



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

October 10, 1996

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

Attention: Yvonne T. Iverson

Re: Application for administrative approval to drill your proposed Hoover "32" Well No. 1 (API No. 3002533594) at an unorthodox oil well location to test the Undesignated North Vacuum-Abo Pool 2231 feet from the North line and 385 feet from the East line (Unit H) of Section 32, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico.

Dear Ms. Iverson:

Per your application dated September 11, 1996 you stated that the attached topographic plat shows the existing pipelines and other surface restrictions that prevent the drilling of the subject well at a legal location. As indicated only half of the legal area was mapped and within that mapped area I'm not sure why the space between the Chevron and Texaco pipelines can not accommodate a drilling pad. Perhaps a more detailed explanation may serve to satisfy any lingering apprehension. Further, the list of affected parties referenced at the end of your cover letter was not included, to complete this request please provide this list.

Should there be any questions, please call me in Santa Fe at (505) 827-8185 or through the e-mail at, "MIKSTOGNER@EMNRDSF.STATE.NM.US.". Thank you for your cooperation.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
James Bruce - Santa Fe
William J. LeMay - OCD Director, Santa Fe