

**NORTHWESTERN SHELF
VACUUM, NORTH AREA
LEA COUNTY, NEW MEXICO**

0 2000' 4000' 6000'

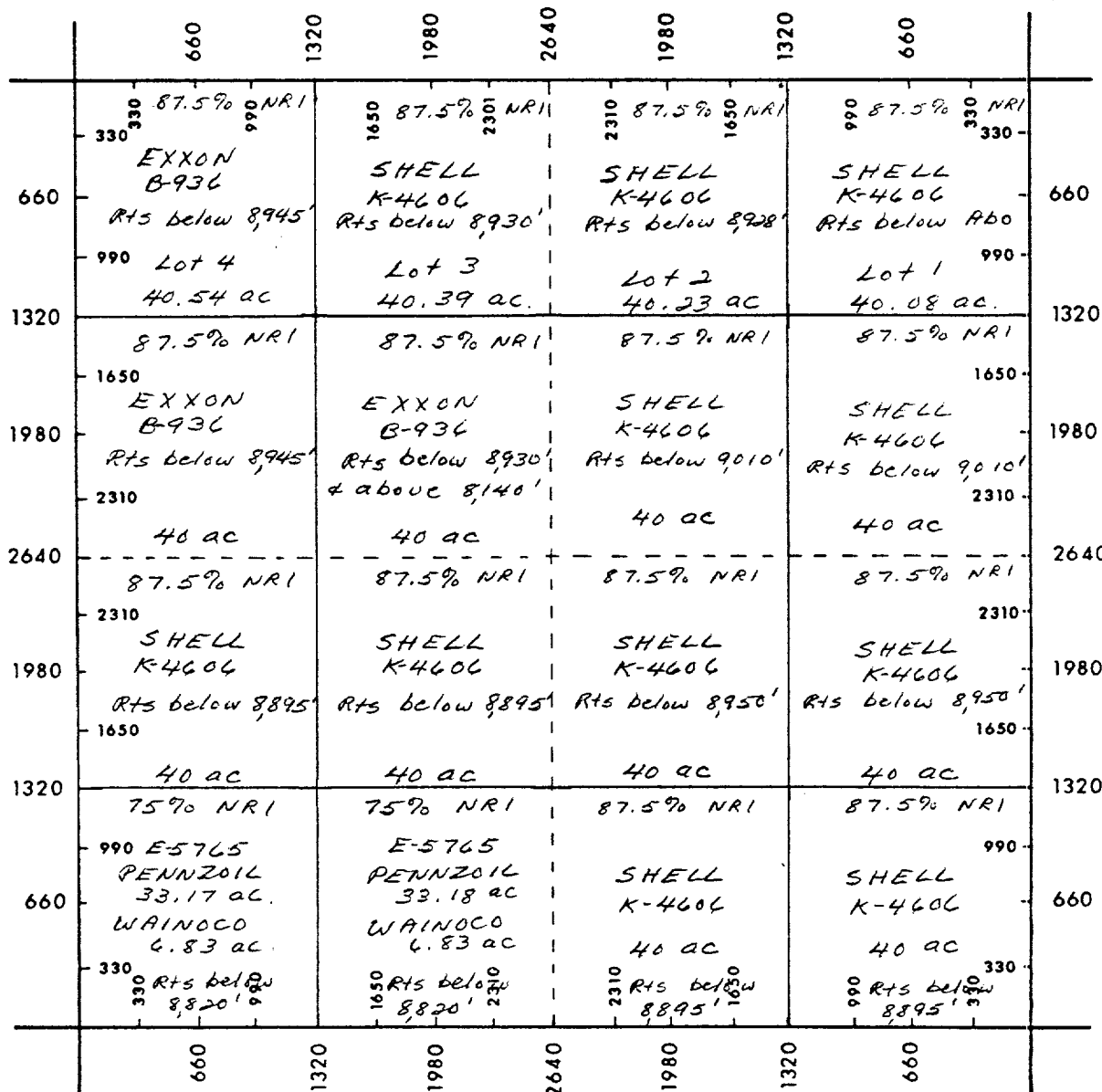
SCALE IN FEET

BEFORE EXAMINER STOGNE
OIL CONSERVATION DIVISION

Renzel EXHIBIT NO. 1

CASE NO. 8394

NORTH



WEST

EAST

SOUTH

Area Vacuum, North

Lease No. Filed in 16087-00

Sec. 1, T 17 S, R 34 E

Sec. , Blk. , Surv.

County Lea, State N.M.

Scale: 1"=1000'

EXHIBIT "A"

Attached to and made a part of that certain Operating Agreement dated
November 1, 1984 by and between PENNZOIL COMPANY, as Operator and EXXON
CO., U.S.A., ET AL, as Non-Operators

(1) Identification of lands subject to agreement:

All of the W/2 of Section 1, Township 17 South, Range 34 East in Lea County, New Mexico, containing 320.93 acres, more or less

(2) Restrictions, if any, as to depths, formations, or substances:

Depths limited to below 8,820' subsurface subject only to the exclusion of any depths previously earned below 8,820' subsurface under any prior farmout agreement.

(3) Percentages or fractional interests of parties to this agreement:

	<u>ACREAGE</u>	<u>WORKING INTEREST % BEFORE PAYOUT</u>	<u>WORKING INTEREST % AFTER PAYOUT</u>
Pennzoil Company	66.35	24.9276%	23.5097%
Wainoco Oil & Gas Co.	13.65	-0-	1.4179%
Exxon Co. U.S.A.	120.54	37.5596%	37.5596%
Shell Western E.P. Inc.	120.39	37.5129%	37.5129%
TOTAL	320.93	100.0001%	100.0001%

(4) Oil & Gas Leases and/or oil and gas interests subject to this agreement:

PENNZOIL & WAINOCO LEASE

State of New Mexico Oil & Gas Lease E-5765, dated November 10, 1951 by and between the State of New Mexico, as Lessor, and Culbertson & Irwin, Inc., as Lessee, said lease being recorded in Book 133 Page 170 of the Oil & Gas Records of Lea County, New Mexico insofar as said lease covers S/2 SW/4 of Section 1-17S-34E, N.M.P.M., Lea County, New Mexico containing 80 acres, more or less

SHELL WESTERN E & P INC. LEASE

State of New Mexico Oil & Gas Lease K-4606 dated December 15, 1964 by and between the State of New Mexico, as Lessor, and Shell Oil Co., as Lessee, insofar as said lease covers Lot 3 and the N/2 SW/4 of Section 1-17S-34E, N.M.P.M., Lea County, New Mexico containing 120.39 acres, more or less

EXXON CO. U.S.A. LEASE

State of New Mexico Oil & Gas Lease B-936, dated June 6, 1932, by and between the State of New Mexico, as Lessor, and Humble Oil & Refining Company, as Lessee, insofar as said lease covers Lot 4 and S/2 NW/4 of Section 1-17S-34E, N.M.P.M., Lea County, New Mexico containing 120.54 acres, more or less

The above leases collectively comprise all of the W/2 of Section 1, T17S, R34E, N.M.P.M., Lea County, New Mexico containing 320.93 acres, more or less.

(5) Addresses of parties for notice purposes:

Pennzoil Company
P. O. Drawer 1828
Midland, Texas 79702
Attn: Lonnie Whitfield

Exxon Company, U.S.A.
P. O. Box 1600
Midland, Texas 79702-1600
Attn: Douglass C. Robison

Shell Western E&P Inc.
200 N. Dairy Ashford
Room #4366
Houston, Texas 77079
Attn: Rick Goenner

Wainoco Oil & Gas Co.
1200 Smith Street
Suite 1500
Houston, Texas 77002-4367
Attn: Stuart W. Ashmun