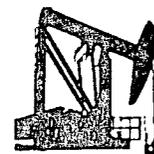


50 YEARS



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



1935 - 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

April 1, 1986

Shell Western E&P Inc.
P. O. Box 576
Houston, Texas 77001

Attention: A. J. Fore

Administrative Order NSL-2238

Gentlemen:

Reference is made to your application for a non-standard location for your Livingston No. 2 well located 660 feet from the South line and 1980 feet from the East line of Section 3, Township 21 South, Range 37 East, NMPM, Blinebry Oil and Gas Pool, Lea County, New Mexico. Unit W of said Section 3 shall be dedicated to the well.

By authority granted me under the provisions of Rule 104 F(I), the above-described unorthodox location is hereby approved.

Sincerely,


R. L. STAMETS, DIRECTOR

RLS/DC/dr

cc: Oil Conservation Division - Hobbs

REMARKS: This well is non-standard in that it is located 112 feet from the Livingston No. 3 well, located 560 feet from the South line and 2030 feet from the East line of Section 3, which is producing from the Blinebry Oil & Gas Pool.