

CLAUDE C. KENNEDY  
INDEPENDENT OIL AND GAS OPERATOR

May 6, 1978

Mr. Alton R. Kendrick  
N. M. O. C. C.  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

Re: Proposed Drill Site Location:  
Sec. 9, T15N, R6W, McKinly County, New Mexico.

Dear Mr. Kendrick:

I am the record title owner of a fee oil and gas lease covering the subject section of land located on the Ignacio Chavez Land Grant.

As a requirement and only as a requirement of that fee oil and gas lease, there is a Future Interest BLM Lease NM A 30317 which might become effective on 5-10-1989.

I have discussed this proposed location verbally with you and both USGS offices covering this area.

I have entered into a "Farmout Agreement" with Mr. W. M. Kaiser and have represented this to be a fee Oil & Gas Lease. I have verbally been advised that USGS might require compliance with NTL-6 prior to approval of this application.

Mr. Kaiser does not wish to be exposed to the added expense of the NTL-6 compliance and necessary delay.

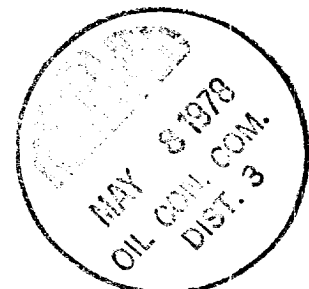
Therefore, I take the position that this is a fee lease, not subject to USGS jurisdiction; and that the only approval required should come from the N.M.O.C.C. and the surface management agency which is:

District Manager  
Bureau of Land Management  
P. O. Box 6770  
Albuquerque, New Mexico 87107 as contained in the

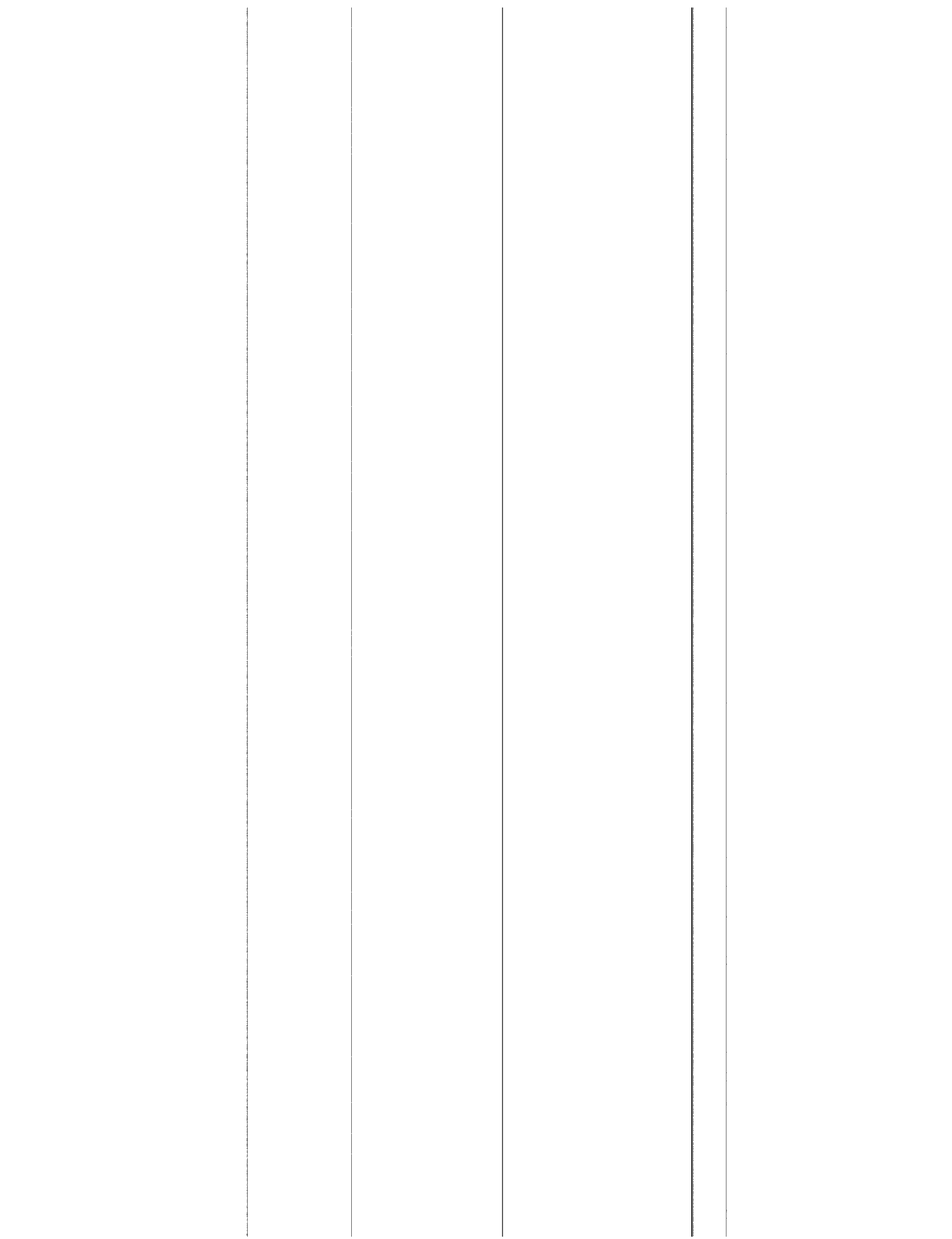
lease provisions of NM A 30317.

Therefore, I request that this application be approved subject to the following conditions:

1. Receipt of the "Official Survey Plats".
2. Approval of "Bond" as required.
3. BLM surface clearance.







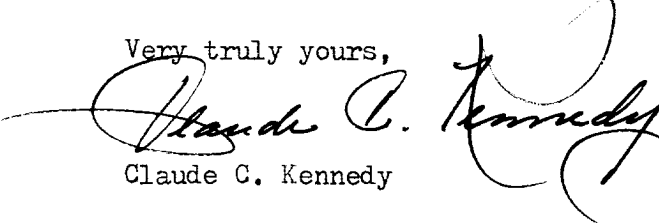
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A timely decision in this matter would be greatly appreciated, since we had planned to start work on this well this month.

Thanking you, I remain

Very truly yours,



Claude C. Kennedy

Copy:

USGS

Mr. Jerry W. Long  
P. O. Box 1809  
Durango, Colorado 80301

USGS

Mr. Wallace Sutherland  
P. O. Box 26124  
Albuquerque, New Mexico 87125

District Manager  
Bureau of Land Management  
P. O. Box 6770  
Albuquerque, New Mexico 87107

Mr. Thomas Drought  
Attorney at Law  
1600 Frost Bank Tower  
San Antonio, Texas