

600 C & K PETROLEUM BUILDING POST OFFICE DRAWER 3546 MIDLAND, TEXAS 79702 (915)683-3311

June 21, 1977

Kellahin and Fox Attorneys at Law P. O. Box 1769 Santa Fe, New Mexico 87501

Attention: Mr. W. Thomas Kellahin

RE:

NMOCC Case No. 5939 W/2, Section 7, T-22-S, R-27-E, NMPM, Eddy County, New Mexico

Dear Mr. Kellahin:

Reference is made to your letter of June 13, 1977 concerning the captioned.

Please find enclosed a Statement by Mr. Mike Roye with attachments for your further handling.

If there is anything further you need in this regard, please let us know.

Very truly yours,

C & K PETROLEUM, INC.

(Mrs.) Kerley Jones

KJ:vg Enclosures



600 C & K PETROLEUM BUILDING POST OFFICE DRAWER 35:46 MIDLAND, TEXAS 7970:2 (915)683-3311

June 20, 1977

TO WHOM IT MAY CONCERN:

RE: Carlsbad "7" No. 1 Well Section 7, T-22-S, R-27-E, NMPM, Eddy County, New Mexico

I, Mike Roye, Independent Landman, employed by C & K Petroleum, Inc. for this purpose, spent the better part of 4 weeks during March, 1977, in Carlsbad, New Mexico attempting to personally contact the persons on the attached list concerning the captioned lands. Those not contacted were sent a letter along with a draft. Attached is a sample copy of the letter sent to those who were not located in Carlsbad, New Mexico.

During the month of April, 1977, follow-up telephone calls were made to the persons who had not yet signed a lease.

All of the persons on the attached list were either contact personally or by letter.

Mike Roye



POST OFFICE DRAWER 3546 600 C.A.K. PETROLEUM BUILDING MIDLAND, TEXAS 79701 (015) 683-3311

C & K Petroleum, Inc. is presently acquiring mineral leases in the hopes of drilling a well in Section 7, I-22-5, R-27-U, in Eddy County, New Mexico. Your lot(s) are included within this 640 acres.

C & K is interested in leasing the minerals under your lot(s) for a period of five years. The lease form is included in this envelope. We would like to offer you a bonus consideration of \$50.00 for each lot you own. A bank draft is enclosed and is payable upon signing and notarizing the lease form.

Since each lot is approximately 1/5 = 1/4 of an acre, this would be the equivalent of \$250.00 an acre. The five-year lease also provides for a 3/16 royalty interest for the lesson.

C & K is <u>not</u> interested in the acquisition of your surface land for any purpose whatsoever. If you find the terms of the lease acceptable, the signatures and social security numbers of both you and your spouse are needed at the bot'om of the lease. Your signatures must be witnessed by a notary public. Please return the lease c/o Bichael W. Boye in the self-addressed envelope.

Should you have any questions, please do not besitate to call mypelf or Danie Lebow "collect" at this number: (915) 683-3311.

Yours truly,

C & K PETROLLUM, INC.

michael W. Roye

tandman Landman

MWR/ml Encls.