Feb. 28,1997

Mr. Jerry Sexton NM Oil Conservation Division PO Box 1980 Hobbs, NM 88241

Re: Shell Western E & P Inc.

E. ½ of Sec 32, T-17S, R-35-E

Lea County, NM

Dear Mr. Sexton:

Shell E & P has advised us they plan to apply for permission to install and operate a LACT unit on the following lease:

Hoover 32 S 32, T-17 S, R-35-E Lea Co., NM

Texas New Mexico Pipe Line Co. will gather the production from this facility and supports the operator's application for a LACT unit. Please direct any correspondence regarding this unit to our San Angelo office.

Texas New Mexico Pipe Line Co. PO Box 60028 San Angelo, Texas 76906

Sincerely

CR Bishop

xc: JTJ BDC File