Shell Western E&P Inc.

A Subsidiary of Shell Oil Company



P.O. Box 576 Houston, TX 77001

May 25, 1989

Mr. David Catanach State of New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87504

Dear Mr. Catanach:

SUBJECT: NEDU NOS. 602 AND 608 NORTHEAST DRINKARD UNIT, LEA COUNTY, NEW MEXICO CASE NO. 9230, ORDER NO. R-8539

Shell Western E&P Inc., as operator of the Northeast Drinkard Unit (NEDU), requests approval to use the NEDU No. 602 to produce from the Tubb gas pool, and the No. 608 to produce from the Blinebry gas pool (see attached map). This is in contradiction to original plans where the usage of these two wellbores was reversed, but is believed a necessary arrangement in order to maximize gas production from this 160-acre proration unit.

Because Nos. 602 and 608 are each located on the same 80-acre tract, one will be utilized as a Blinebry gas producer, the other as a Tubb gas producer. Inasmuch as additional Tubb drainage points will be situated one location east and southeast of No. 608, it is believed that it should be reserved for Blinebry production, while the No. 602 produces from the Tubb. In this fashion, additional Tubb gas reserves can be recovered that would otherwise be left untapped. Should this new arrangement be in violation to the acreage dedication requirements of Rule 6 of the subject order, please advise.

We attach Forms C-101 and C-102 for NEDU No. 608 only. Forms for NEDU No. 602 will be submitted at a later time.

Thank you for your cooperation; we apologize for any inconvenience this change in wellbore utilization may cause. Should you have any questions, please call Van Spence of our Production Engineering Department in Houston at (713) 870-3331.

Yours very truly,

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J. H. Smitherman Regulatory Supervisor Western Division

VZS:pf

Attachments

cc: Mr. Jerry Sexton State of New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division P. O. Box 1980 Hobbs, NM 88241-1980

