

Oryx Energy Company
13155 Noel Road
Dallas TX 75240-5067
PO Box 2880
Dallas TX 75221-2880
214 715 4000



June 5, 1995

TO: MR JOE MADRON
MARATHON OIL COMPANY
125 W. MISSOURI
MIDLAND TX 79701

MR RAY VADEN
CHEVRON USA
15 SMITH ROAD
MIDLAND TX 79705

RE: Proposed Drilling of Bogle Flats Well #5-10 11 Rm
AFE 13018, PN 427692
Section 5, T22S, R23E, Unit Well #10 11 Rm
Indian Basin Field
Eddy County, NM

Gentlemen:

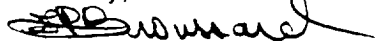
Oryx Energy Company, pursuant to Unit Operating Agreement dated November 30, 1964, hereby proposes the drilling of the subject well. You will find enclosed, our AFE in the 8/8ths amount of \$705,000 to drill and complete said well.

Oryx requests that Marathon make their election to participate in the drilling and completion of said well and to allow Chevron to designate Oryx Energy Company (sub-operator), by executing one copy of their letter and returning same to Chevron with a copy to Oryx.

It is further requested that Chevron take the necessary measures to commence this work as soon as Marathon's approval is received. Oryx hereby requests that it be designated temporary sub-operator for purposes of conducting the operations outlined in the attached AFE, for a well 1700' FSL & 1750' FSL OF SEC. 5, T-22-S, R-23-E, N.M.P.M., EDDY CO., NEW MEXICO. Upon completion of the well as a producer, CHEVRON, AS UNIT OPERATOR, WILL TAKE OVER AND OPERATE SAID WELL FOR THE UNIT. Rm
By execution of this letter, Oryx Energy Company hereby agrees to indemnify Chevron from all liability that may arise as a result of Oryx Energy's operations on Section 5, T22S, R23E, Eddy County, NM. See "Indemnification Agreement" attached.

If you have any questions or comments, I may be reached at 214-715-8335. Technical questions regarding the proposed work should be directed to Mark Peavy, Operations Engineer, at 214-715-4632.

Sincerely,


Glynn P. Broussard, CPL
Senior Landman

c: Mark Peavy
Jt Op File

~~JOINT OWNERS~~ Rm

APPROVAL ☒ DISAPPROVAL ☐

NAME: CHEVRON U.S.A. INC.

BY: Ray M. Vaden

DATE: 6-6-95

c.c. BLM - ROSWELL, N.M.
Attn: MR. ARMANDO LOPEZ