



SOHIO PETROLEUM COMPANY

TWO LINCOLN CENTRE - 5420 LBJ FREEWAY
SUITE #1000/LB 03
DALLAS, TEXAS 75240
214-387-5000

October 7, 1985

EXPLORATION & PRODUCTION
MID-CONTINENT DIVISION

BEFORE EXAMINER QUINTANA	
OIL CONSERVATION DIVISION	
PENNZOIL	EXHIBIT NO. 16
CASE NO.	8727

Pennzoil Company
Briercroft Savings Building
P. O. Drawer 1828
Midland, Texas 79702-1828

Attention: Greg Davis

Re: B. E. Shipp Estate No. 1 & 2 Wells
NE/4 Section 4, T17S, R37E
Lea County, New Mexico

Gentlemen:

Pursuant to your letter of September 12, 1985, requesting Sohio's participation in the subject wells, please be advised, Sohio intends to join in the drilling of Pennzoil's two (2) proposed wells, subject to Pennzoil obtaining approval from the Oil Conservation Division of New Mexico and subject to Sohio's management approval and subject to a mutually acceptable Operating Agreement.

Please advise the outcome of the Hearing set for October 9, 1985.

Very truly yours,

SOHIO PETROLEUM COMPANY

Steve T. Soule
Landman

STS:em