-34 INPUT
 " 112 D 29-17-34 INPUT
 " 116 L 24-17-34 INPUT
 " 117 P 23-17-34 INPUT
 " 118 F 26-17-34 INPUT
 " 119 F 24-17-34 INPUT
 " 121 L 13-17-34 INPUT
 " 122 I 3-17-34 WF
 " 124 P 14-17-34 INPUT
 " 128 H 23-17-34 INPUT
 " 129 B 23-17-34 INPUT
 " 130 H 15-17-34 INPUT

***** MERIT ENERGY CO *****
 GALLAGHER B STATE
 SUPCO STATE
 " 1 F 17-17-34 NO C-116
 " 2 G 17-17-34 NO C-116
 ***** MOBIL PRODUCING TEXAS & NEW MEXICO *****
 STATE CC COM
 " (11) 1 L 36-17-34 #M76 1909
 STATE L (6) 5 L 21-17-35 M 1667
 STATE PR (8) 1 M 17-17-35 M 1250
 STATE ZZ COM
 " (12) 1 F 7-17-35 M 583
 ***** MOBIL PRODUCING TEXAS & NEW MEXICO *****
 ***** WATERFLOOD PROJECT *****
 NORTH VACUUM ABO EAST UNIT
 Maximum Allowable formulas:
 11 X 355 = 3905
 NORTH VACUUM ABO EAST UNIT
 " 1 J 7-17-35 INPUT
 " 2 L 7-17-35 INPUT
 " 3 M 7-17-35 INPUT
 " 4 P 7-17-35 INPUT
 " 5 R 18-17-35 INPUT
 " 6 D 18-17-35 INPUT
 " 7 F 18-17-35 INPUT
 " 8 H 18-17-35 INPUT
 " 9 J 18-17-35 INPUT
 " 10 L 18-17-35 INPUT
 " 11 M 18-17-35 INPUT
 " 12 E 18-17-35 WF
 " 13 M 18-17-35 WF
 " 15 O 18-17-35 WF
 " 16 G 18-17-35 WF
 " 17 C 18-17-35 WF
 " 18 K 18-17-35 WF
 " 19 K 7-17-35 WF
 " 20 I 7-17-35 WF
 " 21 A 18-17-35 WF
 " 22 O 18-17-35 WF
 " 23 N 7-17-35 WF
 ***** MOBIL PRODUCING TEXAS & NEW MEXICO *****
 ***** NORTH VACUUM ABO P.M. PROJECT *****
 R- 4430
 Maximum Allowable formulas:
 79 X 355 = 28045
 NORTH VACUUM ABO UNIT
 " 96 H 26-17-34 INPUT
 " 98 J 26-17-34 INPUT
 " 104 B 25-17-34 WF
 " 109 N 26-17-34 INPUT
 " 112 D 29-17-34 INPUT
 " 116 L 24-17-34 INPUT
 " 117 P 23-17-34 INPUT
 " 118 F 26-17-34 INPUT
 " 119 F 24-17-34 INPUT
 " 121 L 13-17-34 INPUT
 " 122 I 3-17-34 WF
 " 124 P 14-17-34 INPUT
 " 128 H 23-17-34 INPUT
 " 129 B 23-17-34 INPUT
 " 130 H 15-17-34 INPUT



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

October 10, 1996

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

Attention: Yvonne T. Iverson

Re: Application for administrative approval to drill your proposed Hoover "32" Well No. 1 (API No. 3002533594) at an unorthodox oil well location to test the Undesignated North Vacuum-Abo Pool 2231 feet from the North line and 385 feet from the East line (Unit H) of Section 32, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico.

Dear Ms. Iverson:

Per your application dated September 11, 1996 you stated that the attached topographic plat shows the existing pipelines and other surface restrictions that prevent the drilling of the subject well at a legal location. As indicated only half of the legal area was mapped and within that mapped area I'm not sure why the space between the Chevron and Texaco pipelines can not accommodate a drilling pad. Perhaps a more detailed explanation may serve to satisfy any lingering apprehension. Further, the list of affected parties referenced at the end of your cover letter was not included, to complete this request please provide this list.

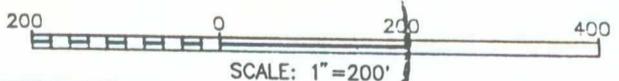
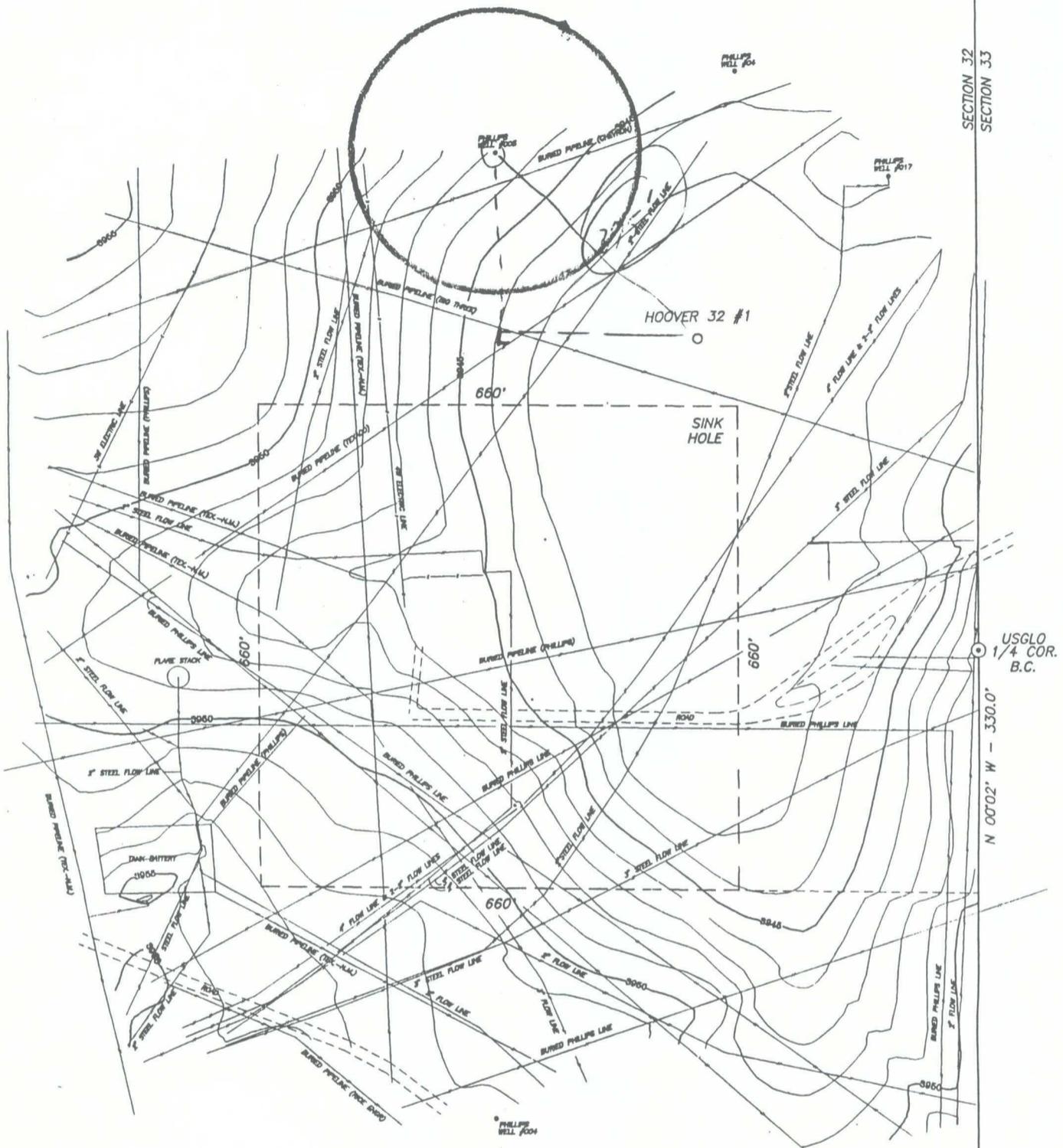
Should there be any questions, please call me in Santa Fe at (505) 827-8185 or through the e-mail at, "MIKSTOGNER@EMNRDSF.STATE.NM.US". Thank you for your cooperation.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
James Bruce - Santa Fe
William J. LeMay - OCD Director, Santa Fe

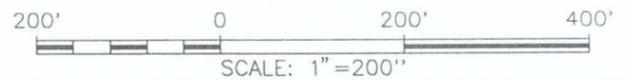
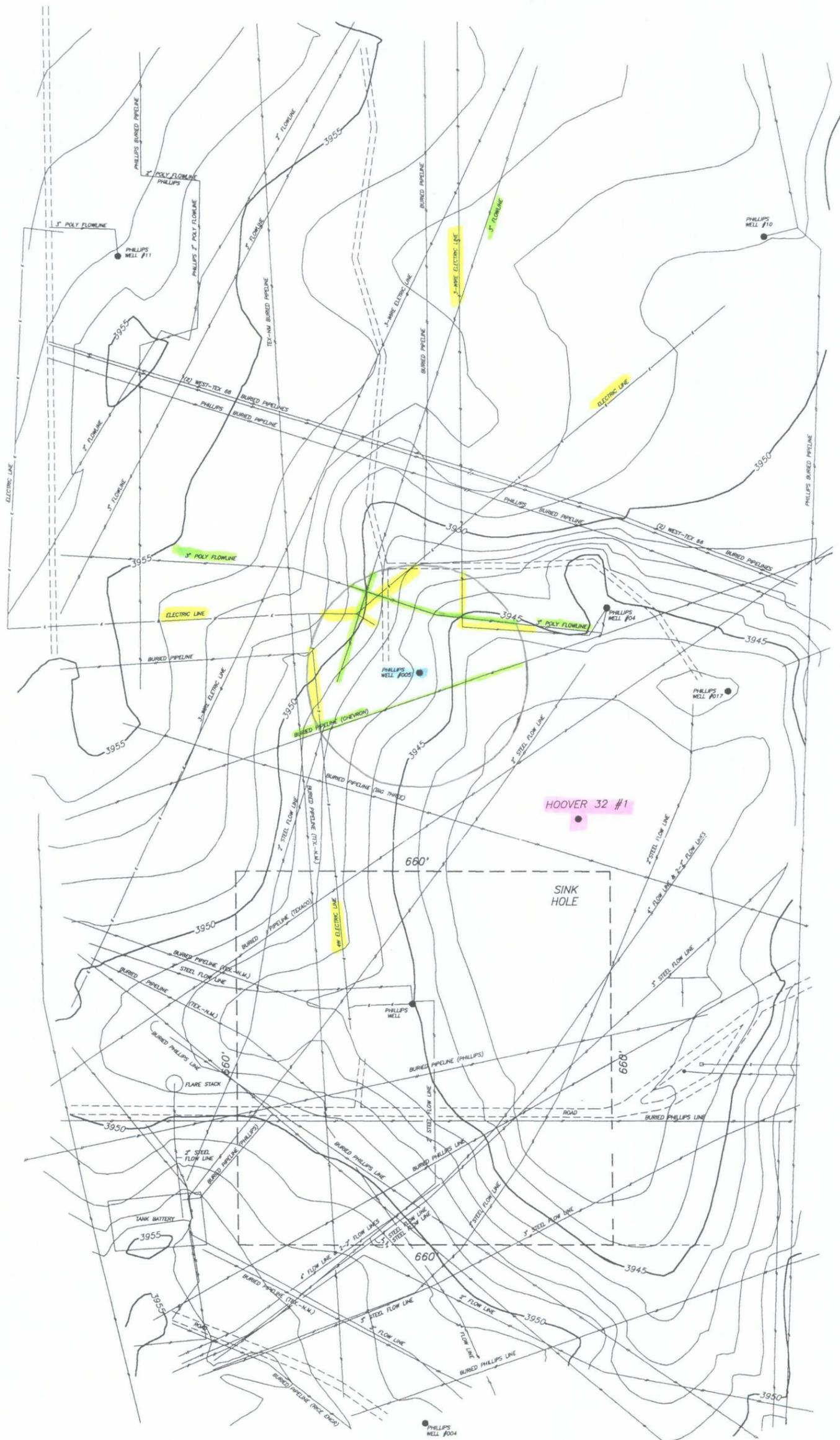
SECTION 32, TOWNSHIP 17 SOUTH, RANGE 35 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



SHELL WESTERN E. & P. INC.	
Topographic Survey on the ground near HOOVER 32 #1 Located 2201' FNL & 385' FEL Section 32, Township 17 South, Range 35 East, N.M.P.M., Lea County, New Mexico.	
Survey Date: 08/30/98	Sheet 1 of 1
W.O. Number: 96-11-1081	Drawn by: D. Roberts
Date: 09/03/98	Revision Date: SCALE: 1"=200'

JOHN WEST ENGINEERING COMPANY
CONSULTING ENGINEERS & SURVEYORS - HOBBS, NEW MEXICO

SECTION 32, TOWNSHIP 17 SOUTH, RANGE 35 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

Ronald J. Eidson 10-18-96

JOHN W. WEST, N.M. P.E. & P.S. No. 676
TEXAS P.L.S. No. 1138
RONALD J. EIDSON, N.M. L.S. No. 3239
TEXAS P.L.S. No. 1883
GARY G. EIDSON, N.M. L.S. No. 12641
TEXAS P.L.S. No. 4735

JOHN W. WEST ENGINEERING COMPANY
CONSULTING ENGINEERS & SURVEYORS - HOBBS, NEW MEXICO

 SHELL WESTERN E & P INC.

TOPOGRAPHIC SURVEY FOR THE HOOVER 32 #1
2231 FNL, 385 FEL, SECTION 32, TOWNSHIP 17 SOUTH
RANGE 35 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 10-16-96	Sheet 1 of 1 Sheets
W.O. Number: 96-11-1336	Drawn By: CDG
Date: 10-17-96	Disk: SHELL2 SHE1336 Scale: 1"=200'

AFFECTED PARTIES

**HOOVER 32, WELL #1
SECTION 32, T17S, R35E
LEA COUNTY, NEW MEXICO**

Exxon Corporation
P. O. Box 1600
Midland, TX 79702-1600

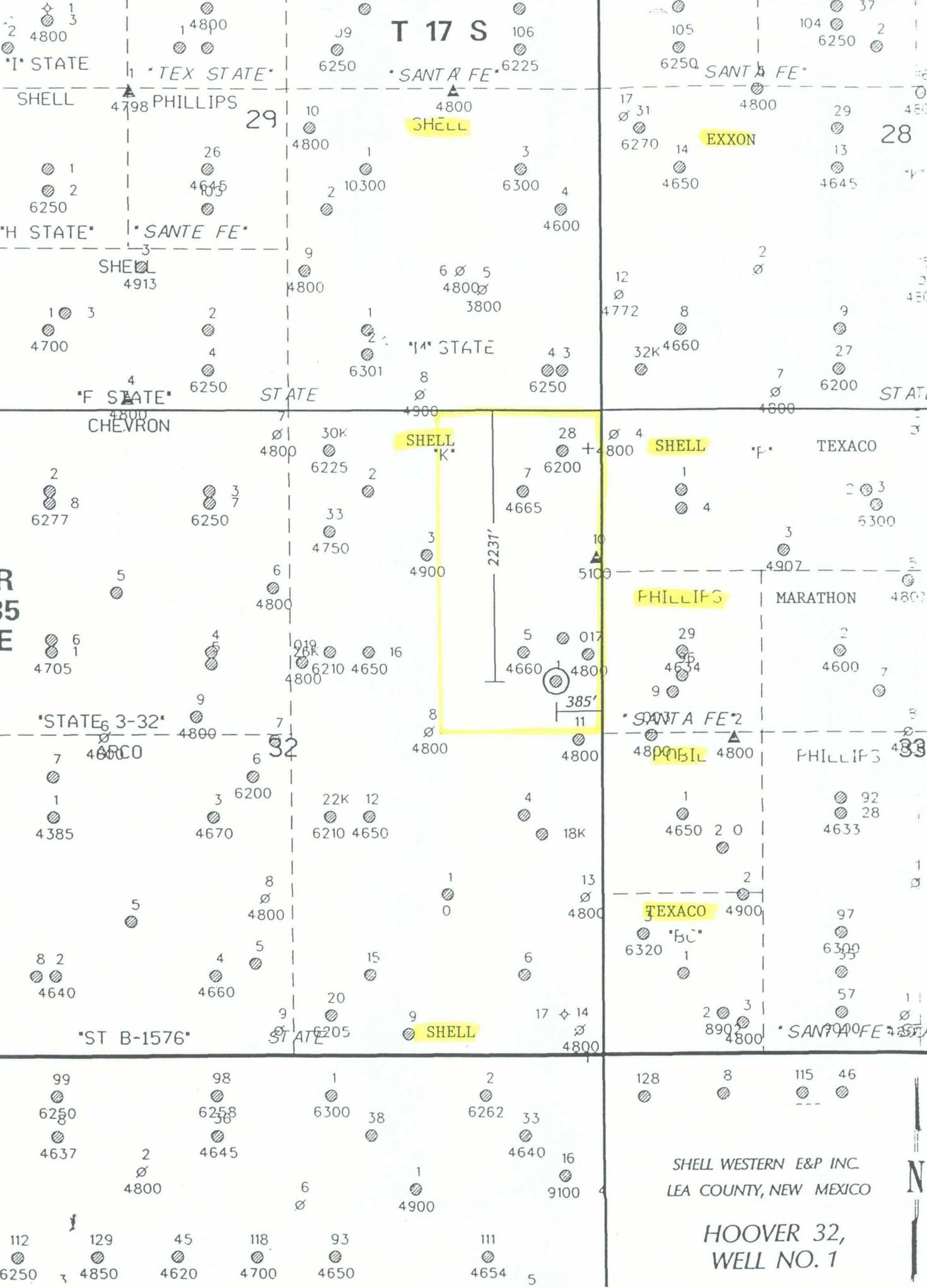
Mobil Exploration &
Production U.S., Inc.
Box 633
Midland, TX 79702-0633

Phillips Petroleum Company
4001 Penbrook
Odessa, TX 79762

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

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

T 17 S



SHELL

EXXON

SHELL

SHELL

PHILLIPS

PHILLIPS

TEXACO

SHELL

SHELL WESTERN E&P INC.
LEA COUNTY, NEW MEXICO

HOOVER 32,
WELL NO. 1

N