

TEXAS-NEW M  LINE COMPANY

May 30, 1997

John Gray
Penwell Energy
600 N Marienfield
Suite 1100
Midland, TX 79706

RE: West Shugart 30 Fed.
Sec 30, T18S, R31E
Eddy County, NM

Dear John:

Enclosed for your file is a copy of our LACT approval letter to the New Mexico Oil Conservation Division. If this LACT unit uses a programmable logic controller (PLC) we require a copy of its control logic. If you have any questions, please contact our San Angelo, TX. Office.

Sincerely,


C. R. Bishop