

Shell Western E&P Inc.

An affiliate of Shell Oil Company



P. O. Box 576
Houston, TX 77001

July 29, 1996

Mr. Jerry Sexton
State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
P. O. Box 1980
Hobbs, NM 88241-1980

Dear Mr. Sexton:

SUBJECT: STATE RIDGE "B", WELL NO. 1
MORROW FORMATION
PROPERTY CODE 18645 - API #30-025-33307
SECTION 30, T17S - R35E
LEA COUNTY, NEW MEXICO

Pursuant to the provisions of Oil Conservation Division (OCD) Rules 1103, 1104, 1105, and 1122, enclosed please find a copy of the following State of New Mexico Forms:

- Form C-103, Sundry Notices and Reports on Wells.
- Form C-104, Request for Allowable and Authorization to Transport, along with the deviation survey for the subject well.
- Form C-105, Well Completion Report for said well, along with one copy of the well logs.
- Form C-122, Multipoint And One Point Back Pressure Test For Gas Well.

Pursuant to OCD Rule 104, it appears that this well should be considered in the established North Vacuum Atoka Morrow Gas Pool because the boundary of the well's 320 acre spacing unit is located within one mile an established pool. Currently, the well is designated as a Wildcat. Donna Pitzer, of your office, requested that Shell Western E&P Inc. leave the Pool Name and the Pool Code blank on the completion C-104 and C-105 forms. Our understanding is that upon review by the State's geologist, the Pool Name and the Pool Code will be completed by your office.

Should you have any questions or need any additional information, please do not hesitate to contact me a call at (713) 544-3226.

Yours very truly,

A handwritten signature in cursive script that reads "Yvonne T. Iverson".

Yvonne T. Iverson
Land Representative

Western Asset - Asset Administration