

Floyd E. Radloff  
Senior Counsel

Conoco Inc.  
P O Box 2197  
Houston, TX 77001

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FEB 01 1981  
OIL CONSERVATION DIVISION  
SANTA FE

January 27, 1981

*Stamps*

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Case No. 7124  
Application of Caribou Four Corners, Inc.  
San Juan County, New Mexico

Gentlemen:

Conoco Inc. owns Navajo Lease 14-20-0603-6358, which covers portions of the following proration units in San Juan County, New Mexico:

Township 29 North, Range 15 West

Section 13: W/2 NW/4

Section 13: E/2 NW/4

Caribou Four Corners, Inc. drilled and completed Kirtland No. 6 in the E/2 NW/4 and Kirtland No. 7 in the W/2 NW/4 and has requested that allowables be assigned to such wells. The validity of Conoco's above-referenced lease has been questioned and Caribou has requested that Conoco and the Navajo Tribe agree to the escrow of funds generated by sale of production allocated to the Navajo Tribal lands in each of said proration units.

This is to advise that Conoco Inc. is willing to participate in a suitable agreement to escrow funds attributable to production allocated to the Navajo lands until the validity of Conoco's lease is resolved.

Very truly yours,

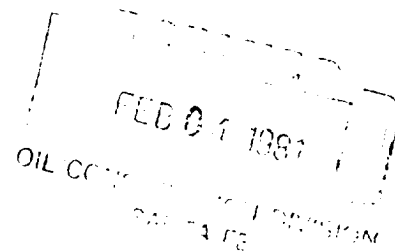
*Floyd E. Radloff*  
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FER/cb

cc: Caribou Four Corners, Inc.  
404 N. 31st Street  
Billings, Montana 59101



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cc (cont): Mr. Sumner G. Buell  
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Mr. Jerry Hardin  
Exploration Department  
Conoco Inc.  
Midland, Texas

