Oil Conservation Division Page 2 June 11, 1986

Pennzoil desires to produce the Western State No. 4-H for a period of 90 days by installing the necessary artificial lift equipment. A string of 4 1/2" casing will be set on a packer in order to protect any zones open to the wellbore due to casing leaks. A procedure is attached describing these operations.

If, following the 90-day testing period, the well is considered economic, then Pennzoil shall request from the Oil Conservation Division what requirements must be met to permanently produce this well. If uneconomic, the Western State No. 4-H will be plugged and abandoned per Oil Conservation Division specifications.

Any questions concerning the proposed operations should be directed to Mr. Gesch or Mr. Shumway at 915-682-7316. Your cooperation in this matter is greatly appreciated.

Yours very truly,

PENNZOIL COMPANY

for Example Volling

JLP:bw Enc.

cc: F. Gesch

M. Shumway

R. Johnson