



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

November 15, 1995

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

Attention: Yvonna T. Iverson

Administrative Order NSL-3599

Dear Ms. Iverson:

Reference is made to your application dated October 24, 1995, for a non-standard Atoka/Morrow gas well location for your Warn State A/C "#1" Well No. 1 (API No. 30-025-33052), just recently drilled to a total depth of 13,000 feet to test the Silurian/Devonian formations for oil. This well's APD dated August 1, 1995 indicated a 40-acre tract comprising the NE/4 SW/4 (Unit K) of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico was to be dedicated to said well to be drilled at a standard oil well location 2036 feet from the South line and 2260 feet from the West line of said Section 31.

It is our understanding that while drilling through the lower Pennsylvanian system gas was encountered and, should the subject well be plugged back and recompleted up-hole into the Atoka/Morrow interval as a gas well, said location, pursuant to Division General Rules 104.B.(1)(a) and C(2)(b), is considered to be "unorthodox". Further, the ~~N~~^W/2 of said Section 31 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said intervals.

By the authority granted me under the provisions of Division General Rule 104.F(1), the above-described unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay", with a long vertical line extending downwards from the end of the signature.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe