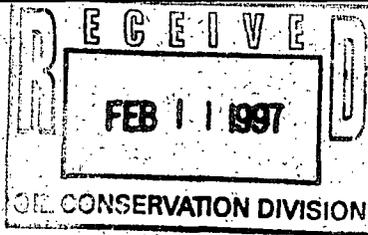


JACK HUFF

Oil and Gas Producer



SD N/R
96-15

P.O. BOX 50190
MIDLAND, TEXAS 79710-0190
915-683-9231
FAX 915-683-9255

February 5, 1997

State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

CERTIFIED MAIL #P 268 377-663
RETURN RECEIPT REQUESTED

Attn: Mr. Michael Stogner

Re: Jack Huff - Shell State "B" #2 Well, Unit Letter D, 660' FNL & 810' FWL,
Section 36, T-19-S, R-36-E, Lea County, New Mexico

Dear Mr. Stogner:

Jack Huff has filed an Application for Permit to Drill the above well at the specified location. This well will be situated in the Eumont Pool and drilled to a depth of 4000' to test the Yates Seven River Queen formation. The number of acres dedicated to this well is 160 acres under a simultaneous dedication with the existing Jack Huff Shell State "B" #1 well located 1980' FWL and 990' FNL of Section 36. We also enclose a) copy of Amended C-102 form for the #1 well, b) copy of simultaneous dedication C-102 form for well #2 and c) copy of Administrative Order NSP-1647 establishing the NW/4 of Section 36 as a non-standard gas proration unit. Field rules for the Eumont Pool require 640 acres for a standard proration unit. We hereby request and apply for a non-standard unit allowing us to drill the #2 well on the referenced 160 acre tract.

In order to notify all offset operators, a copy of this letter is being sent to each of them. Please do not hesitate to contact me if you should have any questions.

Sincerely yours,

A large, stylized handwritten signature in black ink, appearing to read "Chris Huff".

Chris Huff
Operations Manager

State of New Mexico
Oil Conservation Division
February 5, 1997
Page 2

xc: Chevron USA Production Company
P. O. Box 670
Hobbs, NM 88240
Attn: Mr. N. V. Mouser
Operations Supervisor
Certified Mail #P268 377 661
Return Receipt Requested

Texaco Inc.
P. O. Box 730
Hobbs, NM 88241-0730
Attn: Mr. Terry Frazier
Certified Mail #P268 377 497
Return Receipt Requested

Shell Western E&P Inc.
P. O. Box 831
Houston, TX 77001
Attn: Mr. D. B. Champlin
Certified Mail #P 268 377 499
Return Receipt Requested

Oryx Energy Company
P. O. Box 2880
Dallas, TX 75221-2880
Attn: Mr. J. W. Box
Vice President E & P
Certified Mail #P 268 377 662
Return Receipt Requested

Amerada Hess
500 Dallas Street, Level II
Houston, TX 77002
Attn: Mr. Raymond Wickett
Certified Mail #P 268 377 498
Return Receipt Requested

JH:nr
Enclosures
ssb#2nspoffset

OIL CONSERVATION DIVISION

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

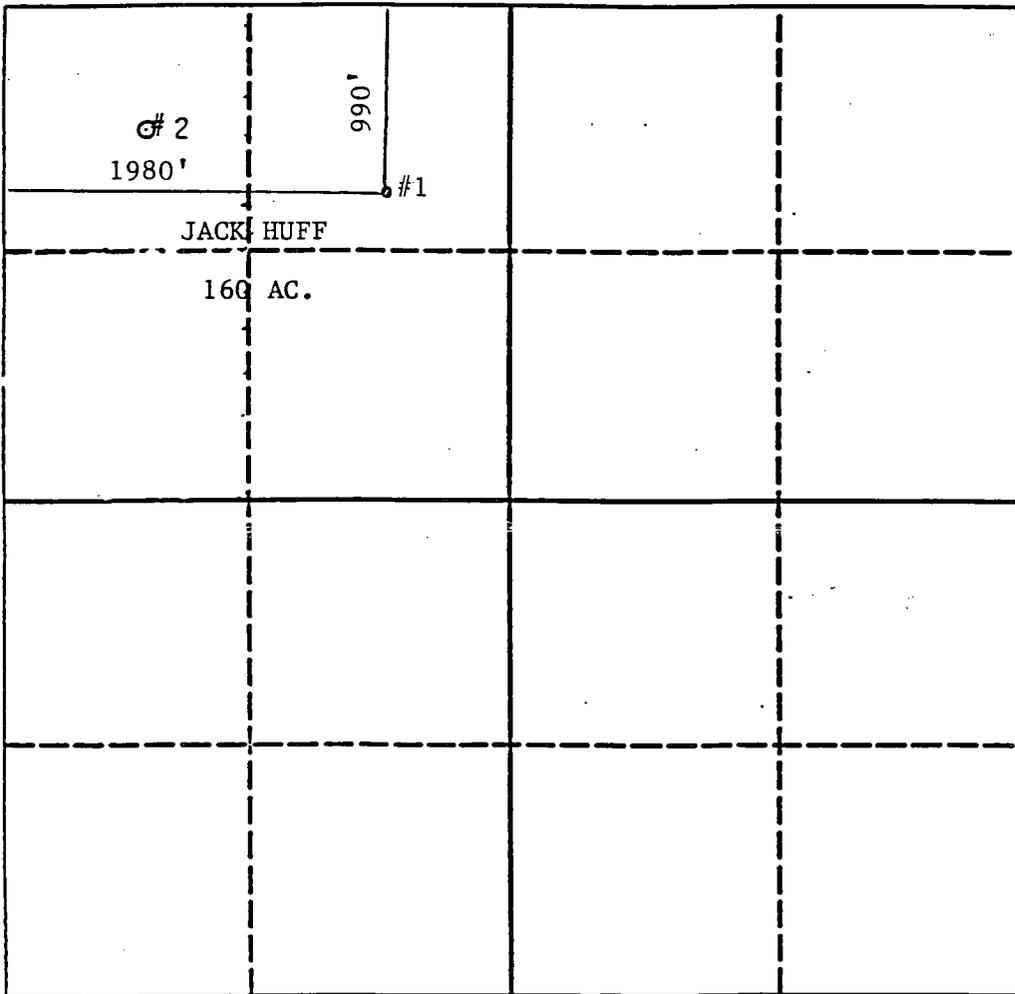
AMENDED

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator JACK HUFF		Lease SHELL-STATE "B"		Well No. 1
Unit Letter "C"	Section 36	Township 19-S	Range 36-E NMPM	County LEA
Actual Footage Location of Well: 990' feet from the NORTH line and 1980' feet from the WEST line				
Ground level Elev. 3602	Producing Formation EUMONT	Pool YATES 7 RIVERS QUEEN		Dedicated Acreage: 160 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 Yes No If answer is "yes" type of consolidation _____
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

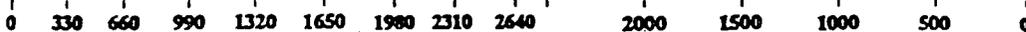
Signature: *Chris Huff*
 Printed Name: **Chris Huff**
 Position: **Operations Manager**
 Company: **Jack Huff**
 Date: **February 5, 1997**

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: **JANUARY 23, 1997**
 Signature & Seal of Professional Surveyor: *Max A. Schumann Jr.*
MAX A SCHUMANN JR.
 Certificate No. **1510**

Job No 62,482



OIL CONSERVATION DIVISION

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

Simultaneous Dedication

WELL LOCATION AND ACREAGE DEDICATION PLAT

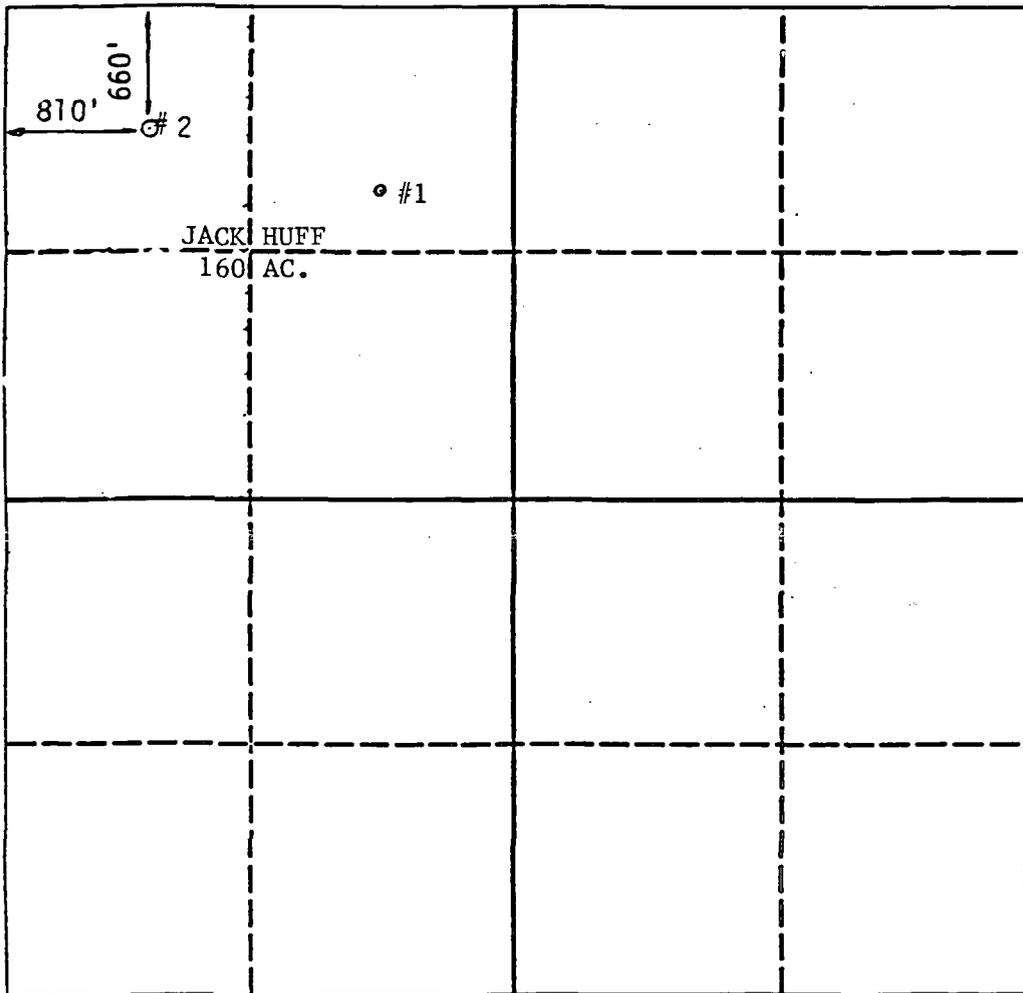
All Distances must be from the outer boundaries of the section

Operator JACK HUFF		Lease SHELL-STATE "B"		Well No. 2
Unit Letter "D"	Section 36	Township 19-S	Range 36-E	County LEA
Actual Footage Location of Well: 660 feet from the NORTH line and 810 feet from the WEST line				
Ground level Elev. 3607	Producing Formation EUMONT	Pool YATES 7 RIVERS QUEEN	Dedicated Acreage: 160 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 Yes No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Chris Huff*
 Printed Name: **Chris Huff**
 Position: **Operations Manager**
 Company: **Jack Huff**
 Date: **February 5, 1997**

SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: **JANUARY 23, 1997**
 Signature & Seal of Professional Surveyor: *Max A Schumann Jr*
MAX A SCHUMANN JR
 Certificate No. **1510**
 Job No **62,482**

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

May 7, 1992

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Kenneth R. Owens
Owens Petroleum, Inc.
P.O. Box 2911
Midland, Texas 79702

Administrative Order NSP-1647

Dear Mr. Owens:

Reference is made to your application dated April 15, 1992 for a 160-acre non-standard gas proration unit consisting of the following acreage in the Eumont Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
Section 36: NW/4

It is my understanding that this unit is to be dedicated to your Shell State "B" Well No. 1 to be drilled at a standard gas well location in Unit C of said Section 36.

By authority granted me under the provisions of Rule 2(a)4 of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by the Division Order No. R-8170, as amended, you are hereby authorized to operate the above-described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with Rule 5 of said pool rules based upon the unit size of 160 acres.

Sincerely,

William J. LeMay
Director

WJL/MES/jc

cc: Oil Conservation Division - Hobbs
NMSLO - Santa Fe