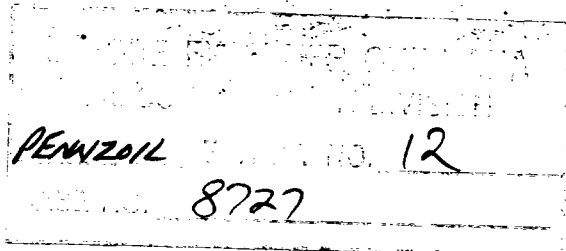


PENNZOIL COMPANY

WESTERN DIVISION

MIDLAND DISTRICT: BRIERCROFT SAVINGS BUILDING • (915) 682-7316
MAILING ADDRESS: P. O. DRAWER 1828 MIDLAND, TEXAS 79702-1828



Certified Mail
Return Receipt Requested

September 24, 1985

Pat Alston Ward
c/o Bill Ward
5050 E. University, Suite 9B
Odessa, Texas 79761

Re: D. E. Shipp Estate #1 & #2 Wells
NE/4 of Section 4-17S-37E
Lea County, New Mexico

Dear Mrs. Ward:

Joe Nobles called me September 23, 1985, and inquired about our proposals to drill the referenced wells. He informed me that he was recommending you participate in the drilling of the wells.

Accordingly, enclosed please find two (2) AAPL Form 610-1982 Operating Agreements covering the W/2 NE/4 (Shipp Est. #1) and E/2 NE/4 (Shipp Est. #2) of Section 4-17S-37E. As you will note, the commencement date in Article VI.A. Initial Well, 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 completed, substitute pages.

Should you decide to participate, please return a signed AFE and signature page to the operating agreement for each well. Upon receipt of same, you will be dismissed from our scheduled forced pooling hearings.

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

Very truly yours,

A handwritten signature in cursive script that reads "Greg Davis".

Greg Davis
Landman

GD/mk
enclosures