

Shell Western E&P Inc.

An affiliate of Shell Oil Company



July 27, 1992

OIL CONSERVATION DIVISION
RECEIVED

P.O. Box 576
Houston, TX 77001

Mr. Bob Gallagher
City of Hobbs
300 North Turner
Hobbs, New Mexico 88240

JUL 30 PM 9 18

Dear Mr. Gallagher:

SUBJECT: PROPOSED INFILL PRODUCERS
SHELL WESTERN NORTH HOBBS (GB/SA) UNIT
LEA COUNTY, NEW MEXICO

This is to advise you that Shell Western E&P Inc. proposes to drill three infill producers within the city of Hobbs. The proposed well numbers and locations are attached. Applications have been filed with the New Mexico Oil Conservation Division for administrative approval to directionally drill well no. 28-332 plus drill well nos. 28-243 and 32-144 at the proposed unorthodox locations.

Shell Western, of course, will make the necessary arrangements to notify residents in the immediate area prior to starting operations. For your information, we have also attached a plat showing the proposed well locations.

Your contact person within Shell Western will be Mr. J. J. Smith, Drilling Superintendent, phone no. (713) 870-2966.

We appreciate the usual cooperation of the City of Hobbs.

Very truly yours,

J. Marcus Winder

for
W. F. N. Kelldorf
Technical Manager - Environmental Engineering
Western Division

JMW:rlb

Attachments

cc: State of New Mexico (w/o attachments)
Energy, Minerals and Natural Resources Department
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88241-1980

State of New Mexico (w/o attachments)
Energy, Minerals and Natural Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Shell Western E&P Inc.

An affiliate of Shell Oil Company



P.O. Box 576
Houston, TX 77001

July 27, 1992

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

Pursuant to the provisions of Rule 104-F, 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. 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.

Very truly yours,

A handwritten signature in cursive script that reads "J. Marcus Warder".

for
W. F. N. Keldorf
Technical Manager - Environmental Engineering
Western Division

JMW:rlb

Attachments

JMW21983.DOC.1

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 RE-ENTER DEEPEN PLUG BACK

b. Type of Well:

OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

7. Lease Name or Unit Agreement Name

N. HOBBS (G/SA) UNIT
SECTION 32

2. Name of Operator

SHELL WESTERN E&P INC.

8. Well No.

144

3. Address of Operator

P. O. BOX 576, HOUSTON, TX 77001 (WCK 4587)

9. Pool name or Wildcat

HOBBS (G/SA)

4. Well Location

Unit Letter M : 533 Feet From The SOUTH Line and 1216 Feet From The WEST Line

Section 32 Township 18S Range 38E NMPM LEA County

10. Proposed Depth

4400'

11. Formation

SAN ANDRES

12. Rotary or C.T.

ROTARY

Elevations (Show whether DF, RT, GR, etc.)

3626.9 GR

14. Kind & Status Plug. Bond

BLANKET

15. Drilling Contractor

UNDETERMINED

16. Approx. Date Work will start

10/05/92

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. Marcus Winder TITLE TECH. MANAGER - ENVIR. ENG. DATE 7/27/92

TYPE OR PRINT NAME W. F. N. KELLDORF (713) 870-3426 TELEPHONE NO.

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

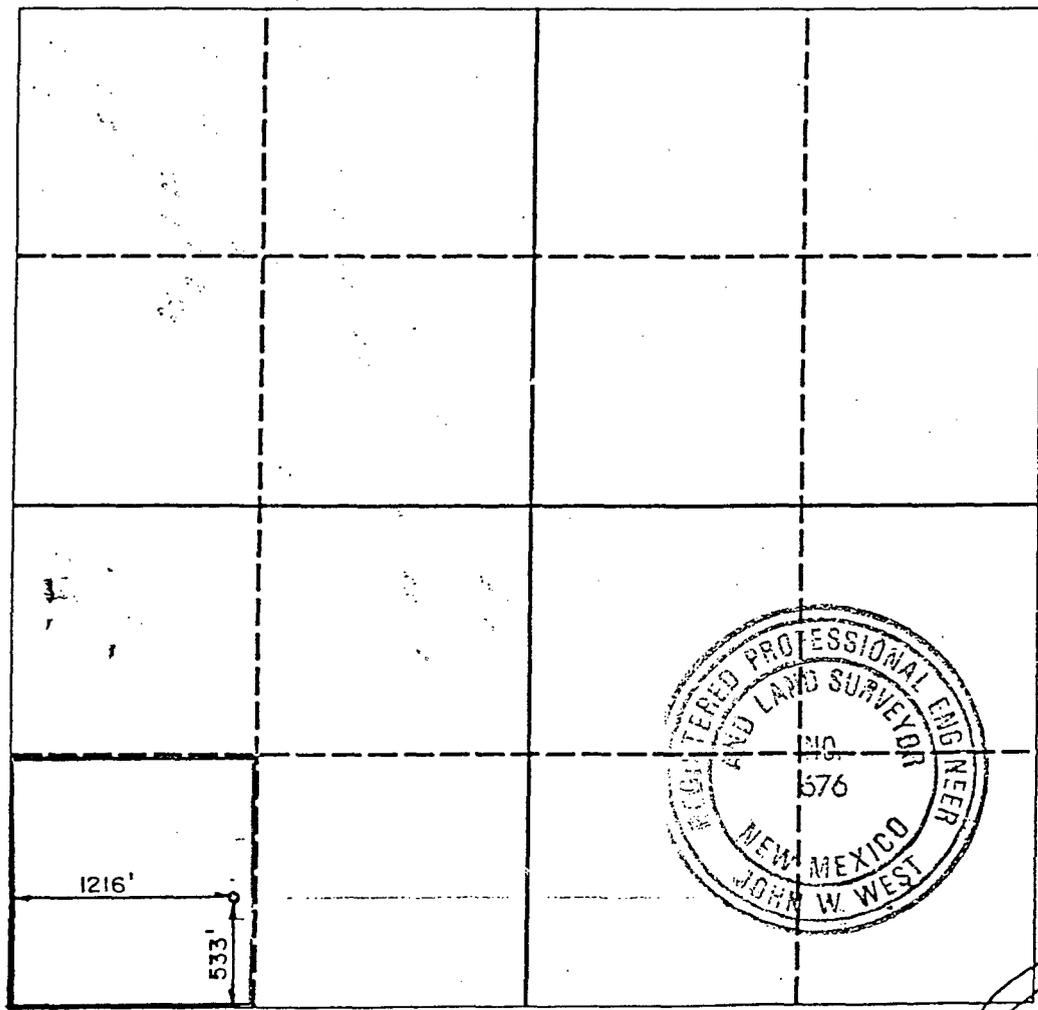
Operator Shell Western E. & P. Inc.		Lease North Hobbs (G/SA) UNIT		Well No. 32-144
Unit Letter M	Section 32	Township 18-South	Range 38-East NMPM	County Lea
Actual Footage Location of Well: 533 feet from the South line and 1216 feet from the West line				
Ground level Elev. 3626.9	Producing Formation SAN ANDRES		Pool HOBBS (G/SA)	Dedicated Acreage: 40 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is "yes" type of consolidation UNITIZATION

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *J. Marcus Winder*
Printed Name: W. F. N. KELLDORF

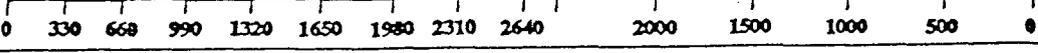
Position: TECH. MGR.- ENVIR. ENG.
Company: SHELL WESTERN E&P INC.
Date: 7-17-92

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: June 20, 1991

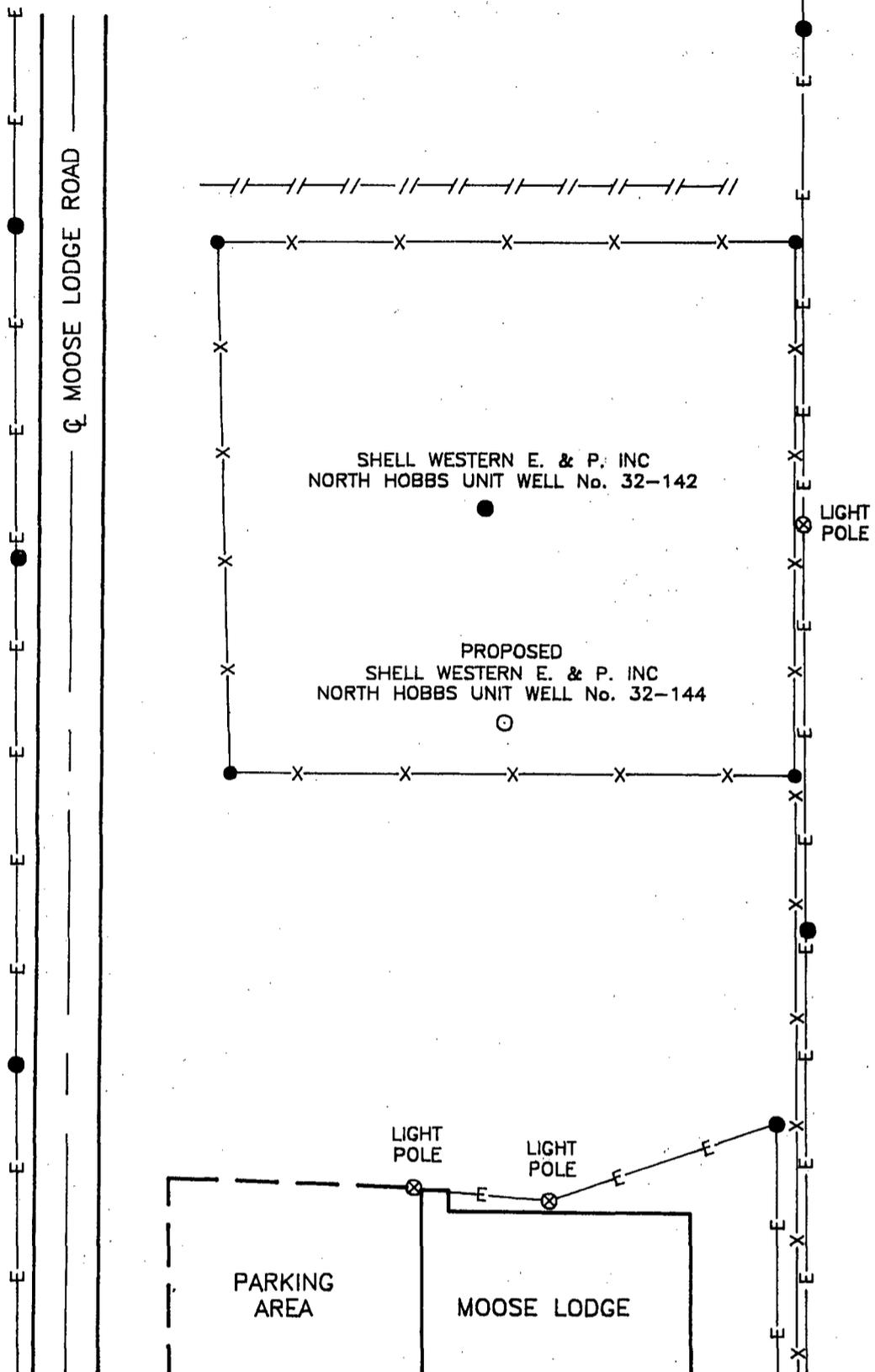
Signature & Seal of Professional Surveyor: *John W. West*

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239



125030

SW/4 SECTION 32, TOWNSHIP 18 SOUTH, RANGE 36 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
 JOHN W. WEST, N.M. P.E. & P.S. No. 676
 TEXAS P.L.S. No. 1138
 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 AN EXISTING WELL PAD & AREA WITHIN 200' OF THE PROP. NORTH HOBBS UNIT 32-144, SECTION 32, TOWNSHIP 18 SOUTH, RANGE 36 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO

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

Survey Date: 6-20-1991	Drawn By: S. STANFIELD
Approved By:	Sheet 1 of 1 Sheets
Project Number: 91-06-058	File Name: NHU32144
Date: 6-26-1991	Disk: SWEPI WELL1 Scale: 1"=60'

SERVICE LIST

Offset Operator

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

PS Form 3811, July 1982

● **SENDER:** Complete Items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
- Show to whom and date delivered \$
 - Show to whom, date, and address of delivery
2. **RESTRICTED DELIVERY** \$
(The restricted delivery fee is charged in addition to the return receipt fee.)
- TOTAL \$** _____

3. **ARTICLE ADDRESSED TO:**
AMOCO PRODUCTION CO.
P. O. BOX 68
HOBBS, NM 88240

4. TYPE OF SERVICE: <input type="checkbox"/> REGISTERED <input type="checkbox"/> INSURED <input checked="" type="checkbox"/> CERTIFIED <input type="checkbox"/> COD <input type="checkbox"/> EXPRESS MAIL	ARTICLE NUMBER P 247 193 904
---	---

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

5. DATE OF DELIVERY	POSTMARK <i>(may be on reverse side)</i>
----------------------------	--

6. **ADDRESSEE'S ADDRESS** *(Only if requested)*

7. UNABLE TO DELIVER BECAUSE:	7a. EMPLOYEE'S INITIALS
--------------------------------------	--------------------------------

RETURN RECEIPT



Shell Western E&P Inc.

An affiliate of Shell Oil Company

OIL CONSERVATION DIVISION
RECEIVED

P.O. Box 576
Houston, TX 77001

July 27, 1992

Mr. Bob Gallagher
City of Hobbs
300 North Turner
Hobbs, New Mexico 88240

1992 JUL 30 AM 9 18

Dear Mr. Gallagher:

SUBJECT: PROPOSED INFILL PRODUCERS
SHELL WESTERN NORTH HOBBS (GB/SA) UNIT
LEA COUNTY, NEW MEXICO

This is to advise you that Shell Western E&P Inc. proposes to drill three infill producers within the city of Hobbs. The proposed well numbers and locations are attached. Applications have been filed with the New Mexico Oil Conservation Division for administrative approval to directionally drill well no. 28-332 plus drill well nos. 28-243 and 32-144 at the proposed unorthodox locations.

Shell Western, of course, will make the necessary arrangements to notify residents in the immediate area prior to starting operations. For your information, we have also attached a plat showing the proposed well locations.

Your contact person within Shell Western will be Mr. J. J. Smith, Drilling Superintendent, phone no. (713) 870-2966.

We appreciate the usual cooperation of the City of Hobbs.

Very truly yours,

J. Marcus Winder

W. F. N. Kelldorf
Technical Manager - Environmental Engineering
Western Division

JMW:r1b

Attachments

cc: State of New Mexico (w/o attachments)
Energy, Minerals and Natural Resources Department
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88241-1980

State of New Mexico (w/o attachments)
Energy, Minerals and Natural Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Shell Western E&P Inc.

An affiliate of Shell Oil Company



P.O. Box 576
Houston, TX 77001

July 27, 1992

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 28, WELL NO. 243
HOBBS (GB/SA) POOL
T18S-R38E
LEA COUNTY, NEW MEXICO

Pursuant to the provisions of Rule 104-F, 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. 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. 243 is 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.

NOTE: No offset operator will be notified by copy of this application since we offset ourselves at this proration unit.

Very truly yours,

for
W. F. N. Kelldorf
Technical Manager - Environmental Engineering
Western Division

JMW:rlb

Attachments

JMW21981.DOC.1

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 RE-ENTER DEEPEN PLUG BACK
 b. Type of Well:
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE

7. Lease Name or Unit Agreement Name
 N. HOBBS (G/SA) UNIT
 SECTION 28

2. Name of Operator
 SHELL WESTERN E&P INC.

8. Well No.
 243

3. Address of Operator
 P. O. BOX 576, HOUSTON, TX 77001 (WCK 4587)

9. Pool name or Wildcat
 HOBBS (G/SA)

4. Well Location
 Unit Letter N : 560 Feet From The SOUTH Line and 1330 Feet From The WEST Line
 Section 28 Township 18S Range 38E NMPM LEA County

10. Proposed Depth 4400' 11. Formation SAN ANDRES 12. Rotary or C.T. ROTARY

13. Elevations (Show whether DF, RT, GR, etc.) 3641.4' GR 14. Kind & Status Plug. Bond BLANKET 15. Drilling Contractor UNDETERMINED 16. Approx. Date Work will start 10/16/92

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#	1725'	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. Marcus Winder TITLE TECH. MANAGER - ENVIR. ENG. DATE 7/27/92
 TYPE OR PRINT NAME W. F. N. KELLDORF (713) 870-3426 TELEPHONE NO.

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 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

WELL LOCATION AND ACREAGE DEDICATION PLAT
 All Distances must be from the outer boundaries of the section

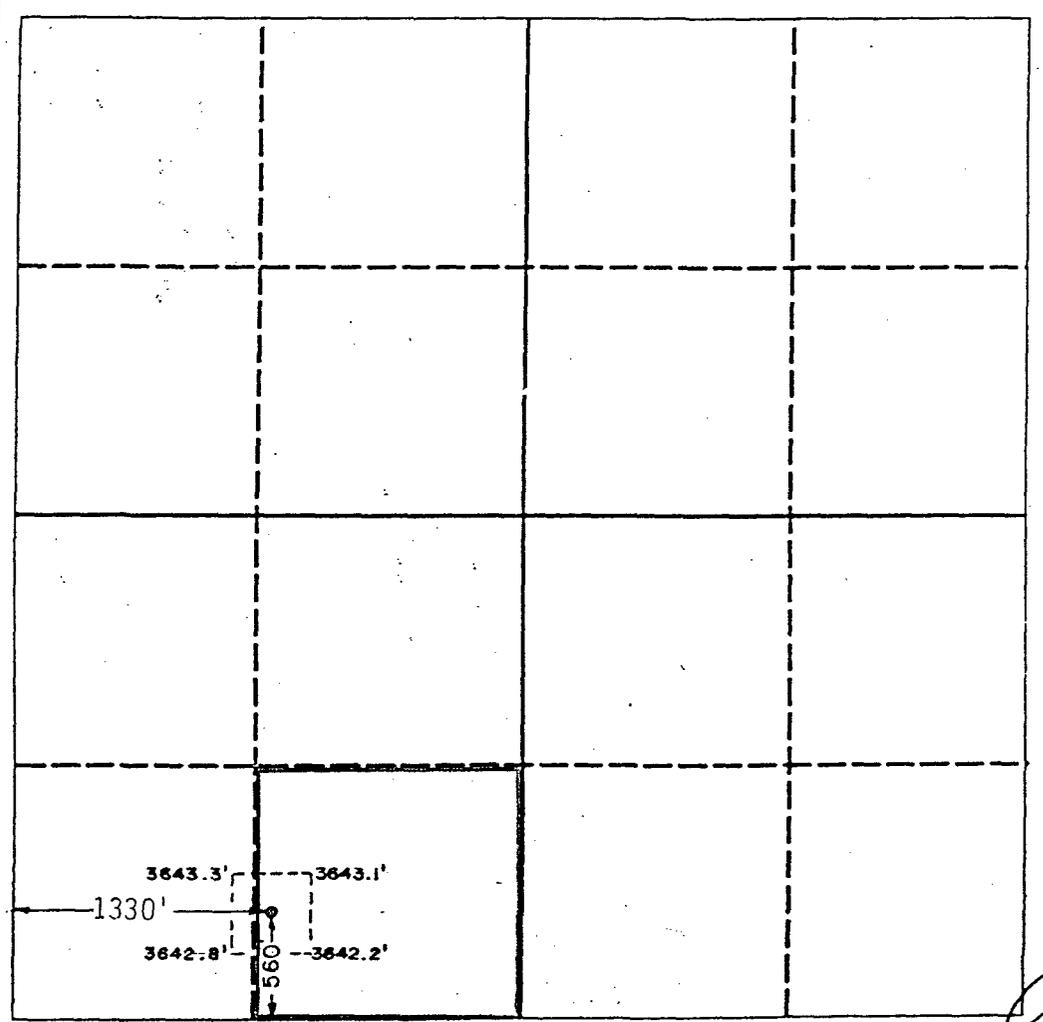
Operator Shell Western E. & P. Inc.		Lease North Hobbs (G/SA) UNIT		Well No. 28-243
Unit Letter N	Section 28	Township 18 South	Range 38 East	County Lea
Actual Footage Location of Well: 560 feet from the South line and 1330 feet from the West line				
Ground level Elev. 3641.4'	Producing Formation SAN ANDRES	Pool HOBBS (G/SA)	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is "yes" type of consolidation UNITIZATION

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

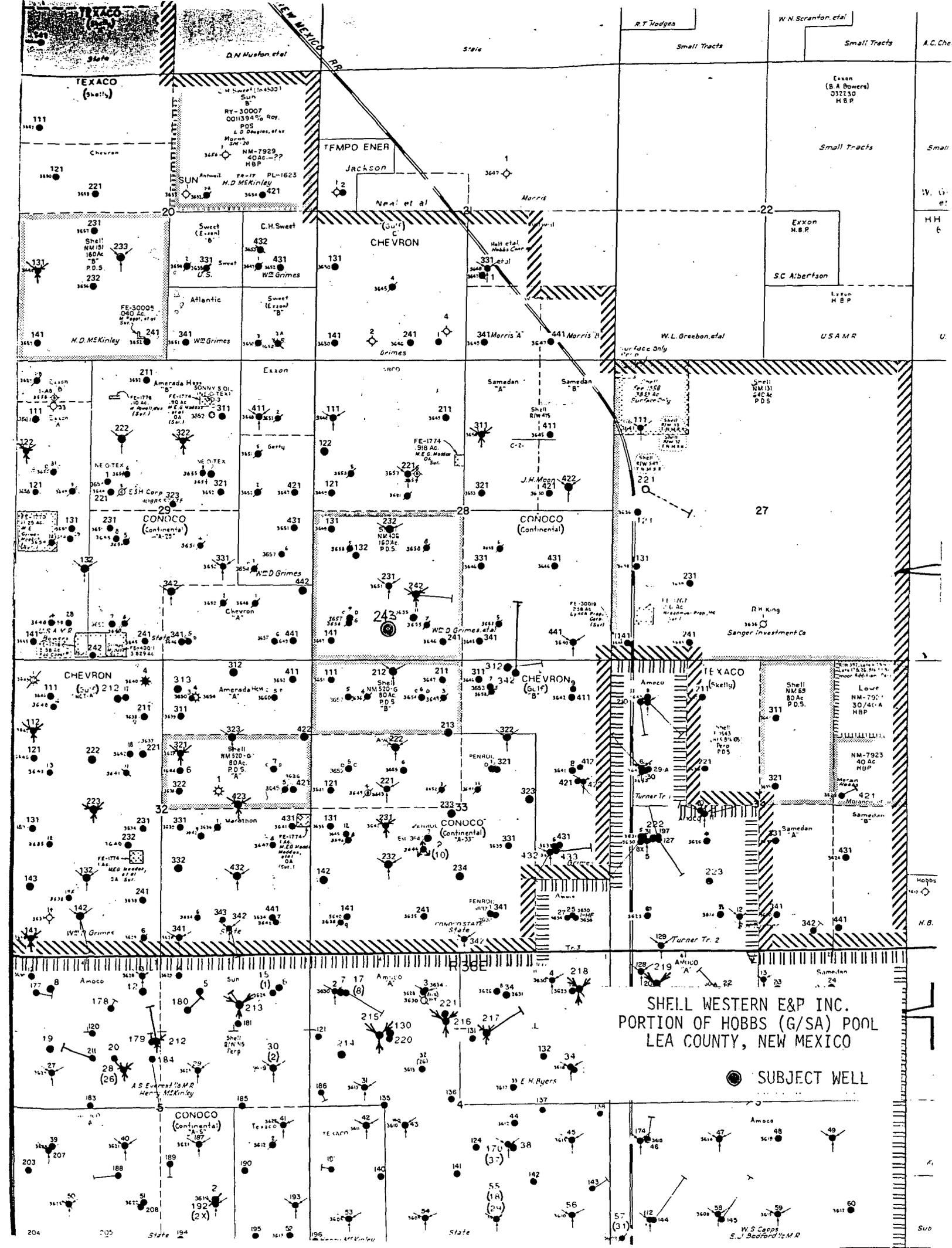
Signature: *J. Marcus Winder for*
 Printed Name: W. F. N. KELLDORF
 Position: TECH. MGR. - ENVIR. ENG.
 Company: SHELL WESTERN E&P INC.
 Date: 7/27/92

SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: June 6, 1991
 Signature & Seal of Professional Surveyor: *John W. West*

Certificate No. JOHN W. WEST 676
 RONALD J. EIDSON 3239
 JOHN W. WEST

125630



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

● SUBJECT WELL

SECTION 28, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO

400.0'

400.0'

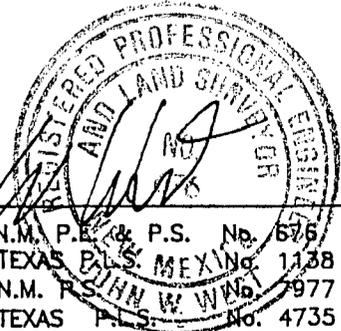
400.0'

400.0'

SHELL WESTERN E. & P.
NORTH HOBBS UNIT No 28-243



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, N.M.P.E. & P.S. No. 576
GARY L. JONES, N.M.P.S. No. 7977
GARY G. EIDSON, TEXAS P.L.S. No. 4735

NORTH HOBBS UNIT No. 28-243

SHELL WESTERN E. & P. INC

NORTH HOBBS UNIT No 28-243 LOCATED 560 FEET FROM THE SOUTH LINE AND 1325 FEET FROM THE WEST LINE OF SECTION 28, TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM, LEA COUNTY, NEW MEXICO

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

Survey Date: 6-10-91	Drawn By: Johnny Holmes
Approved By:	Sheet 1 of 1 Sheets
Project Number: 91-06-037	File Name: Location/SWNH-282
Date: 6-19-91	Disk: JH #23
	Scale: 1"



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

OIL CONSERVATION DIVISION
RECEIVED
'92 AUG 4 AM 8 55

7-30-92

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC _____
- DHC _____
- NSL _____
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

Sec. 28 #243-N 28-18-38

Shell Western E&P Inc. North Hobbs G/BAW Sec. 32 #144-M 32-18-38
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed

