

Manzano Oil Corporation

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January 29, 2001

New Mexico Oil Conservation Division 1625 North French Drive Hobbs, New Mexico 88240

Re: Shell State #1 330'FNL & 2310'FEL Sec 26, T10S, R32E Lea County, New Mexico

Gentlemen:

The Shell State #1 was P&A on 1/12/96. A replacement well, the Shell State #-1Y, was drilled 50' to the west and is at present producing.

We request that a dry hole marker not be placed on the Shell State #1 at the present time because it will interfere with producing facilities of the 1-Y.

We request that a dry hole marker be installed on the #1 when the #1-Y is P&A.

Very truly yours,

Donnie E. Brown VP Engineering

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