



Shell Exploration & Production

30-009-20022

State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division-District 1
1625 North French Drive
Hobbs, New Mexico 88240
Attn.: Larry Hill, District Supervisor

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Shell Exploration & Production Co.

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

March 7, 2011

Subject: Application for Permit to Drill (APD)
Shell Exploration & Production Co., Stovall 1-13
Curry County, New Mexico

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CONFIDENTIAL

Dear Mr. Hill:

Shell Exploration & Production Company (Shell), as service provider to SWEPI LP in New Mexico, requests that New Mexico Oil Conservation Division-District 1 (OCD) review and approve the Application for Permit to Drill (APD) for the subject well. Shell anticipates beginning construction of this well location on or about April 1, 2009 and drilling, completion and testing activities for this well, on or about April 30, 2009.

This exploration well is located in an area that has no existing oil & gas production, and is targeting prospective zones that have been the subject of limited exploration. Therefore, Shell requests that OCD hold any information regarding this well confidential for the period designated under NMOCD rules. All documents submitted are clearly marked as "confidential".

If you have any questions or require any additional information regarding this APD, please contact me at (303) 222-6347, or David Janney at AMEC in Albuquerque at (505) 821-1801.

Regards,

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

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See attached
OCD rule
19.15.7.16.C

Attachments: Form C-101
Drilling & Completion Plan w/BOP diagram
Surface Use Plan
Location Maps and Photos
Form C-102
Form C-144 w/attachments

19.15.7.16

WELL COMPLETION OR RECOMPLETION REPORT AND LOG (Form C-105):

A. ~~Within 20 days following the completion or recompletion of a well, the operator shall file form C-105 with the appropriate division district office accompanied by a summary of special tests conducted on the well, including drill stem tests: In addition, the operator shall file a copy of electrical and radio activity logs run on the well with form C-105. If the division does not receive form C-105 with attached logs and summaries within the specified 20-day period, the division shall withhold the allowable for the well until the operator has complied with 19.15.7.16 NMAC.~~

B. In the case of a dry hole, a complete record of the well on form C-105 with the attachments listed in Subsection A of 19.15.7.16 NMAC shall accompany the notice of intention to plug the well, unless previously filed. The division shall not approve the plugging report or release the bond the operator has complied with 19.15.7.16 NMAC.

C. The division shall not keep form C-105 and accompanying attachments confidential unless the well's owner requests in writing that the division keep it confidential. Upon such request, the division shall keep these data confidential for 90 days from the date of the well's completion, provided, however, that the report, logs and other attached data may, when pertinent, be introduced in a public hearing before division examiners, the commission or in a court of law, regardless of the request that they be kept confidential.

[19.15.7.16 NMAC - Rp, 19.15.13.1105 NMAC, 12/1/08]

19.15.7.17

NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY ENHANCED EQUIPMENT (Form C-106):