

## Shell Western E&P Inc.

An affiliate of Shell Oil Company



P. O. Box 576  
Houston, TX 77001

September 25, 1996

Ms. Donna Pitzer  
State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
P. O. Box 1980  
Hobbs, NM 88241

Dear Ms. Pitzer:

SUBJECT: COMMUNITIZATION AGREEMENTS  
STATE BG #1 - SECTION 19, T17S - R35E  
PROPERTY CODE 18861 - API #30-025-33395  
STATE RIDGE "B" #1 - SECTION 30, T17S - R35E  
PROPERTY CODE 18645 - API #30-025-33307  
LEA COUNTY, NEW MEXICO

Please be advised that the Communitization Agreement for each of the subject wells was executed on September 13, 1996. The fully executed agreements have been sent to the New Mexico State Land Office for approval. Each of the agreements are further described below:

- Communitization Agreement dated September 13, 1996, established a 315.34 acre proration unit for the State BG #1 well, completed in the Atoka Morrow formation. The proration unit consists of the North half of Section 19, T17S-R35E, Lea County, New Mexico.
- Communitization Agreement dated September 13, 1996, established a 320 acre proration unit for the State Ridge "B" #1 well, completed in the Morrow formation. The proration unit consists of the East half of Section 30, T17S-R35E, Lea County, New Mexico.

As a result of the mentioned agreements, enclosed please find a Form C-104 for each of the subject wells, which changes each of the property names to reflect the executed Communitization Agreements.

Should you have any questions or need any additional information, please give me a call at (713) 544-3226.

Yours very truly,

A handwritten signature in dark ink, which appears to read "Yvonne T. Iverson", is written over the typed name.

Yvonne T. Iverson  
Western Asset - Asset Administration  
Continental Division

Enclosures