

Shell Western E&P Inc.

An affiliate of Shell Oil Company



P. O. Box 576
Houston, TX 77001

November 26, 1996

NSL-3733-A

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

RE: Application for Administrative Approval of an
Unorthodox well location
Silurian - Wildcat, Strawn - Wildcat,
Oil Center - Blinebry Pool,
Tubb Drinkard - Wildcat, Abo - Wildcat,
Wolfcamp - Wildcat & Glorietta - Wildcat
State P.C. Com well #1
Section 32, T20S, R37E
Lea County, New Mexico

Dear Mr. Stogner:

Your office has previously approved an unorthodox location (NSL-3733) 1000' FSL and 2370' FEL of Section 32 as to the Ellenburger and McKee (Simpson) zones for possible gas production. We come to you now regarding the Silurian, Strawn, Blinebry, Tubb Drinkard, Abo, Wolfcamp and Glorietta zones and likewise request your approval of the aforementioned location so that, if necessary, we might produce from any of these zones from the State P.C. Com well #1, if necessary.

From our research, it appears that all of the captioned zones are classified Wildcat in this location, save and except the Blinebry, for which we find the Oil Center - Blinebry Pool rules apply i.e., 80-acres, 330' from boundaries, wells in NW and/or SE of each quarter section. We are unable to comply with the NW/SE of each quarter section as the Blinebry is certainly not a primary objective in this wellbore however, as stated below, we believe we can substantiate our reasoning as to the 330' from boundaries problem in the Blinebry Pool and the other Wildcat zones.

Enclosed please find Forms C-101 and C-102, a topographic survey from John W. West Engineering Company, together with vicinity, location and drill pad plats. As outlined in our request for permit dated October 29, 1996 for the Ellenburger and McKee/Simpson gas zones, we have selected the location shown above due to the fact