Shell Western E&P Inc.

A Subsidiary of Shell Oil Company



P.O. Box 576 Houston, TX 77001

May 27, 1987

State of New Mexico Energy and Minerals Department Oil Conservation Division P. O. Box 1980 Hobbs, NM 88240

Gentlemen:

SUBJECT: DIRECTIONAL DRILLING

ORDER NO. DD-14

NORTH HOBBS (G/SA) UNIT

SEC. 28, T-18-S, R-38-E, NMPM

LEA COUNTY, NEW MEXICO

Shell Western E&P Inc., as operator of the North Hobbs Unit, hereby advises you that due to surface use restrictions, it has become necessary to move Well No. 342 to a new surface location. The bottomhole location will remain unchanged. The previously approved and proposed locations are shown on the attached table.

The certified plat submitted with this request indicates the revised location.

Inasmuch as the basis of our original application remains unchanged, we recommend your approval of Shell's proposal to drill this infill producer at the amended location.

We apologize for any inconvenience caused by this change.

Yours very truly,

A. J. Fore

Supervisor Regulatory

and Permitting

Production Administration

Western Division

JMW:TS

Attachment

cc: State of New Mexico

Energy and Minerals Department

Oil Conservation Division

P. O. Box 2088

Santa Fe, NM 87504-2088