

Shell Western E&P Inc.

An affiliate of Shell Oil Company



P.O. Box 576
Houston, TX 77001

May 5, 1993

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

Gentlemen:

**SUBJECT: UNORTHODOX WELL LOCATION
NORTH HOBBS (GB/SA) UNIT
SECTION 32, WELL NO. 144
T18S-R38E
HOBBS (GB/SA) POOL
LEA COUNTY, NEW MEXICO
(REF: ADMINISTRATIVE ORDER NSL-3148 GRANTED 8/20/92)**

Pursuant to the provisions of Rule 104-F and Division Order No. R-6199, Shell Western E&P Inc. (SWEPI) respectfully requests administrative approval to drill the subject well at an unorthodox location within the city limits of Hobbs, New Mexico where surface use restrictions prevent drilling at an orthodox location. Additional surface use restrictions imposed by the surface owner necessitated the restaking of the well location. Directional drilling to a legal bottom-hole location is not feasible due to the exorbitant, incremental costs involved. The well will be located less than the minimum 330 feet from the 40-acre proration unit, but is orthodox in all other respects. The certified plat submitted within this application indicates the proposed location.

The proposed location for Well No. 144 is also necessary to complete an efficient production and injection pattern, thereby maximizing oil recovery in areas where waterflood oil will be bypassed with the current injection-production well configuration. A project plat identifying all producing and injection wells therein is attached, and the information is hereby certified as current and correct.

By copy of this letter and attachments, we have notified the offset operator shown on the attached service list by certified mail.

Should you have any questions, please contact Marcus Winder at 713-544-3797.

Very truly yours,

A handwritten signature in cursive script that reads "J. L. Morris".

J. L. Morris, Technical Manager
Asset Administration-West Texas Asset
Continental Division

JMW:rlb

Attachments

**cc: State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
P. O. Box 1980
Hobbs, NM 88241-1980**

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Lease Name or Unit Agreement Name N. HOBBS (G/SA) UNIT SECTION 32
b. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Well No. 144
2. Name of Operator SHELL WESTERN E&P INC.		9. Pool name or Wildcat HOBBS (G/SA)
3. Address of Operator P. O. BOX 576, HOUSTON, TX 77001 (WCK 4465)		
4. Well Location Unit Letter <u>M</u> : <u>786</u> Feet From The <u>SOUTH</u> Line and <u>1175</u> Feet From The <u>WEST</u> Line Section <u>32</u> Township <u>18S</u> Range <u>38E</u> NMPM <u>LEA</u> County		

10. Proposed Depth 4400'	11. Formation SAN ANDRES	12. Rotary or C.T. ROTARY
13. Elevations (Show whether DF, RT, GR, etc.) 3627.4' GR	14. Kind & Status Plug. Bond BLANKET	15. Drilling Contractor NORTON DRLG CO.
16. Approx. Date Work will start 9/15/93		

17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17-1/2"	13-3/8"	CONDR	40'	60	SURF
12-1/4"	9-5/8"	32.3#	1715'	700	SURF
8-3/4"	7"	20 & 23#	4400'	1050	SURF

BOP PROGRAM: 2000# ram preventer

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

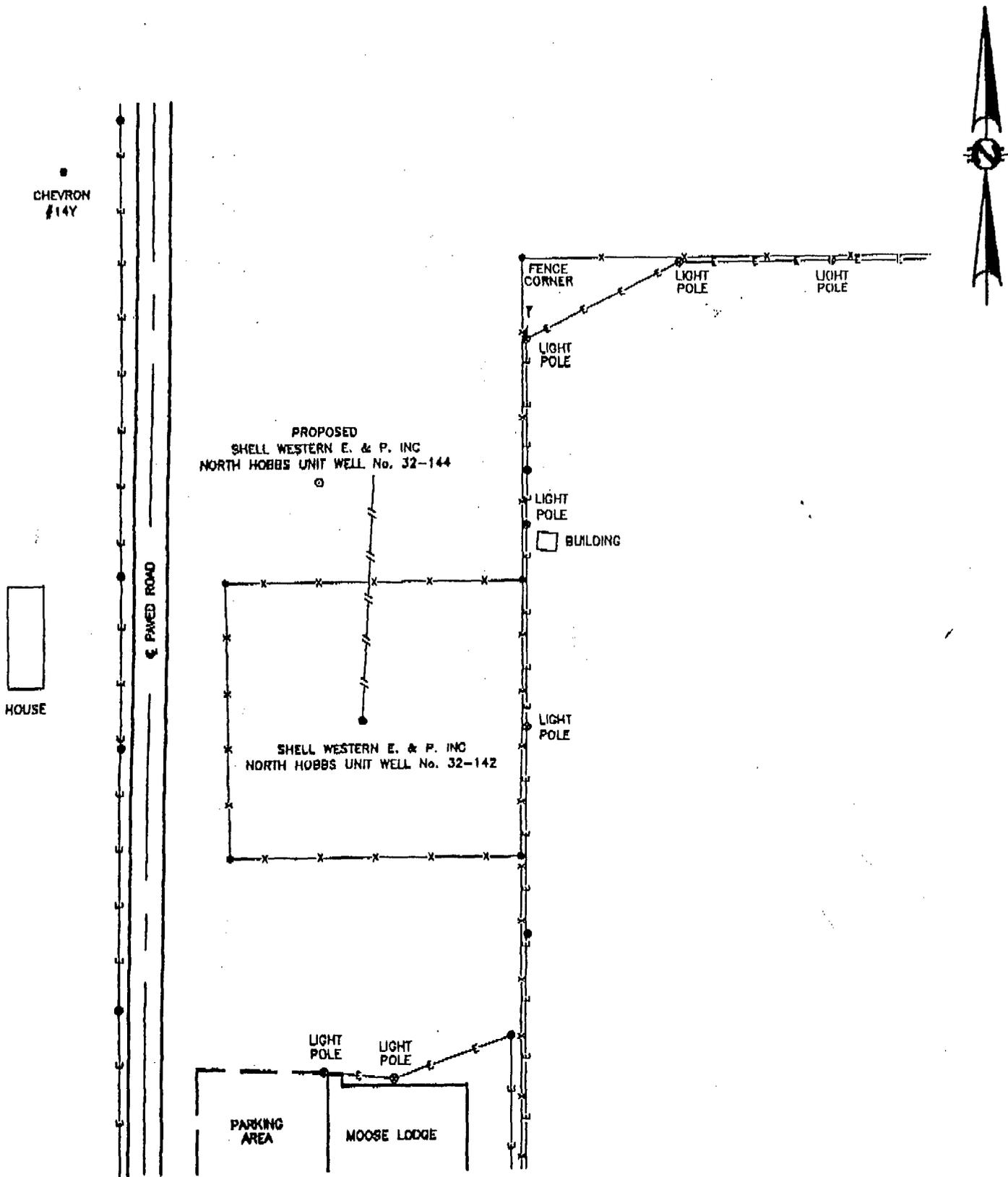
SIGNATURE J. Morris Wenzel TITLE TECH. MANAGER - ASSET ADMIN. DATE 5/05/93
TYPE OR PRINT NAME J. L. MORRIS (713) 544-3797 TELEPHONE NO.

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

SW/4 SECTION 32, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO



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



JOHN W. WEST, P.E. & P.S. No. 676
 GARY L. JONES, N.M. P.S. No. 7977
 GARY G. EIDSON TEXAS P.L.S. No. 4735

SHELL WESTERN E. & P. INC.

TOPOGRAPHIC STUDY OF THE AREA AROUND PROPOSED NORTH HOBBS UNIT WELL 32-144, LOCATED 1175' FWL & 786' FSL, SECTION 32, T-18-S, R-38-E, N.M.P.M., LEA COUNTY, NEW MEXICO

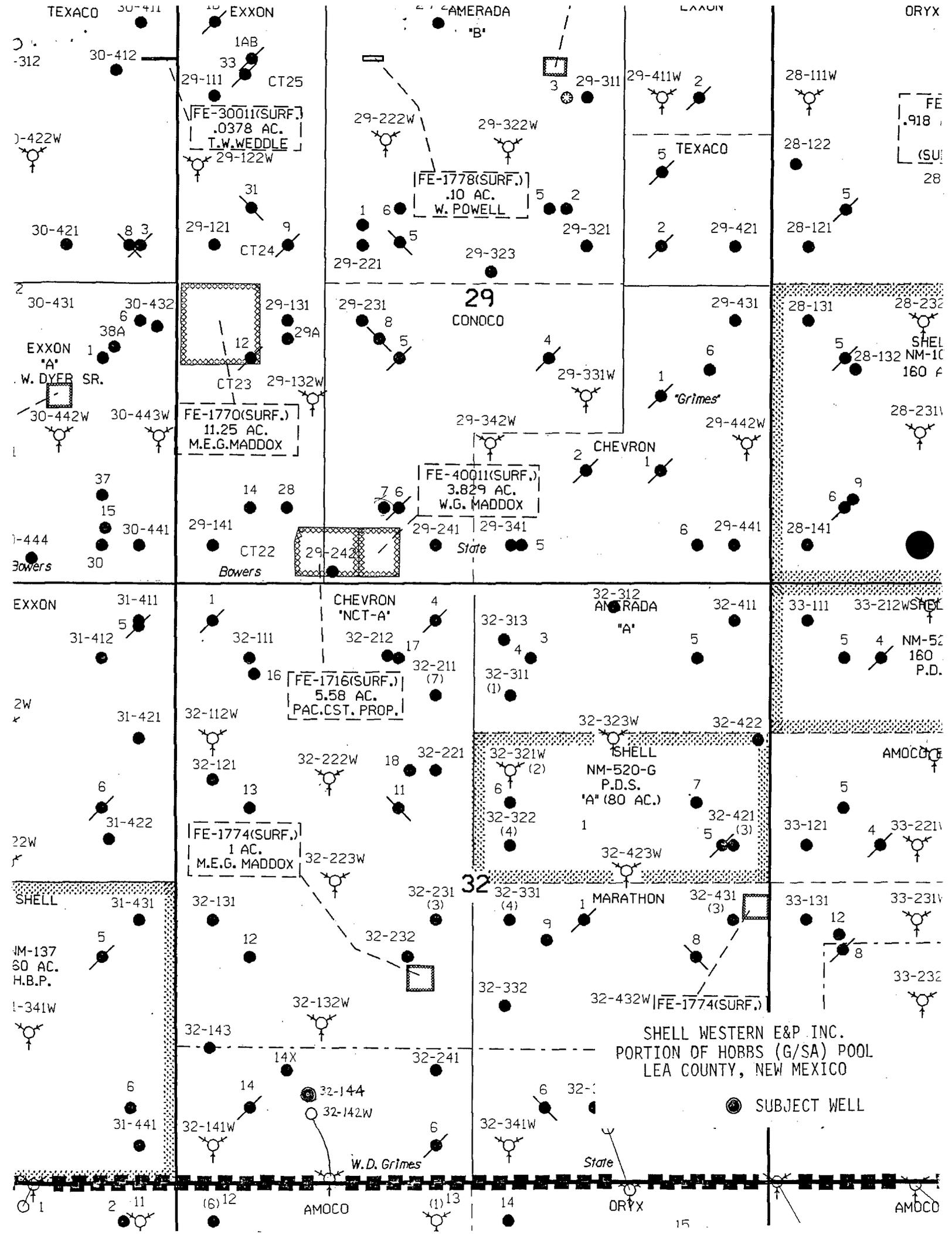
JOHN W. WEST ENGINEERING COMPANY
 CONSULTING ENGINEERS & SURVEYORS - HOBBS, NEW MEXICO

Survey Date: 10-22-1992	Drawn By: S. STANFIELD
Approved By:	Sheet 1 of 1 Sheets
Project Number: 92-11-1601	File Name: SHE1601B
Date: 10-23-1992	Disk: SS#19
	Scale: 1"=100'

SERVICE LIST

Offset Operator

Amoco Production Company
P. O. Box 68
Hobbs, NM 88240



SHELL WESTERN E&P INC.
 PORTION OF HOBBS (G/SA) POOL
 LEA COUNTY, NEW MEXICO

● SUBJECT WELL

PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

- 1. Show to whom, date and address of delivery.
- 2. Restricted Delivery.

3. Article Addressed to:
 AMOCO PRODUCTION CO.
 P. O. BOX 68
 HOBBS, NM 88240

4. Type of Service:	Article Number
<input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	P 247-193-925

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
X

6. Signature - Agent
X

7. Date of Delivery

8. Addressee's Address (*ONLY if requested and fee paid*)

DOMESTIC RETURN RECEIPT