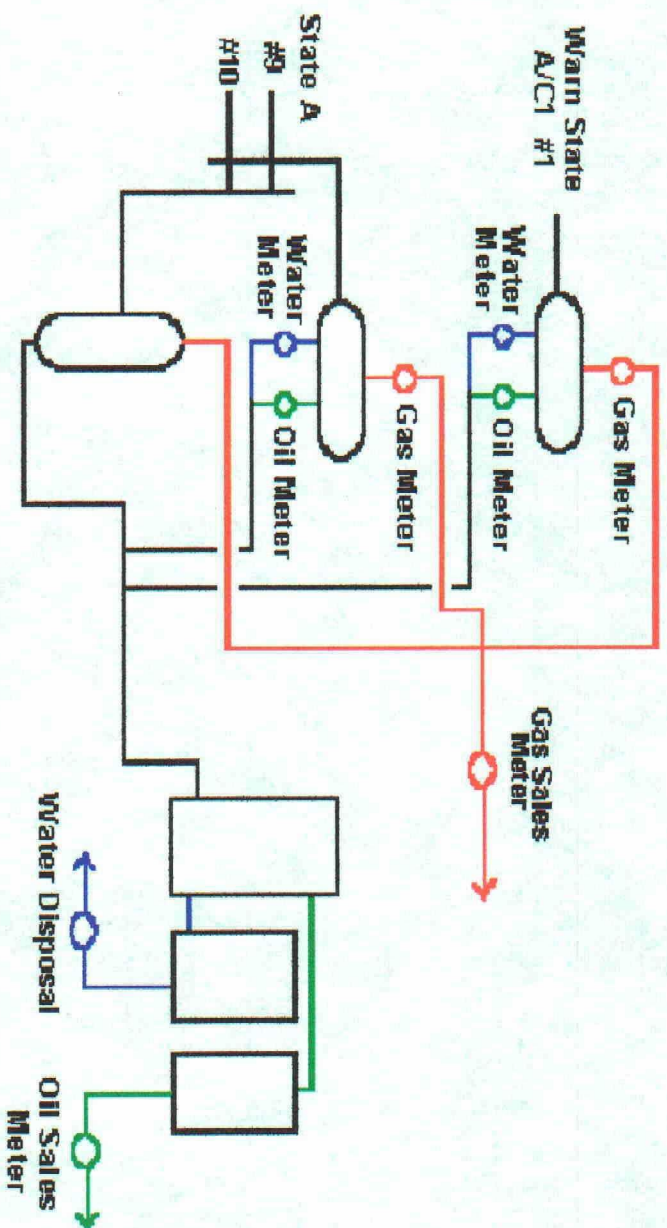


State "A" Battery, Vacuum Field



1/17/96

FEB 02 '96

11:48AM EASTERN ASSET

SHELL

TEXACO

MARATHON

PHILLIPS

SHELL

P. 1/1
SHELL

25

T 17 S

30

29

'M STATE'

STATE

'STAPLIN'

'SANTE FE'

'B STATE'

'F STATE'

GETTY

TEXACO

SHELL

CHEVRON

A BATTERY

10

9

32

TEXACO

'H STATE'

PHILLIPS

'J STATE'

MARATHON
(SHELL)

R
34 36
E

R
35
E

31

'A STATE'
MOBIL

'STATE
3-32'
ARCO

2260'

1

'SANTE FE'
SHELL

WARN STATE
A C 1
SHELL

PHILLIPS

2236'

'O' NCT-1

'D STATE'

'E STATE'

STATE

'SANTE FE'

'K STATE'

'ST B-
1576'

TEXACO

MARATHON

T 18 S

TEXACO

5

6



SHELL WESTERN E&P INC.
LEA COUNTY, NEW MEXICO

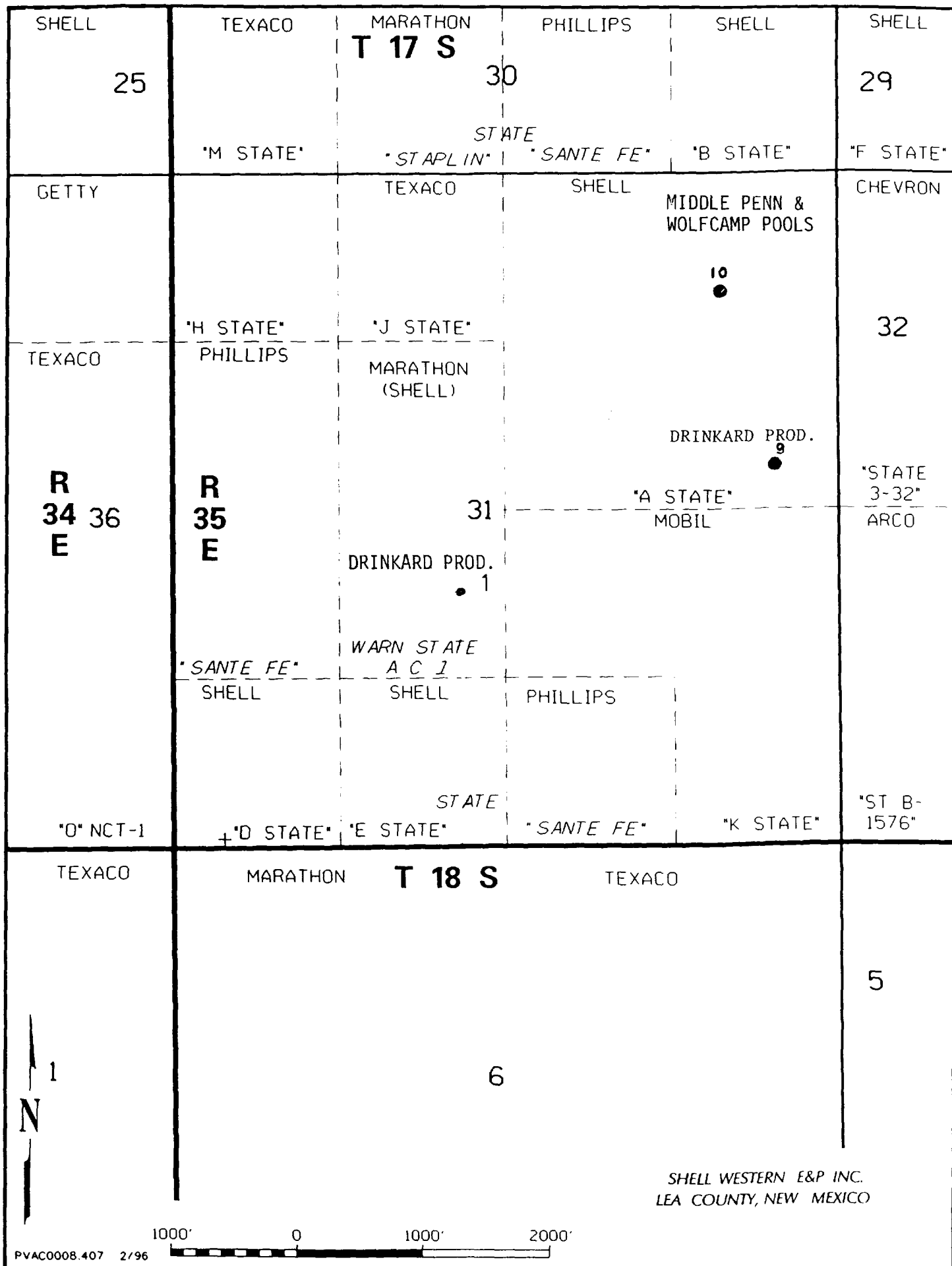
1000'

0

1000'

2000'

PVAC0008.407 2/96





PLC-118

RAY POWELL, M.S., D.V.M.
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

March 11, 1996

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

Attn: Ms. Yvonne T. Iverson

Re: Application for Surface Commingling
Request for Exception to Rule 303-A
Vacuum Field-Middle Penn, Wolfcamp and Drinkard Pools
State "A", Well #9, State "A", Well #10 and Warn State A/C #1, Well #1
Section 31-17S-35E
Lea County, New Mexico

Dear Ms. Iverson:

We have received your application requesting approval to commingle and store off-lease, the production from the following wells:

State "A", Well #9, (H), Section 31-17S-35E, Vacuum Drinkard;
State "A", Well #10, (A), Section 31-17S-35E, Vacuum Middle Penn and Vacuum
Wolfcamp; and
Warn State A/C #1, Well #1 (K), Section 31-17S-35E, Vacuum Drinkard.

The production from the subject leases will be commingled into the State "A" Battery located in Unit Letter A, Section 31, Township 17S, Range 35E, Lea County, New Mexico.

We understand that production from the Warn State A/C Well #1 lease will be metered separately from the other commingled production.

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Shell Western E & P Inc.

March 11, 1996

Page 2

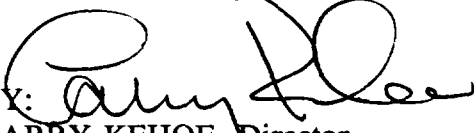
Since the above-mentioned wells are utilizing the tank battery on Lease B-2354-2, a right-of-way easement may be required. Please contact Ms. Debra Padilla of our Right-of-Way Section for further information regarding this easement. Ms. Padilla's telephone number is 827-5729.

Our approval is contingent upon Shell Western E & P Inc.'s obtaining any required rights-of-way.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File
B-2354-2
OCD--Attention: David Catanach and Ben Stone
Debra Padilla