Manzano Oil Corporation

P.O. Box 2107 Roswell, New Mexico 88202-2107 (505) 623-1996 FAX (505) 625-2620

January 29, 2001

New Mexico Oil Conservation Division 1625 North French Drive Hobbs, New Mexico 88240

Re: Shell State #1 330'FNL & 2310'FEL Sec 26, T10S, R32E Lea County, New Mexico

Gentlemen:

The Shell State #1 was P&A on 1/12/96. A replacement well, the Shell State #-1Y, was drilled 50' to the west and is at present producing.

We request that a dry hole marker not be placed on the Shell State #1 at the present time because it will interfere with producing facilities of the 1-Y.

We request that a dry hole marker be installed on the #1 when the #1-Y is P&A.

Donnie E. Brówn VP Engineering

DBiar



-