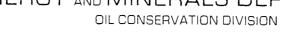
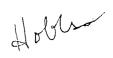
STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT







May 26, 1987

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-5800

, remit H

Shell Western E&P, Inc. P. O. Eox 576 Houston, texas 77001

Attention: A. J. Fore

Administrative Order NSL-2346 (DD)

5.7.8

Dear Mr. Fore:

Reference is made to your application received April 24, 1987 for administrative approval to directionally drill the North Hobbs Grayburg San Andres Unit Section 33 Well No. 412, the surface location to be 1973 feet from the North line and 530 feet from the East line (Unit G) of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, by kicking off from vertical at a depth of approximately 500 feet and to continue drilling in such a manner as to bottom it at an unorthodox subsurface location in the Hobbs-Grayburg San Andres Pool 1300 feet from the North line and 750 feet from the East line (Unit A) of said Section 33. The NE/4 NE/4 of said Section 33 is to be simultaneously dedicated to said well and to the North Hobbs Grayburg San Andres Unit Section 33 Well No. 411 located 660 feet from the North and East lines of said Section 33.

By authority granted me under the provisions of Rule 7 of Division Order No. R-6199, as amended, the above-described bottomhole unorthodox location is hereby approved.

Further, by the authority granted me under the provisions of Rule 111(C), the above described directionally drilled well is STATE OF NEW MEXICO.

ENERGY AND MINERALS DEPARTMENT



OIL CONSERVATION DIVISION

May 26, 1987

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-5800

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

Attention: A. J. Fore

Administrative Order MSL-2346 (DD)

Dear Mr. Fore:

Reference is made to your application received April 24, 1987 for administrative approval to directionally drill the North Hobbs Grayburg San Andres Unit Section 33 Well No. 412, the surface location to be 1973 feet from the North line and 530 feet from the East line (Unit G) of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, by kicking off from vertical at a depth of approximately 500 feet and to continue drilling in such a manner as to bottom it at an unorthodox subsurface location in the Hobbs-Grayburg San Andres Pool 1300 feet from the North line and 750 feet from the East line (Unit A) of said Section 33. The NE/4 NE/4 of said Section 33 is to be simultaneously dedicated to said well and to the North Hobbs Grayburg San Andres Unit Section 33 Well No. 411 located 660 feet from the North and East lines of said Section 33.

By authority granted me under the provisions of Rule 7 of Division Order No. R-6199, as amended, the above-described bottomhole unorthodox location is hereby approved.

Further, by the authority granted me under the provisions of Rule 111(C), the above described directionally drilled well is



hereby approved provided the operator, subsequent to drilling said well, conducts a multi-shot directional survey on the well and submits this test to the Hobbs district office of the Division.

Sincerely,

WILLIAM J. LEMAY, Director

WJL/MES/dr

cc: Oil Conservation Division Hobbs, New Mexico