



**Shell Western E&P Inc.**

An affiliate of Shell Oil Company

P. O. Box 576  
Houston, TX 77001

October 29, 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**

**RE: Application for Administrative Approval of an  
Unorthodox well location  
Ellenburger - Wildcat & McKee - Wildcat  
State P.C. Com well #1  
Section 32, Township 20 South, Range 35 East  
Lea County, New Mexico**

**Dear Mr. Stogner:**

Shell Western E&P Inc. (SWEPI) is permitting the captioned well to drill to a total depth of 12,300' to test the Ellenburger and McKee formations. Both these formations are classified as Wildcat in Section 32-T20S-R35E. Due to surface constraints and geological considerations, we have staked our location 1000' FSL and 2370' FEL of Section 32. Our location is 60' west and 10' north of being situated in an orthodox position with regard to the statewide field rules.

Enclosed please find Forms C-101 and C-102, a topographic survey from John W. West Engineering Company, and vicinity, location and drill pad plats. You will note on the topographic survey that the western portion of the area where a well location would be "orthodox" under statewide rules contains five buried pipelines. Chevron has required that SWEPI keep the rig substructure off their pipelines because of the weight load. That is why we are unable to move the well location any closer to the south and east from its present point. Also our Exploration group's interpretation is that we are moving structurally updip as we move to the west so geological considerations are prohibiting us from drilling in the eastern portion of the "orthodox" area.

Therefore, SWEPI requests administrative approval for an unorthodox gas well location for the State P.C. Com well #1 as shown on the attached C-102. Also note that our set-backs to the outer boundaries are regular. It is only the set-back to the interior quarter quarter section line that is irregular. Due to the above, we request that you waive the notification and 20-day waiting period for this administrative approval.