

Shell Western E&P Inc.

An affiliate of Shell Oil Company

P. O. Box 576 Houston, TX 77001

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 11, 1996

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

Dear Mr. Stogner:

SUBJECT: APPLICATION FOR ADMINISTRATIVE APPROVAL OF AN UNORTHODOX LOCATION NORTH VACUUM-ABO POOL - HOOVER 32, WELL #1 SECTION 32, T17S, R35E LEA COUNTY, NEW MEXICO

Shell Western E&P Inc. (SWEPI) respectfully requests administrative approval of an unorthodox well location for the proposed Hoover 32, Well #1. The proposed well location for the Hoover 32, Well #1 is 2231' FNL and 385' FEL of Section 32, T17S, R35E in Lea County, New Mexico. Special pool rules provided in Order No. R-2421 require that the first well drilled on each proration unit in the North Vacuum-Abo Pool be located within 200 feet of the center of either the NW/4 or the SE/4 of a governmental quarter section. As shown on the attached topographical survey, existing pipelines and other surface restrictions prevent the drilling of the subject well at a legal location, being within 200 feet of the center of the SE/4 of the NE/4 of Section 32.

The following information is enclosed to support our request: Form C-101, Form C-102 reflecting the proposed unorthodox well location for the 80 acre proration unit for the North Vacuum-Abo pool, a topographical plat identifying surface obstructions preventing use of an orthodox well location for the North Vacuum-Abo pool, a list of affected parties and a land plat identifying the affected parties. The undersigned hereby certifies that all information presented in this application is current and correct.

SWEPI believes approval of this request will be in the interest of conservation, will protect correlative rights, and will allow for a more complete recovery of oil reserves from the subject acreage.

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.

Yoursvery truly onne T. Iverson

Western Asset - Asset Administration Continental Division

Enclosures



cc: $\sqrt{Mr. Jerry Sexton}$ New Mexico Oil Conservation Division P. O. Box 1980 Hobbs, New Mexico 88241-1980

Affected Parties (See enclosed list)



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AFFECTED PARTIES

HOOVER 32, WELL #1 SECTION 32, T17S, R35E LEA COUNTY, NEW MEXICO

Exxon Corporation P. O. Box 1600 Midland, TX 79702-1600

Mobil Exploration & Production U.S., Inc. Box 633 Midland, TX 79702-0633

Phillips Petroleum Company 4001 Penbrook Odessa, TX 79762

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

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