



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

TONY ANAYA
GOVERNOR

January 23, 1984

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88240
(505) 393-6161

Shell Oil Company
Attn: Welton Moore
Box 1950
Hobbs, NM 88240

Gentlemen:

On January 11, 1984, the New Mexico Oil Conservation Division convened the final nomenclature committee meeting. The committee accomplished its goal to standardize the formation tops in the Delaware Basin in Lea County, New Mexico, for the Bell Canyon, Cherry Canyon, Brushy Canyon, Bone Spring, Strawn, Atoka and Morrow formations.

The final cross sections will be incorporated into the pool rules of the OCD Study Area. This will be accomplished at the Examiner Hearing for February 29, 1984. At this hearing we will seek three exceptions for wells which cross the proposed boundaries, one well reclassification of its producing interval, the abolishment of three pools, the creation of two new pools, and the extension of one pool.

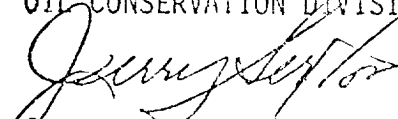
According to our records, your Antelope Ridge Well #4-B (990/N & 2310/E) in Sec. 4, T24S, R34E, is classified as an Antelope Ridge Morrow Gas well with perfs at 12759--13208 feet. The nomenclature Morrow top in this well is estimated to be 12,890 feet. According to this, your #4 well is perforated across the formation boundaries. It is our proposal that this well be granted a grandfathered-in exception and allowed to remain as it now is.

The final cross sections will be available in Hobbs from Superior Reproductions at (505) 393-4061.

You are requested to review this proposal and notify us in writing whether or not you are in agreement with the proposed changes.

Very truly yours,

OIL CONSERVATION DIVISION


Jerry Sexton
Supervisor, District I

JS/PK/ed