

Shell Western E&P Inc.

An affiliate of Shell Oil Company



P.O. Box 576

Houston, TX 77001

November 3, 1992

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

Dear Mr. Gallagher:

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

With reference made to our July 27, 1992 letter (copy attached), this is to advise you that Shell Western E&P Inc.'s plan to drill three infill producers within the city of Hobbs has changed. We have cancelled our plans of drilling well no. 28-243, but anticipate drilling operations to commence in December 1992 for well nos. 28-332 and 32-144. An additional (third) well location in Section 30 is currently being contemplated. The proposed well numbers and locations are attached. An application has been filed with the New Mexico Oil Conservation Division for administrative approval to drill well no. 32-144 at the proposed (restaked) unorthodox location. Administrative approval to directionally drill well no. 28-332 has been granted by the NMOCD.

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. F. C. Stein, Sr. Drilling Superintendent, phone no. (713) 870-2966.

We appreciate the usual cooperation of the City of Hobbs.

Very truly yours,

A handwritten signature in cursive script, appearing to read "W. F. N. Kelldorf".

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