

HOLLAND & HART^{LLP}



Michael H. Feldewert
Recognized Specialist in the Area of
Natural Resources - oil and gas law -
New Mexico Board of Legal
Specialization
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May 24, 2011

VIA HAND-DELIVERY

Ms. Gail MacQuesten, Esq.
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED OGD
2011 MAY 24 A 10:04

**Re: Case No. 14583: Application of Farleigh Oil Properties for a
compliance order, against SWEPI LP and Shell Exploration and
Production Company, Guadalupe County, New Mexico.**

Dear Ms. MacQuesten:

Pursuant to the Division's Response to Shell's Motion to Dismiss in the above referenced matter, enclosed please find corrected C-103s (and in the case of the Webb CD-1, a corrected C-105) for the subject wells. It is my understanding that these corrected filings constitutes the last step that the Division believes is necessary to clarify the record before the case is dismissed. Original copies of these corrected filings have been provided to Ed Martin, District Supervisor, for approval and filing.

Thank you for your attention to this matter.

Sincerely,



Michael H. Feldewert

cc: David Brooks, Esq.
Oil Conservation Division

Ed Martin, District Supervisor
Oil Conservation Division

James Bruce, Esq.
Attorney for Farleigh Oil Properties

Holland & Hart LLP

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Gail MacQuesten
May 23, 2011
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W. Thomas Kellahin, Esq.
Attorney for Bayswater Exploration and Production, L.L.C.

John Michael Richardson
Agent for Granada Holdings Limited Partnership, L.L.P.



Shell Exploration & Production

State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division-District 4
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Attn.: Ed Martin, District Supervisor

Shell Exploration & Production Co.

Regulatory Affairs-EP Americas
4582 S. Ulster Street Parkway
Suite 1400
Denver, Colorado 80237

May 20, 2011

Subject: **Amended Well Completion Report and Log, and Notice of Intention**
Shell Exploration & Production Co., Webb CD-1 (API No. 30-019-20134)
Guadalupe County, New Mexico

Dear Mr. Martin:

As requested by the New Mexico Oil Conservation Division, Shell Exploration & Production Company (Shell), as service provider to SWEPI LP in New Mexico, is submitting an amended Well Completion Report and Log (Form C-105) and Notice of Intention (Form C-103) for the subject well to New Mexico Oil Conservation Division-District 4 (OCD) for your review and recordkeeping.

The amended Form C-105 includes only revised data in Section 17, as shown in red. The amended Form C-103 is revised only Section 12, and in selected text in Proposed Operations (Section 13), as shown in red, to clarify that only one producing zone exists in this well.

If you have any questions or require any additional information regarding this amended report and notice, please contact me at (303) 222-6347.

Regards,

Michael L. Bergstrom
Senior Regulatory Advisor
Shell Exploration & Production Company

Attachments: Form C-105
Form C-103

Submit 5 Copies to Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-019-20134
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. NA
7. Lease Name or Unit Agreement Name Hage and Webb Land and Cattle, Inc.
8. Well Number Webb CD-1
9. OGRID Number 250036
10. Pool name or Wildcat Wildcat
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4574 feet graded

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator SWEPI LP	
3. Address of Operator P.O. Box 576 Houston, TX	
4. Well Location Unit Letter N 825 feet from the South line and 1815 feet from the West line Section 25 Township 11 N Range 23 E NMPM County Guadalupe	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4574 feet graded	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: ADDITIONAL COMPLETION <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

SWEPI LP proposes to perform additional completion work, including installation of new production casing, new perforations, hydraulic fracturing and flow testing of the one producing zone in the well. Work to be performed in accordance with prior approved plans, and the procedures listed below.

SWEPI LP will:

- 1) Mobilize a workover rig to fish the retrievable bridge plug out of the well and recover pressure gauges placed below the plug. A 2 7/8" or 3 1/2" tubing string will be installed inside the current production casing and cemented in place. Upon completion, the workover rig will rig down and move off the well.
- 2) Perforate and hydraulically fracture up to 13 stages in the one producing zone in the well from the new tubing string.
- 3) Perforate and fracture previously producing stages and additional stages in the one producing zone in the well using improved completion techniques, (i.e., higher perforation density, larger volumes of fracturing fluids and improved chemical additives to reduce scaling) to enhance overall production.
- 4) Produce the well during flowback periods and flow testing periods, with flaring not to exceed the 58 days remaining on the approved completion plan, and an additional 60 days of flaring needed to evaluate the one producing zone in the well, and the response of the well and reservoir to the improved completion procedures.

Spud Date: **March 29, 2006**

Rig Release Date: **March 21, 2008**

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Michael L. Bergstrom TITLE: Senior Regulatory Advisor DATE: May 20, 2011
Type or print name: Michael L. Bergstrom E-mail address: michael.bergstrom@shell.com PHONE: (303) 222-6347

For State Use Only

APPROVED BY: Ed Martin TITLE: **DISTRICT SUPERVISOR** DATE: 5/25/2011
Conditions of Approval (if any):

Submit To Appropriate District Office
State Lease - 6 copies
Fee Lease - 5 copies
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-105
Revised June 10, 2003

WELL API NO.
30-019-20134

5. Indicate Type of Lease
STATE ☐ FEE ☒
State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER _____
b. Type of Completion:
NEW ☒ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF.
WELL OVER BACK RESVR. ☐ OTHER

7. Lease Name or Unit Agreement Name
Hage and Webb Land and Cattle, Inc.

2. Name of Operator

Shell Exploration & Production Co., dba SWEPI LP

8. Well No.

Webb CD-1

3. Address of Operator

4582 S. Ulster St. Pkwy., Suite 1400, Denver, CO 80237

9. Pool name or Wildcat

Wildcat

4. Well Location

Unit Letter N : 825 Feet From The South Line and 1815 Feet From The West Line

Section 25 Township 11N Range 23E NMPM Guadalupe County

10. Date Spudded 3/29/2006	11. Date T.D. Reached 5/29/06	12. Date Compl. (Ready to Prod.) 3/21/2008	13. Elevations (DF& RKB, RT, GR, etc.) GR - 4574'	14. Elev. Casinghead 4591'
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15. Total Depth 10,927'	16. Plug Back T.D. 10,814'	17. If Multiple Compl. How Many Zones? 1 only	18. Intervals Drilled By Rotary Tools 0 - 10,927'	Cable Tools
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19. Producing Interval(s), of this completion - Top, Bottom, Name
7,970', 10,783' Penn

20. Was Directional Survey Made
Yes

21. Type Electric and Other Logs Run
GR/Neutron/Density/ Caliper/Sonic

22. Was Well Cored
No

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	54.5	1,216'	17.5"	750 sxs	N/A
9 5/8"	36	3,315'	12.25"	825 sxs	N/A
5 1/2"	17	10,926'	7.875"	500 sxs	N/A

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN
NA				

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
NA		

26. Perforation record (interval, size, and number)
7,950 - 8,094'; 8,256 - 8,486'; 8,610 - 8,800'; 8,932 - 9,163'; 9,480 - 9,684';
9,838 - 9,874'; 9,948 - 10,095'; 10,214 - 10,398'; 10,456 - 10,595';
10,647 - 10,783';
0.45", 3 spf

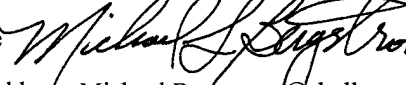
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
7,950 - 8,094'	68,900# 20/40 sand
8,256 - 8,486'	180,000# 20/40 sand
8,610 - 8,800'	123,000# 20/40 sand

28. PRODUCTION

Date First Production NA		Production Method (Flowing, gas lift, pumping - Size and type pump) NA			Well Status (Prod. or Shut-in) Shut-in after testing on 1/20/2008		
Date of Test 8/16-9/19/07 9/28-10/4/07 10/19-10/23/07 11/17-12/10/07 1/4/08-1/20/08	Hours Tested 567.12 120 1489 CUM 103.92 529.92 168	Choke Size 16-44 mm	Prod'n For Test Period	Oil - Bbl 0	Gas - MCF 107,948 CUM	Water - Bbl. 29,606 CUM	Gas - Oil Ratio NA
Flow Tubing Press.	Casing Pressure Up to 800 psi	Calculated 24-Hour Rate	Oil - Bbl. 0	Gas - MCF 1,740/24 hrs	Water - Bbl. 477/24 hrs	Oil Gravity - API - (Corr.) NA	
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Flared						Test Witnessed By	

30. List Attachments
Additional information for Block 27: Lithologic Log, Electric Logs (on disc)

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief
Drilling and casing/cementing information provided by Cuervo Exploration LLC. Completion and production testing information provided by Shell Exploration & Production.

Signature  Printed Name Michael L. Bergstrom Title Senior Regulatory Advisor Date 05/20/2011
E-mail Address Michael.Bergstrom@shell.com

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinebry	T. Gr. Wash	T. Morrison	T.
T. Tubb	T. Delaware Sand	T. Todilto	T.
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo	T.	T. Wingate	T.
T. Wolfcamp	T.	T. Chinle	T.
T. Penn	T.	T. Permian 1,192	T.
T. Cisco (Bough C)	T.	T. Penn "A" 4,150	T.

OIL OR GAS SANDS OR ZONES

No. 3, from.....10,610.....to.....10,670.....

No. 4, from.....10,700.....to.....10,790.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from 670 to 760 feet.

No. 2, from.....870.....to.....1,000.....feet.....

No. 3, from.....1,040.....to.....1,180... ..feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology
			See Attached pdf file with lithologic log