



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

August 19, 1996

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

Case 11609

Attention: Yvonne T. Iverson

Re: Application for administrative approval to deepen the State "A" Well No. 10 (API No. 30-025-32844), located at a previously approved unorthodox oil well location for the Undesignated Vacuum-Upper Pennsylvanian Pool, Vacuum-Wolfcamp Pool, and North Vacuum-Abo Pool (see Division Administrative Order NSL-3516, dated April 6, 1995) 940 feet from the North and East lines (Unit A) of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico, in order to test the Morrow formation for gas production.

Dear Ms. Iverson:

I am unable to process your application dated August 8, 1996, Division General Rule 104.F(2) provides that, "*The Division Director shall have authority to grant an exception to the well location requirements of Sections 104.B and 104.C above or to the well location requirements of special pool rules without notice and hearing when the necessity for such unorthodox location is based upon geologic conditions, archaeological conditions, topographical conditions, or the recompletion of a well previously drilled to a deeper horizon provided said well was drilled at an orthodox or approved unorthodox location for such original horizon*". In anticipation that this request will not be opposed I will set this matter on the next available examiner's hearing docket and cause it to be advertised in the following manner:

Application of Shell Western E & P Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to deepen its State "A" Well No. 10 (API No. 30-025-32844), located at a previously approved unorthodox oil well location for the Undesignated Vacuum-Upper Pennsylvanian Pool, Vacuum-Wolfcamp Pool, and North Vacuum-Abo Pool (see Division Administrative Order NSL-3516, dated April 6, 1995) 940 feet from the North and East lines (Unit A) of Section 31, Township 17 South, Range 35 East, in order to test the Morrow formation for gas production at an unorthodox gas well location within a standard 320-acre gas spacing and proration unit to comprise the E/2 of said Section 31. Said unit is located approximately one mile southeast of Buckeye, New Mexico. IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

Shell Western E & P Inc.
Yvonne T. Iverson
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Shell Western E & P Inc. will of course be expected to provide adequate notice of this matter pursuant to Division General Rule 1207.

Should you have any questions or comments concerning this matter, please contact me in Santa Fe at (505) 827-8185. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", written over a horizontal line.

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
William F. Carr - Santa Fe
W. Thomas Kellahin - Santa Fe
James Bruce - Santa Fe

AUG 9 1996

Shell Western E&P Inc.
An affiliate of Shell Oil Company



P. O. Box 576
Houston, TX 77001

August 8, 1996

AIRBORNE EXPRESS

Mr. Michael E. Stogner
State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Case 11609

Dear Mr. Stogner:

SUBJECT: APPLICATION FOR ADMINISTRATIVE APPROVAL OF
AN UNORTHODOX LOCATION
WILDCAT MORROW POOL - 320 ACRE GAS UNIT
STATE "A", WELL NO. 10
SECTION 31, T17S, R35E
LEA COUNTY, NEW MEXICO

Shell Western E&P Inc. (SWEPI) respectfully requests administrative approval of an unorthodox well location for the deepening of the existing State "A", Well No. 10 to the Wildcat Morrow Pool, which is a gas pool. By utilizing this existing wellbore, which is currently completed in the Vacuum Middle Penn and the Vacuum Wolfcamp pools, SWEPI will be able to economically test the Morrow gas formation and will form a 320 acre gas unit. The State "A", Well No. 10 is currently located 940' FNL and 940' FEL of Section 31, T17S, R35E. Oil Conservation Division Rule 104.C.(2)(b) provides that any gas well having more than 160 acres dedicated to it shall be located not closer that 660 feet to the nearest side boundary of the dedicated tract, nor closer that 1650 feet to the nearest end boundary, nor closer that 330 feet to any quarter-quarter section or subdivision inner boundary.

The following information is enclosed to support our request: Form C-101, Form C-102 reflecting the proposed 320-acre gas unit and the unorthodox well location, plat of diagonal and adjoining leases and a list of the affected parties.

A copy of this application on this day has been forwarded to the affected parties via certified mail, return receipt requested, along with a waiver of objection form. Should you have any questions or need any additional information, please do not hesitate to give me a call at (713) 544-3226.

Yours very truly,

A handwritten signature in cursive script, reading "Yvonne T. Iverson".
Yvonne T. Iverson
Western Asset - Asset Administration
Continental Division

Enclosures

cc: Mr. Jerry Sexton
New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88241-1980

Affected Parties (See enclosed list)

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

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

Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator name and Address		² OGRID Number	
Shell Western E&P Inc. P.O. Box 576 Houston, TX 77001		020676	
		³ API Number	
		30-0 30-025-32844	
⁴ Property Code	⁵ Property Name		⁶ Well Number
10120	STATE "A"		10

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
A	31	17S	35E		940	NORTH	940	EAST	LEA

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

⁹ Proposed Pool 1

¹⁰ Proposed Pool 2

WILDCAT MORROW POOL - POOL CODE 96589	
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¹¹ Work Type Code	¹² Well Type Code	¹³ Cable/Rotary	¹⁴ Lease Type Code	¹⁵ Ground Level Elevation
E	G	R	S	3973'GR
¹⁶ Multiple	¹⁷ Proposed Depth	¹⁸ Formations	¹⁹ Contractor	²⁰ Spud Date
NO	11,850'	MORROW	NORTON DRLG. CO.	8/28/96

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
24"	20"	CONDUCTOR	40'	60 SX	SURFACE
17-1/2"	13-3/8"	54.50#	1478'	1350 SX	SURFACE
12-1/4"	9-5/8"	36#	3706'	1250 SX	SURFACE
8-3/4"	7"	23# & 26#	10,700'	2880 SX	4230' (CBL)
6 1/8"	5" LINER	15#	10,450-11,850	550 SX	TOC 10,450'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary

PROPOSED PROGRAM: DEEPEN THE EXISTING WELLBORE TO A TOTAL DEPTH OF 11,850' AND TEST THE MORROW FORMATION.

BOP PROGRAM: 2000# RAM PREVENTER

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Yvonne T. Iverson</i>		Approved by:	
Printed name: YVONNE T. IVERSON		Title:	
Title: LAND REPRESENTATIVE		Approval Date:	Expiration Date:
Date: 8/8/96	Phone: (713) 544-3226	Conditions of Approval: Attached <input type="checkbox"/>	

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

OIL CONSERVATION DIVISION

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-32844	Pool Code 96589	Pool Name WILDCAT-MORROW POOL
Property Code 10120	Property Name STATE "A"	Well Number 10
OGRID No. 020676	Operator Name SHELL WESTERN E & P INC.	Elevation 3973

Surface Location

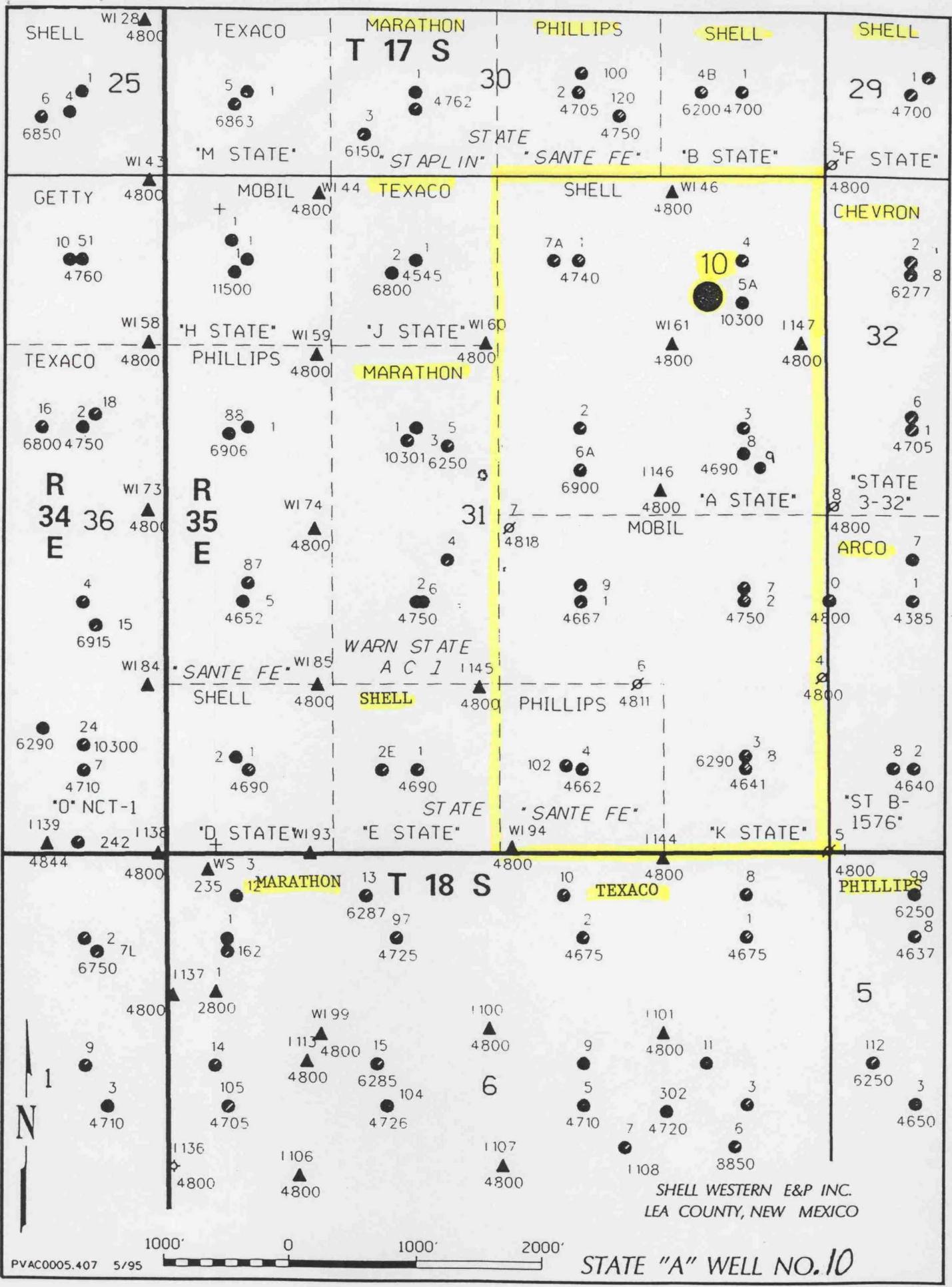
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	31	17 S	35 E		940	NORTH	940	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>LOT 1 37.50 ACRES</p>	<p>LOT 2 37.51 ACRES</p>			<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Yvonne T. Iverson</i> Signature</p> <p>YVONNE T. IVERSON Printed Name</p> <p>LAND REPRESENTATIVE Title</p> <p>8-8-96 Date</p>
		<p>SHELL SHELL</p>		<p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>JANUARY 19 1995 Date Surveyed</p> <p><i>Ronald J. Iverson</i> Signature Professional Surveyor</p> <p>REG. LAND SURVEYOR No. 3339 1-24-95</p> <p>W.O. 94-0-2258 Certificate No.</p> <p>JOHN M. WEST, 676 RONALD J. IVERSON, 3239</p>
		<p>SHELL SHELL</p>		
		<p>LOT 3 37.42 ACRES</p>		<p>MOBIL MOBIL</p>
<p>LOT 4 37.42 ACRES</p>		<p>PHILLIPS MOBIL</p>		



SHELL WESTERN E&P INC.
LEA COUNTY, NEW MEXICO

STATE "A" WELL NO. 10

PVAC0005.407 5/95

LIST OF AFFECTED PARTIES

**State "A", Well No. 10
Section 31, T17S, R35E
Lea County, New Mexico**

Arco Permian
P. O. Box 1610
Midland, TX 70702

Chevron U. S. A. Inc.
Box 1635
Houston, TX 77251

Marathon Oil Company
Box 552
Midland, TX 79702-0552

Phillips Petroleum Company
4001 Penbrook
Odessa, TX 79762

Texaco, Inc.
Box 3109
Midland, TX 79702-3109

August 8, 1996

Dear Affected Party:

SUBJECT: APPLICATION FOR ADMINISTRATIVE APPROVAL OF
AN UNORTHODOX LOCATION
WILDCAT MORROW POOL - 320 ACRE GAS UNIT
STATE "A", WELL NO. 10
SECTION 31, T17S, R35E
LEA COUNTY, NEW MEXICO

Please find attached an application for administrative approval of an unorthodox well location for the State "A", Well No. 10 deepening to the Wildcat Morrow Pool filed with the State of New Mexico-Oil Conservation Division on this day by Shell Western E&P Inc. (SWEPI). Please be advised that if you have an objection to this application, it must be filed in writing within twenty days from the date of this application.

In the event that you have no objection to this application, please indicate your approval to our request as detailed in the attached application, by signing this waiver of objection form. Please forward the signed waiver to the New Mexico Oil Conservation Division (NMOCD), P. O. Box 2088, Santa Fe, New Mexico and forward one copy to SWEPI in the enclosed business reply envelope.

Thank you for your attention and cooperation in this matter.

WAIVER OF OBJECTION

SHELL WESTERN E&P INC.

APPLICATION FOR AN UNORTHODOX GAS WELL LOCATION
IN THE WILDCAT MORROW POOL
STATE "A", WELL NO. 10
SECTION 31, T17S, R35E
LEA COUNTY, NEW MEXICO

I/We do hereby waive any objections to SWEPI's request for NMOCD Administrative approval of an unorthodox gas well location for the State "A", Well No. 10, located 940' FNL and 940" FEL of Section 31, T17S, R35E in Lea County, NM.

SIGNATURE: _____
TITLE: _____
COMPANY: _____
DATE: _____

