



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

September 25, 1989

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Shell Western E & P Inc.
P.O. Box 576
Houston, Texas 77001

Attention: J. H. Smitherman

Re: Northeast Drinkard Unit Well No. 602
Unit E, Section 15, T-21S, R-37E

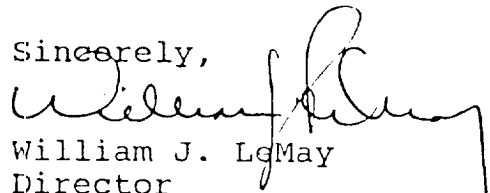
Northeast Drinkard Unit Well No. 608
Unit F, Section 15, T-21S, R-37E

Dear Mr. Smitherman:

Reference is made to your letter dated May 25, 1989, whereby you requested authorization to utilize the Northeast Drinkard Unit Well No. 602 as a Tubb gas producer, and to utilize the Northeast Drinkard Unit Well No. 608 as a Blinebry gas producer. This request is contrary to the provisions contained in Division Order No. R-8539, which authorized the NEDU Well No. 602 to be utilized as a Blinebry producer and the NEDU Well No. 608 to be utilized as a Tubb producer. It is our understanding that the proposed utilization should result in a more efficient method of producing Blinebry and Tubb gas reserves underlying the proration unit, and that the proposal is in conformity with Rule No. (6) of said Order No. R-8539.

You are therefore authorized to utilize the NEDU Well No. 602, as described above, as a Tubb gas producer and to utilize the NEDU Well No. 608, as described above, as a Blinebry gas producer.

Sincerely,


William J. LeMay
Director

xc: OCD-Hobbs
Case File: 9230