HON DIVISION COMPANY PENN201L JZOIL THO. WESTERN DIVISION CASE NO. MIDLAND DISTRICT BRIERCROFT SAVINGS BUILDING . (915) 682-7316 MAILING ADDRESS, P. O. DRAWER 1828 MIDLAND, TEXAS 79702-1828

September 12, 1985

Working Interest Owners Address List Attached

> Re: B. E. Shipp Estate No. 1 and 2 Wells NE/4 of Section 4-17S-37E Lea County, New Mexico

Gentlemen:

In connection with our proposed B. E. Shipp Estate No. 1 and 2 wells, enclosed please find two (2) AAPL Form 610-1982 Operating Agreements covering the W/2 NE/4 and E/2 NE/4 of Section 4-17S-37E.

As you will note, the commencement date in Article VI.A. <u>Initial Well</u>, has not been inserted and Exhibit "A" is not completed. As soon as we have determined who is participating in our proposed wells, you will be provided with substitute pages.

Pennzoil also wishes to inform you that we have made two (2) separate applications to the Oil Conservation Division of New Mexico for an order pooling all mineral interests underlying the W/2 NE/4 and E/2 NE/4 of Section 4-17S-37E. The hearing is scheduled on the Examiner Docket set for October 9, 1985. We feel this action is necessary due to the fact that we must commence these wells within a certain time period in order to meet our farmout obligations and leasehold expirations.

As soon as we have received a signed AFE and signature page to the operating agreement or you have agreed to lease or farmout, you will be released from both force pooling proceedings.

Should you have any questions, please feel free to contact the undersigned.

Very truly yours,

Greg Da√is Landman

GD/mk enclosures

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Working Interest Owners

B. E. Shipp Estate #1

The Superior Oil Company P. O. Box 633 Midland, Texas 79702 Attn: K. M. Johnston

TXO Production Corp. 900 Wilco Building Midland, Texas 79701 Attn: Jeff Bourgeois

Apcot-Finadel Joint Venture, a general partnership P. O. Box 2159 Dallas, Texas 75221

Shell Western E&P Inc. P. O. Box 831 Houston, Texas 77001 Attn: Terry Enders

Atlantic Richfield Company P. O. Box 1610 Midland, Texas 79702 Attn: Mike Snyder

Texaco Producing, Inc. P. O. Box 3109 Midland, Texas 79702 Attn: E. H. Watkins

Jeanne Van Zant Sanders Suite 508, Sinclair Building 106 W. Fifth Street Fort Worth, Texas 76102

J. R. McGinley, Jr. Lanroy, Inc. Cleroy, Inc. P. O. Box 3405 Tulsa, Oklahoma 74101

Sohio Petroleum Company Two Lincoln Centre -5420 LBJ Freeway Suite #1000/LB 03 Dallas, Texas 75240 Attn: Don Leonhart

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Working Interest Owners

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B. E. Shipp Estate #1

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Max W. Coll II, James N. Coll, Charles H. Coll and Jon F. Coll P. O. Box 1818 Roswell, New Mexico 88201

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Harry A. Miller, Jr. 600 First National Bank Building Midland, Texas 79701

Harry A. Miller III 2403 Ben White Blvd. Austin, TX 78704

Margaret Ann Miller Carrico 406 Farley Trail Austin, Texas 78746

E. B. White, Jr. P. O. Box 2052 Midland, Texas 79702

Rebel Oil Company P. O. Drawer 309 Hobbs, New Mexico 88240 Attn: Ellie Spear

J. H. Van Zant, II 1730 Commerce Building 307 West 7th Fort Worth, Texas 76102

Black Bear Oil & Gas Corp. 505 North Big Spring Suite 404 Midland, Texas 79701 Attn: Jim R. Leeton