

**Shell Western E&P Inc.**

A Subsidiary of Shell Oil Company

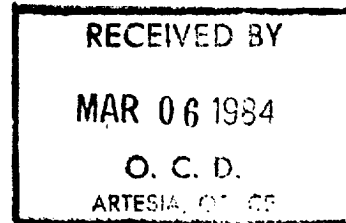


March 2, 1984

P.O. Box 991

Houston, TX 77001

Mr. Joe D. Ramey  
State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87501



Gentlemen:

SUBJECT: UNORTHODOX LOCATION - PHILLIPS OIL CO. - KGS-A NO. 1  
330' FSL & 1200' FEL, UNIT P, SECTION 14, T-16-S, R-30-E  
HENSHAW WOLFCAMP POOL, EDDY COUNTY, NEW MEXICO

We have reviewed Phillips' application and find no justification for the subject unorthodox location. Therefore, Shell Western E&P Inc. objects to the location as proposed by Phillips Oil Company.

However, in the event an unorthodox location is permitted, we recommend a limit of 60 barrels of oil be placed on the daily production rate. SWEPI Henshaw Deep Unit No. 5, the south offsetting well, is currently producing 60 BOPD and is the basis for our suggested daily production limit. We feel this action would minimize the significant advantage gained by Phillips as a result of the proposed location over the offset producer at its orthodox location.

Yours very truly,

A. J. Fore  
Supervisor Regulatory and Permitting  
Mid-Continent Division

AJF:dmu

cc: Phillips Oil Company  
4001 Penbrook St.  
Odessa, TX 79762

State of New Mexico ✓  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Drawer DD  
Artesia, NM 88210

U. S. Department of the Interior  
Bureau of Land Management  
P. O. Box 1397  
Roswell, NM 88201

Offset Operators  
(See Attached List)

*Handwritten notes:*  
Wish...  
RE-7/18/84  
Dipper 3-22-84  
...  
D. 6/1/84