

JIM R. MCMICHAEL  
P. O. BOX 4251  
MIDLAND, TX 79704-4251  
Tel. #915-689-8057

May 13, 1997

Mr. Patrick J. Tower, C.P.L.  
Enron Oil & Gas Company  
P. O. Box 2267  
Midland, TX 79702

Re: Sand Tank 32 Prospect  
Sec. 32, T-17-S, R-30-E  
Eddy County, N. M.

BEFORE THE  
OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Case No. 11770 Exhibit No. 4

Submitted by: Enron Oil & Gas Company

Hearing Date: May 15, 1997

Dear Mr. Tower:

I believe to continue to contact Fredricka Leet and Glenn Leet by telephone to get them to respond to correspondence which Enron has sent to them, in regard to their leasehold interests in said Section 32, will not achieve any results. As each time I have talked to her, I have explained the purpose of the proposal and urged her to call me back if she had any questions; and, she has never called me.

Her response has always been about the same, "she did receive the correspondence and the enclosed papers from Enron. She will look them over and let Enron know." Although Glenn Leet lives with her, for some reason she has never let me talk directly to him. I can usually hear her talking to him; and, his response is "Yes, I got his letter and tell him we will let them know." They each inherited this same interest, and I really do not believe they understand what it is.

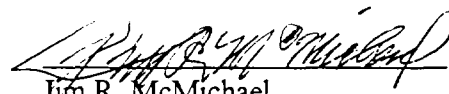
As to the interest of Carla Leet-Assaf, in this same section, my attempts to call her have resulted in leaving a message with an answering service. She did call me back one time, on May 24, 1996, and said for me to send her a farm-out and she gave me a different address. She has not executed the form nor returned it. My attempts to call her have resulted in leaving messages with the answering service with no call backs.

The interest of The Regents of The University of New Mexico, under this same section, have been a frustrating experience. On May 24, 1996, I talked to their representative, Ms. Jan Hosea, who advised me to have Enron send her a copy of the farm-out and that she would get it approved, signed and returned, if they had no objections. I received a call from Mr. Pat Gratton, who said he had approved the farm-out and it would be signed and sent to Enron. This farm-out has never been received by you. Follow-up calls as recently as April 25, 1997, have resulted in, "We thought it had been mailed back, and will check and see." To date, I have received no calls from them and I understand you have not received the farm-out.

Page 2 - 05/13/97 - Letter to  
Mr. Patrick J. Tower, C. P. L.

Mr. Tower, I do not believe that any further effort on my part to contact the above parties by telephone, will result in any success in getting them to make any immediate response. If you have further instructions for me regarding the above interest, please advise.

Respectfully,

  
Jim R. McMichael

/jrnc

4/22/97 Per Jim McMichael

Univ of NM

JM called Real Estate Agency # that was given me on 4/18/97 by Jan Hasea w/UNM - they have turned everything over to an attorney, but will go thru files & send us all signed originals. If any questions or problems, Jan Hasea will help locate & send to us ASAP.

**ENRON**  
**Oil & Gas Company**

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 11, 1997

VIA CERTIFIED MAIL - RETURN RECEIPT

TO WORKING INTEREST OWNERS:  
(See Attached Addressee List)

RE. Sand Tank "32" St. Com No. 2 Well  
1650' FSL & 1650' FEL Section 32,  
S/2 Section 32 Proration Unit  
Township 17 South, Range 30 East  
Eddy County, New Mexico  
EOG's Sand Tank Prospect

Gentlemen:

Pursuant to the Farmout Agreement, Enron is proposing to drill a second Morrow test well in the same spacing unit as the Sand Tank "32" State Com No. 1. Under the Farmout Agreement, your company has the option of joining in this second test with your "after-payout" working interest or has the option of going non-consent with a 300% penalty. Although the No. 1 well is productive, it is marginal. Discussions with the Oil Conservation Division indicate they will allow this second well (Simultaneous Dedication) as long as both wells are not produced at the same time. As the No. 1 well is rapidly depleting, it is anticipated that Enron will be up the hole or possibly abandon the No. 1 by the time any production is realized from this proposed second well.

In this regard, Enron Oil & Gas Company hereby proposes to drill the Sand Tank "32" State Com No. 2 well as an 11,800' lower Morrow test at a location 1650' FSL and 1650' FEL of Section 32, T17S, R30E, Eddy County, New Mexico. Enclosed please find two (2) AFEs covering this test. In addition, please find a complete copy, along with an extra signature page and notary page to Enron Oil & Gas Company's Joint Operating Agreement ("JOA") covering this well. If you elect to participate, please return one signed copy of the attached AFE. Regardless of whether you join or go non-consent, please execute and return the signature page and notary page to the JOA. This is the same JOA in place with the parties who joined the No. 1 well and under the same terms required under the Farmout Agreement. Again, an election of non-consent will be subject to a 300% non-consent penalty as set out in this JOA.

Should there be any questions, please feel free to contact the undersigned at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower  
Project Landman

PJT/ms  
enclosures

cc. Rudy Mikulec-EOG Houston  
Ronnie Adams-EOG Houston  
G L Thomas/R. L. Ingle/WDS/TJA/LISA/WF

Page 2

Sand Tank "32" St. Com No. 2 Well

March 11, 1997

- ☐ Elect to participate in the proposed well.
- ☐ Elect to non-consent the proposed well
- ☐ Elect to pick up proportionate share of non-consent.
- ☐ Elect not to pick up proportionate share of non-consent.

COMPANY: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

WORKING INTEREST OWNERS ADDRESS LIST  
SAND TANK "32" ST. COM NO. 2 WELL

Fair Oil Ltd.  
P. O. Box 689  
Tyler, Texas 75710  
Attention: J. Mark Strawn

Charles Aston III,  
Vaierie Aston Kobal,  
Ellen Hammond Paull  
Audrey Aston Bean  
Aston Family Limited Partnership  
c/o NationsBank, Dallas, N.A. Agent  
Trust Oil & Gas  
P. O. Box 830308  
Dallas, Texas 75283-0308  
Attention: Jerry L. Bridgens, C. P. L.

Estate of Lincoln Aston  
Charles A. Aston III, Personal Rep.  
P. O. Box 457  
Round Rock, Texas 78681

Cheedle Caviness and Elizabeth  
Caviness, as Joint Tenants  
7505 Derickson  
Albuquerque, New Mexico 87109

Regents of the University of New Mexico  
Carl A. Hatch Professorship of Law  
and Public Administration Fund  
251 Scholes Hall  
University NE  
Albuquerque, New Mexico 87131

Harriett Hatch Trapani  
80 Kirkland Way  
Cambridge, Massachusetts 02138

Ryan P. Hatch  
14140 Saddle River Drive  
Gaithersburg, Maryland 20878

Carl F. Hatch  
101 S. Front #9  
Rio Vista, California 94751

Victoria Hatch Pereira  
1306 Ridgecrest Drive SE  
Albuquerque, New Mexico 87108

Frank Hatch  
9111 Splendo Way  
Elk Grove, California 95758

Ballard E. Spencer Trust, Inc.  
c/o First National Bank of Artesia  
P. O. Box AA  
Artesia, New Mexico 88211  
Attention: Ms. Susan Holmes

Aston Partnership  
First National Bank of Chicago, Agent  
8150 N. Central Expressway, Suite 1211  
Dallas, Texas 75206  
Attention: Gail Cotton

# ENRON Oil & Gas Company

## Drilling AFE

AFE Type Wildcat(31) X Development(32)  
X Drilling X Completion Re-Entry Oil X Gas High Cost Gas

AFE No.	1011001
Property No.	
Enron W. I.	85.73000%
Enron AFE Amt (DHC)	\$439,538
(CWC)	\$742,590
Division	MIDLAND
AFE Date	2/19/97
Budget Year	1997

Well Name & No. Sand Tank "32" St. Com No. 2	Prospect Name Sand Tank	Total Depth 11,800'	Spud Date
Location & Survey 1,650' FSL & 1,650' FEL	Sec-Twn-Rng Sec 32-17S-30E	Producing Horizon Lower Morrow	DD&A Field Sand Tank
Operator Enron Oil & Gas Company	County & State Eddy, NM	Regulatory Field Sand Tank	
AFE Description Drill and complete an 11,800' Lower Morrow gas well			

DESCRIPTION	SUB ACT	DRILLING 230	COMPLETION 231	TOTAL
Access Location & Roads	401	\$20,000	\$2,000	\$22,000
Rig Move	402	30,000		30,000
Footage Cost /Ft	403			
Day Work Cost 3 1/3 days @ \$ 4,800	404	148,800	14,400	163,200
Bits, Reamers & Stabilizers	405	40,000		40,000
Fuel	406	500		500
Water	407	18,000	3,000	21,000
Mud & Chemicals	408	41,000	3,000	44,000
Cementing & Service	409	21,000	18,000	39,000
Coring	410	18,000		18,000
Logging & Testing	411	36,000	5,000	41,000
Mud Logging	412	12,500		12,500
Perforating	413		25,000	25,000
Stimulation	414		23,000	23,000
Transportation	415	5,500	4,000	9,500
Overhead days @ \$	416	6,600		6,600
Equipment Rental	417	6,000	3,000	9,000
Completion Rig days @ \$	418		9,800	9,800
Other Expense	419	22,000	7,000	29,000
Fishing & Equip. lost in hole	420			
Environmental & Safety Charges	421	3,600	5,000	8,600
Directional Drilling	422			
Equipment Usage	423			
Supervision	424	17,000	2,600	19,600
Communications	431	2,000		2,000
MWD Logging	432			
Tubular Inspection / Handling	436			
Coiled Tubing Unit / Nitrogen	445			
Completion Fluids	448			
TOTAL INTANGIBLES		\$448,500	\$125,000	\$573,500

	FEET	SIZE	GRADE	\$ FT.				
Conductor Casing	40	20			101	\$1,000		\$1,000
Surface Casing	650	11-3/4	H-40	16.00	102	10,400		10,400
Intermediate Casing	4000	8-5/8	J	11.45	103	45,800		45,800
Intermediate Casing					103			
Drilling Liner					103			
Production Casing/Liner	12050	5-1/2	N-S	7.25	104		87,400	87,400
Tie-Back Casing					104			
Tubing	11600	2-7/8	N	3.5	106		40,600	40,600
Tubing					106			
Well Head Equipment and Tree					107	7,000	25,000	32,000
Tanks					108		25,000	25,000
Flow Lines					109		5,000	5,000
Valves & Fittings					110		7,500	7,500
Rods					111			
Pumping Equipment - Surface					112			
Production Equipment - Subsurface					113			
Engines & Motors					114			
Heater-Treater & Separators					115		25,000	25,000
Other Equipment					116			
Buildings					117			
Metering Equipment					118			
Non-Controllable Equipment					119		3,000	3,000
Liner Equipment					120			
Construction Cost					122		10,000	10,000
TOTAL TANGIBLES						\$64,200	\$223,500	\$292,700
TOTAL WELL COST						\$512,700	\$353,500	\$866,200

ENRON APPROVAL				Headquarters	
By	Date	By	Date	By	Date
W.D. Smeltzer	02/19/97	Darcy L. Overman	2/19/97		
By	Date	By	Date	By	Date
JOINT OPERATOR APPROVAL					
Firm	By	Title	Date		

**ENRON**  
**Oil & Gas Company**

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600  
June 20, 1996

Regents of the University of New Mexico  
Carl A. Hatch Professorship of Law and Public Administration Fund  
% School of Law Development Office  
1117 Stanford N.E.  
Albuquerque, New Mexico 87131-1431

Attention: Ms. Jan Hosea

Re: Farmout Agreement N/2 SE/4, N/2 SW/4,  
S/2 NW/4, Section 32, Township 17 South,  
Range 30 East, Eddy County, New Mexico  
Sand Tank "32" State Com. No. 1 Well  
Sand Tank Prospect  
K0012144

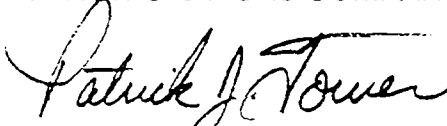
Gentlemen:

Enclosed are two originals of the subject Farmout Agreement dated May 31, 1996, with the revisions requested by Mr. Gratton on pages 2 and 3. Copies of these pages with notations showing the changes for quick reference are enclosed separately. If these changes meet with your approval, please execute these Farmout Agreements and return one fully executed copy to the undersigned as soon as possible. We thank you for your help in this matter and we will furnish you a copy of the fully executed Farmout Agreement as soon as it is available.

Should you have any questions regarding this transaction, please give me a call at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower  
Project Landman

PJT/pcl

Enclosures

xc: Patrick J. F. Gratton w/attachment  
2403 Thomas Avenue  
Dallas, Texas 75201-2037

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**ENRON**  
**Oil & Gas Company**

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600  
June 10, 1996

Regents of the University of New Mexico

Carl A. Hatch Professorship of Law and Public Administration Fund  
% School of Law Development Office  
1117 Stanford N.E.  
Albuquerque, New Mexico 87131-1431

Attention: Ms. Jan Hosea

Re: Farmout Agreement N/2 SE/4, N/2 SW/4,  
S/2 NW/4, Section 32, Township 17 South,  
Range 30 East, Eddy County, New Mexico  
Sand Tank "32" State Com. No. 1 Well  
Sand Tank Prospect  
K0012144

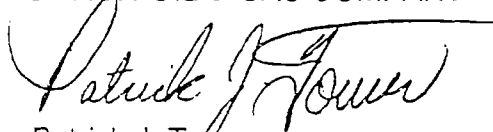
Gentlemen:

In accordance with our recent communications, enclosed are two originals of the subject Farmout Agreement dated May 31, 1996. We ask that you execute these Farmout Agreements, have your signature notarized and return one fully executed copy to the undersigned as soon as possible. Upon return of our executed copy we will have it executed by Mr. Thomas and send you a copy.

Should you have any questions regarding this transaction, please give me a call at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY

  
Patrick J. Tower

Project Landman  
PJT/pcl

Enclosures

xc: Patrick J. F. Gratton w/attachment  
2403 Thomas Avenue  
Dallas, Texas 75201-2037

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FAX

**ENRON**  
**Oil & Gas Company**P. O. BOX 2267  
4000 N. BIG SPRING ST., SUITE 500  
MIDLAND, TEXAS 79705  
(915) 686-3600DATE: 5/3/96NO. PAGES: 4TO: Jan Hosea

COMPANY: \_\_\_\_\_

TELE NO: \_\_\_\_\_

FAX NO: 505 - 277 - 1597FROM: Patrick J. TowerTELE NO: 915 - 686 - 3758FAX NO: 915 - 686 - 3773IF PAGES ARE NOT RECEIVED OR IF THERE ARE ANY TRANSMISSION PROBLEMS,  
PLEASE CALL NUMBER LISTED ABOVE.☒ URGENT☐ CONFIDENTIAL☐ REPLY REQUESTED

MESSAGE:

Pursuant to your conversation with  
Jim McMichael, attached is copy of  
Well Proposal for the Sand Tank "32"  
State Com No. 11 Well.

GT FORMS FAX

MAY 6 '96 9:11

PAGE.002/06

# ENRON

## Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 20, 1996

CERTIFIED MAIL - RETURN RECEIPT

Regents of the University of New Mexico,  
Carl A. Hatch Professorship of Law and  
Public Administration Fund  
251 Scholes Hall  
University NE  
Albuquerque, New Mexico 87131

Re: Sand Tank "32" St. Com No. 1 Well  
660' FSL & 1980' FWL Section 32,  
S/2 Section 32 Proration Unit  
Township 17 South, Range 30 East  
Eddy County, New Mexico  
EOG's Sand Tank Prospect

Gentlemen:

Enron Oil & Gas Company (Enron) proposes to drill the Sand Tank "32" St. Com No. 1 well as an 11,800' Lower Morrow test at a location 660' FSL and 1980' FWL of Section 32, T17S, R30E, Eddy County, New Mexico. In this regard please find two (2) AFEs covering this test. Please execute and return one (1) copy should you elect to participate.

In the event you do not choose to participate, Enron would request a Farmout for the drilling of this well on your interest covering all of Section 32. General terms would provide for delivering Enron a 75% NRI with the retained ORRI convertible to a 25% back-in at payout and a 180 day continuous development clause to drill the remaining tract under the same terms for the subsequent well.

Enron looks forward to a favorable response to our proposal. Should there be any questions concerning this matter, please call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY

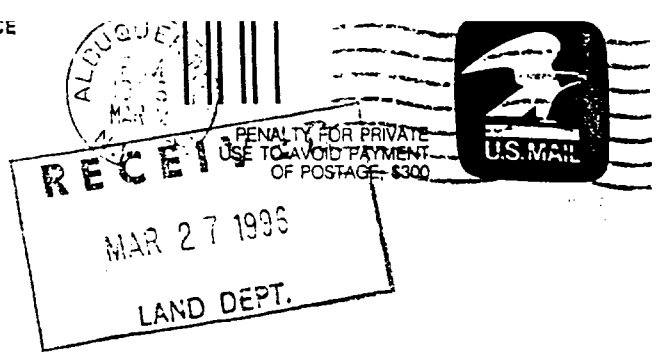
  
Patrick J. Tower  
Project Landman

PJT:jh  
enclosures

cc: Rudy Mikulec/Ronnie Adams-EOG Houston  
G. L. Thomas/R. L. Ingle/WDS/TJA/LISA/WF

u:\letters\pit\regents.doc

Official Business



Print your name, address and ZIP Code here

Sanct Tank "32"  
St. Com No. 1

ENRON OIL & GAS COMPANY  
Attn: Mr. Patrick J. Tower  
P. O. Box 2267  
Midland, Texas 79702

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Regents of the University of New Mexico  
Carl A. Hatch Professorship of Law  
251 Scholes Hall  
University NE  
Albuquerque, NM 87131

4a. Article Number  
P 229 294 279

4b. Service Type

<input type="checkbox"/> Registered	<input type="checkbox"/> Insured
<input checked="" type="checkbox"/> Certified	<input type="checkbox"/> COD
<input type="checkbox"/> Express Mail	<input type="checkbox"/> Return Receipt for Merchandise

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)

6. Signature (Agent)

PS Form 3871, December 1991 U.S. GPO: 1993-352-714

Thank you for using Return Receipt Service

DOMESTIC RETURN RECEIPT

27 294 279

U.S. Postal Service  
Receipt for Certified Mail  
Additional Services Chargeable Provided

Regents of the University of New Mexico  
Carl A. Hatch Professorship of Law  
251 Scholes Hall  
University NE  
Albuquerque, NM 87131

Postage	\$
Certified Fee	
Restricted Delivery Fee	
Insured Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

See back of envelope for details

PS Form 3800, April 1995

5/13/97

7:30 a.m.

Called - left msg on  
her answering machine  
(Carla rec'd Consultants) -  
Asked that she call me back.

5/13/97

Carla Leet

713-668-1033

12:55 p.m.

Wants to join FIO - thought  
she was agreeing to do that  
by returning AFE, but she  
said it was confusing, so please  
send necessary paperwork.  
I tried to call back - left message  
that we understood she wanted to FIO  
not join well.

Asked that she call me  
back today to verify this.

4/10/97

Carla  
Reet  
Consultants?

1:20

called & left  
message on  
answering machine  
to call me  
Ms. Reet  
returned 4:00 pm.  
call - Pe. Ms. Reet  
send regular  
mail 4/11/97 ✓

**ENRON**  
**Oil & Gas Company**

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 11, 1997

VIA CERTIFIED MAIL - RETURN RECEIPT

Carla Leet-Assaf  
4409 Cynthia  
Bellaire, Texas 77401

RE: Sand Tank "32" St. Com No. 2 Well  
1650' FSL & 1650' FEL Section 32,  
S/2 Section 32 Proration Unit  
Township 17 South, Range 30 East  
Eddy County, New Mexico  
EOG's Sand Tank Prospect

Dear Ms. Leet-Assaf:

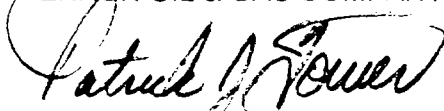
Enron Oil & Gas Company hereby proposes to drill the Sand Tank "32" State Com No. 2 well as an 11,800' lower Morrow test at a location 1650' FSL and 1650' FEL of Section 32, T17S, R30E, Eddy County, New Mexico. In this regard please find two (2) AFEs covering this test. Please execute and return one (1) copy should you elect to participate.

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Should there be any questions, please feel free to contact the undersigned at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower  
Project Landman

PJT/ms

enclosures

cc: Rudy Mikulec-EOG Houston  
Ronnie Adams-EOG Houston  
G. L. Thomas/R. L. Ingle/WDS/TJA/LISA/WF

# ENRON Oil & Gas Company

## Drilling AFE

AFE Type Wildcat(31) X Development(32)  
X Drilling X Completion

Re-Entry Oil X Gas High Cost Gas

AFE No.	101262
Property No.	
Enron W. I.	85.73000%
Enron AFE Amt (DHC)	\$439,538
(CWC)	\$742,593
Division	MIDLAND
AFE Date	2/19/97
Budget Year	1997

Well Name & No. Sand Tank "32" St. Com No. 2	Prospect Name Sand Tank	Total Depth 11,800'	Spud Date
Location & Survey 1,650' FSL & 1,650' FEL	Sec-Twn-Rng Sec 32-17S-30E	Producing Horizon Lower Morrow	DD&A Field Sand Tank
Operator Enron Oil & Gas Company	County & State Eddy, NM	Regulatory Field Sand Tank	
AFE Description Drill and complete an 11,800' Lower Morrow gas well			

DESCRIPTION	SUB ACT	DRILLING 230	COMPLETION 231	TOTAL
Access, Location & Roads	401	\$20,000	\$2,000	\$22,000
Rig Move	402	30,000		30,000
Footage Cost /Ft	403			-
Day Work Cost 31/3 days @ \$ 4,800	404	148,800	14,400	163,200
Bits, Reamers & Stabilizers	405	40,000		40,000
Fuel	406	500		500
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Equipment Usage	423			-
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MWD Logging	432			-
Tubular Inspection / Handling	436			-
Coiled Tubing Unit / Nitrogen	445			-
Completion Fluids	448			-
TOTAL INTANGIBLES		\$448,500	\$125,000	\$573,500

	FEET	SIZE	GRADE	\$/FT.				
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Surface Casing	650	11-3/4	H-40	16.00	102	10,400		10,400
Intermediate Casing	4000	8-5/8	J	11.45	103	45,800		45,800
Intermediate Casing					103			-
Drilling Liner					103			-
Production Casing/Liner	12050	5-1/2	N-S	7.25	104		87,400	87,400
Tie-Back Casing					104			-
Tubing	11600	2-7/8	N	3.5	106		40,600	40,600
Tubing					106			-
Well Head Equipment and Tree					107	7,000	25,000	32,000
Tanks					108		25,000	25,000
Flow Lines					109		5,000	5,000
Valves & Fittings					110		7,500	7,500
Rods					111			-
Pumping Equipment - Surface					112			-
Production Equipment - Subsurface					113			-
Engines & Motors					114			-
Heater-Treater & Separators					115		25,000	25,000
Other Equipment					116			-
Buildings					117			-
Metering Equipment					118			-
Non-Controllable Equipment					119		3,000	3,000
Liner Equipment					120			-
Construction Cost					122		10,000	10,000
TOTAL TANGIBLES						\$64,200	\$228,500	\$292,700
TOTAL WELL COST						\$512,700	\$353,500	\$866,200

### ENRON APPROVAL

Division	Date	By	Date	Headquarters	Date
By W.D. Smeltzer	02/19/97	By <i>Gay L. Thomas</i>	2/19/97	By	Date
By	Date	By	Date	By	Date
JOINT OPERATOR APPROVAL					
Firm	By	Title	Date		



**ENRON**  
**Oil & Gas Company**

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

June 11, 1996

Ms. Carla Leet  
4409 Cynthia  
Bellaire, Texas 77401

Re: Farmout Agreement  
N/2 SE/4, N/2 SW/4, S/2 NW/4, Section 32,  
Township 17 South, Range 30 East,  
Eddy County, New Mexico  
Sand Tank "32" State Com. No. 1 Well  
Sand Tank Prospect  
K0012143

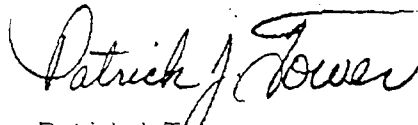
Dear Ms. Leet:

In accordance with our recent communications, enclosed are two originals of the subject Farmout Agreement dated May 31, 1996. We ask that you execute these Farmout Agreements, have your signature notarized and return one fully executed copy to the undersigned as soon as possible. Upon return of our executed copy we will have it executed by Mr. Thomas and send you a copy.

Should you have any questions regarding this transaction, please give me a call at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower  
Project Landman

PJT/pcl

Enclosures

m:\winword\letters\pjt\leet.doc

**ENRON**  
**Oil & Gas Company**

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

May 31, 1996

Ms. Carla Leet-Assaf  
4409 Cynthia  
Bellaire, Texas 77401

Re: Farmout Agreement  
N/2 SE/4, N/2 SW/4, S/2 NW/4, Section 32,  
Township 17 South, Range 30 East,  
Eddy County, New Mexico  
Sand Tank "32" State Com. No. 1 Well  
Sand Tank Prospect  
K0012143

Dear Ms. Leet-Assaf:

In accordance with our recent communications, enclosed are two originals of the subject Farmout Agreement dated May 31, 1996. We ask that you execute these Farmout Agreements, have your signature notarized and return one fully executed copy to the undersigned as soon as possible. Upon return of our executed copy we will have it executed by Mr. Thomas and send you a copy.

Should you have any questions regarding this transaction, please give me a call at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower  
Project Landman

PJT/pcl

Enclosures

m:\winword\letters\pjt\leet-asf.doc

FAX

# ENRON

## Oil & Gas Company

P. O. BOX 2267  
4000 N. BIG SPRING ST., SUITE 500  
MIDLAND, TEXAS 79705  
(915) 686-3600

DATE: 5/24/96 NO. PAGES: 2  
FROM: PATRICK TOWER (INCLUDING COVER PAGE)  
TELE NO: 915-686-3758  
FAX NO: 915-686-3773  
TO: CARLA LEET-ASSAF COMPANY: \_\_\_\_\_  
TELE NO: \_\_\_\_\_  
FAX NO: (713)668-1033

IF PAGES ARE NOT RECEIVED OR IF THERE ARE ANY TRANSMISSION PROBLEMS,  
PLEASE CALL NUMBER LISTED ABOVE.

☐ URGENT ☐ CONFIDENTIAL ☐ REPLY REQUESTED

MESSAGE:

PLEASE CALL Jim McMichael  
@ (915) 689-8057 CONCERNING  
ENRON'S SAND TANK "32" ST. Com #1  
WELL. I believe you may have  
called him but asked for MR.  
MCDUGAL AND his wife thought  
you had the wrong party.

I xeroxed

THANK YOU

his business

Card attached

# ENRON

## Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

May 7, 1996

CERTIFIED MAIL - RETURN RECEIPT

Carla Leet-Assaf  
4409 Cynthia  
Bellaire, Texas 77401

Re: Sand Tank "32" St. Com No. 1 Well  
660' FSL & 1980' FWL Section 32,  
S/2 Section 32 Proration Unit  
Township 17 South, Range 30 East  
Eddy County, New Mexico  
EOG's Sand Tank Prospect

Dear Ms. Leet-Assaf:

Enron Oil & Gas Company (Enron) proposes to drill the Sand Tank "32" St. Com No. 1 well as an 11,800' Lower Morrow test at a location 660' FSL and 1980' FWL of Section 32, T17S, R30E, Eddy County, New Mexico. In this regard please find two (2) AFEs covering this test. Please execute and return one (1) copy should you elect to participate.

In the event you do not choose to participate, Enron would request a Farmout for the drilling of this well on your interest covering all of Section 32. General terms would provide for delivering Enron a 75% NRI with the retained ORRI convertible to a 25% back-in at payout and a 180 day continuous development clause to drill the remaining tract under the same terms for the subsequent well.

Enron looks forward to a favorable response to our proposal. Should there be any questions concerning this matter, please call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY

  
Patrick J. Tower  
Project Landman

PJT:jh  
enclosures

cc: Rudy Mikulec/Ronnie Adams-EOG Houston  
G. L. Thomas/R. L. Ingle/WDS/TJA/LISA/WF

u:\letters\pjt\assaf.doc

Official Business

RECEIVED

MAY 24 1996

Print your name and address and ZIP Code here

ENRON OIL & GAS COMPANY  
ATTN: PATRICK J. TOWER  
P. O. BOX 2267  
MIDLAND, TEXAS 79702

Send to: 321  
Post Office No. 1

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for a fee):

☐ Addressee's Address

☒ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Carla Leet-Assaf  
4409 Cynthia  
Bellaire, TX 77401

4a. Article Number

P 329-305-537

4b. Service Type

☐ Registered ☐ Insured

☒ Certified ☐ COD

☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

5-11-96

8. Addressee's Address (Only if requested and fee is paid)

Signature (Addressee)

Signature (Agent)

PS Form 3811, December 1991 • U.S. GPO: 1993-352-714

**DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service

PS Form 3800, April 1995

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.  
Do not use for International Mail. (See reverse)

Postmark or Date

Send to: 321  
Post Office No. 1  
Bellaire, TX 77401

Article Number

P 329-305-537

Postage

\$

Certified Fee

\$

Special Delivery Fee

\$

Restricted Delivery Fee

\$

Return Receipt Showing to Whom & Date Delivered

Return Receipt Showing to Whom, Date, & Addressee's Address

TOTAL Postage & Fees

\$

24

## MIDLAND/ODESSA TX 767 05/10/96

PENALTY FOR PRIVATE  
USE TO AVOID PAYMENT  
OF POSTAGE \$300



RECEIVED

MAY 13 1996

LAND DEPT.

Print your name, address and ZIP Code here

Sand Tank "32"  
St Cum #1

ENRON OIL & GAS COMPANY  
Attn: Mr. Patrick J. Tower  
P. O. Box 2267  
Midland, Texas 79702



ADDRESS completed on the reverse side?

SL ER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

Carla Leet-Assaf  
6146 Camer St.  
Houston, TX 77074

4a. Article Number

P 237 021 127

4b. Service Type	1000
------------------	------

- ☐ Registered      ☐ Insured  
☒ Certified      ☐ COD  
☐ Express Mail      ☐ Return Receipt for Merchandise

7. Date of Delivery

MAY 10 1955

5. ~~Signature-Adresse~~

Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991

☆U.S. GPO: 1983-352-714

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

PS Form 3800, June 1991

Description of Property		Value
1. One lot of land, containing 10 acres, situated in the town of...		\$10,000
2. One lot of land, containing 5 acres, situated in the town of...		\$5,000
3. One lot of land, containing 2 acres, situated in the town of...		\$2,000
4. One lot of land, containing 1 acre, situated in the town of...		\$1,000
5. One lot of land, containing 1/2 acre, situated in the town of...		\$500
6. One lot of land, containing 1/4 acre, situated in the town of...		\$250
7. One lot of land, containing 1/8 acre, situated in the town of...		\$125
8. One lot of land, containing 1/16 acre, situated in the town of...		\$62.50
9. One lot of land, containing 1/32 acre, situated in the town of...		\$31.25
10. One lot of land, containing 1/64 acre, situated in the town of...		\$15.62
11. One lot of land, containing 1/128 acre, situated in the town of...		\$7.81
12. One lot of land, containing 1/256 acre, situated in the town of...		\$3.90
13. One lot of land, containing 1/512 acre, situated in the town of...		\$1.95
14. One lot of land, containing 1/1024 acre, situated in the town of...		\$0.98
15. One lot of land, containing 1/2048 acre, situated in the town of...		\$0.49
16. One lot of land, containing 1/4096 acre, situated in the town of...		\$0.24
17. One lot of land, containing 1/8192 acre, situated in the town of...		\$0.12
18. One lot of land, containing 1/16384 acre, situated in the town of...		\$0.06
19. One lot of land, containing 1/32768 acre, situated in the town of...		\$0.03
20. One lot of land, containing 1/65536 acre, situated in the town of...		\$0.01
21. One lot of land, containing 1/131072 acre, situated in the town of...		\$0.00
22. One lot of land, containing 1/262144 acre, situated in the town of...		\$0.00
23. One lot of land, containing 1/524288 acre, situated in the town of...		\$0.00
24. One lot of land, containing 1/1048576 acre, situated in the town of...		\$0.00
25. One lot of land, containing 1/2097152 acre, situated in the town of...		\$0.00
26. One lot of land, containing 1/4194304 acre, situated in the town of...		\$0.00
27. One lot of land, containing 1/8388608 acre, situated in the town of...		\$0.00
28. One lot of land, containing 1/16777216 acre, situated in the town of...		\$0.00
29. One lot of land, containing 1/33554432 acre, situated in the town of...		\$0.00
30. One lot of land, containing 1/67108864 acre, situated in the town of...		\$0.00
31. One lot of land, containing 1/134217728 acre, situated in the town of...		\$0.00
32. One lot of land, containing 1/268435456 acre, situated in the town of...		\$0.00
33. One lot of land, containing 1/536870912 acre, situated in the town of...		\$0.00
34. One lot of land, containing 1/1073741824 acre, situated in the town of...		\$0.00
35. One lot of land, containing 1/2147483648 acre, situated in the town of...		\$0.00
36. One lot of land, containing 1/4294967296 acre, situated in the town of...		\$0.00
37. One lot of land, containing 1/8589934592 acre, situated in the town of...		\$0.00
38. One lot of land, containing 1/17179869184 acre, situated in the town of...		\$0.00
39. One lot of land, containing 1/34359738368 acre, situated in the town of...		\$0.00
40. One lot of land, containing 1/68719476736 acre, situated in the town of...		\$0.00
41. One lot of land, containing 1/137438953472 acre, situated in the town of...		\$0.00
42. One lot of land, containing 1/274877906944 acre, situated in the town of...		\$0.00
43. One lot of land, containing 1/549755813888 acre, situated in the town of...		\$0.00
44. One lot of land, containing 1/1099511627776 acre, situated in the town of...		\$0.00
45. One lot of land, containing 1/2199023255552 acre, situated in the town of...		\$0.00
46. One lot of land, containing 1/4398046511104 acre, situated in the town of...		\$0.00
47. One lot of land, containing 1/8796093022208 acre, situated in the town of...		\$0.00
48. One lot of land, containing 1/17592186044416 acre, situated in the town of...		\$0.00
49. One lot of land, containing 1/35184372088832 acre, situated in the town of...		\$0.00
50. One lot of land, containing 1/70368744177664 acre, situated in the town of...		\$0.00
51. One lot of land, containing 1/140737488355328 acre, situated in the town of...		\$0.00
52. One lot of land, containing 1/281474976710656 acre, situated in the town of...		\$0.00
53. One lot of land, containing 1/562949953421312 acre, situated in the town of...		\$0.00
54. One lot of land, containing 1/1125899906842624 acre, situated in the town of...		\$0.00
55. One lot of land, containing 1/2251799813685248 acre, situated in the town of...		\$0.00
56. One lot of land, containing 1/4503599627370496 acre, situated in the town of...		\$0.00
57. One lot of land, containing 1/9007199254740992 acre, situated in the town of...		\$0.00
58. One lot of land, containing 1/18014398509481984 acre, situated in the town of...		\$0.00
59. One lot of land, containing 1/36028797018963968 acre, situated in the town of...		\$0.00
60. One lot of land, containing 1/72057594037927936 acre, situated in the town of...		\$0.00
61. One lot of land, containing 1/144115188075855872 acre, situated in the town of...		\$0.00
62. One lot of land, containing 1/288230376151711744 acre, situated in the town of...		\$0.00
63. One lot of land, containing 1/576460752303423488 acre, situated in the town of...		\$0.00
64. One lot of land, containing 1/1152921504606846976 acre, situated in the town of...		\$0.00
65. One lot of land, containing 1/2305843009213693952 acre, situated in the town of...		\$0.00
66. One lot of land, containing 1/4611686018427387904 acre, situated in the town of...		\$0.00
67. One lot of land, containing 1/9223372036854775808 acre, situated in the town of...		\$0.00
68. One lot of land, containing 1/18446744073709551616 acre, situated in the town of...		\$0.00
69. One lot of land, containing 1/36893488147419103232 acre, situated in the town of...		\$0.00
70. One lot of land, containing 1/73786976294838206464 acre, situated in the town of...		\$0.00
71. One lot of land, containing 1/147573952589676412928 acre, situated in the town of...		\$0.00

**Receipt for  
Certified Mail**  
File Insurance Coverage Provided  
(Do not use for International Mail  
Insurance Coverage)

1-237-0116

25

**ENRON**  
Oil & Gas Company

P. O. Box 2267  
Midland, Texas 79702

**CERTIFIED**

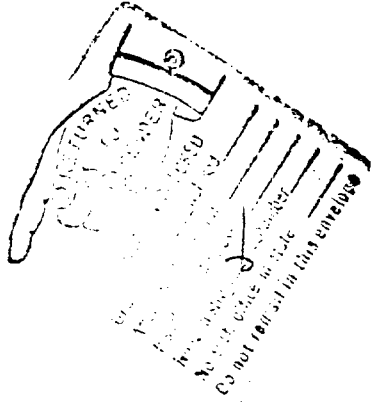
P 237 021 12

**MAIL**

1982-1983

U.S. POSTAGE

2.52



CARLA LEET-ASSAF  
6146 Camer St.  
Houston, TX 77074

*mailed after 5:15 PM  
new letter (per SM)  
to Carla Leet-ASSAF  
Houston, TX 77074*

Is your RETURN ADDRESS completed on the reverse side?

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date it was delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

**3. Article Addressed to:**

Carla Leel-Assaf  
3224 Timmons Lane, No. 168  
Houston, TX 77027

403 Article Number

7529 296 283

- 4b. Service Type
- |   |   |
|---|---|
| <input type="checkbox"/> Registered           | <input type="checkbox"/> Insured                        |
| <input checked="" type="checkbox"/> Certified | <input type="checkbox"/> COD                            |
| <input type="checkbox"/> Express Mail         | <input type="checkbox"/> Return Receipt for Merchandise |

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

**6. Signature (Agent)**

PS Form 3811, December 1991

pU.S. GPO: 1983-352-714

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.



**ENRON**  
Oil & Gas Company

P. O. Box 2267  
Midland, Texas 79702

**CERTIFIED**

P 329 296 383

**MAIL**

MIDLAND/ODESSA TX 797 03/20/96 20:41



RETURNED TO SENDER  
RETURNABLE AS ADDRESSED  
RETURNING OFFICE ON FILE

Carla Leet-Asst  
3224 Timmons Lane No. 168  
Houston, TX 77027

RETURNABLE AS ADDRESSED  
NO FORWARDING

*Returned 3/27/96  
mailed again 3/1/96*

III

**ENRON**  
**Oil & Gas Company**

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 20, 1996

CERTIFIED MAIL - RETURN RECEIPT

Carla Leet-Assaf  
3224 Timmons Lane, No. 168  
Houston, TX 77027

Re: Sand Tank "32" St. Com No. 1 Well  
660' FSL & 1980' FWL Section 32,  
S/2 Section 32 Proration Unit  
Township 17 South, Range 30 East  
Eddy County, New Mexico  
EOG's Sand Tank Prospect

Dear Ms. Leet-Assaf:

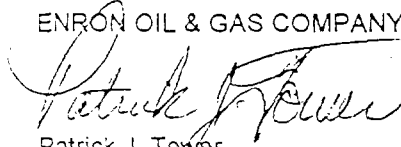
Enron Oil & Gas Company (Enron) proposes to drill the Sand Tank "32" St. Com No. 1 well as an 11,800' Lower Morrow test at a location 660' FSL and 1980' FWL of Section 32, T17S, R30E, Eddy County, New Mexico. In this regard please find two (2) AFEs covering this test. Please execute and return one (1) copy should you elect to participate.

In the event you do not choose to participate, Enron would request a Farmout for the drilling of this well on your interest covering all of Section 32. General terms would provide for delivering Enron a 75% NRI with the retained ORRI convertible to a 25% back-in at payout and a 180 day continuous development clause to drill the remaining tract under the same terms for the subsequent well.

Enron looks forward to a favorable response to our proposal. Should there be any questions concerning this matter, please call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower  
Project Landman

PJT:jh  
enclosures

cc: Rudy Mikulec/Ronnie Adams-EOG Houston  
G. L. Thomas/R. L. Ingle/WDS/TJA/LISA/WF

u:\letters\pjt\assaf dcc

P 329 296 383

US Postal Service

**Receipt for Certified Mail**

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Carla Leet-Assaf  
3224 Timmons Lane, No. 168  
Houston, TX 77027

PS Form 3800, April 1995

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 20
Postmark or Date	3-27-96 Sand Jank #32 St Corn #1

# ENRON

## Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 11, 1997

VIA CERTIFIED MAIL - RETURN RECEIPT

Frederika A. Leet  
2 Briar Oak Drive  
Weston, Connecticut 06883

RE: Sand Tank "32" St. Com No. 2 Well  
1650' FSL & 1650' FEL Section 32,  
S/2 Section 32 Proration Unit  
Township 17 South, Range 30 East  
Eddy County, New Mexico  
EOG's Sand Tank Prospect

Dear Ms. Leet:

Enron Oil & Gas Company hereby proposes to drill the Sand Tank "32" State Com No. 2 well as an 11,800' lower Morrow test at a location 1650' FSL and 1650' FEL of Section 32, T17S, R30E, Eddy County, New Mexico. In this regard please find two (2) AFEs covering this test. Please execute and return one (1) copy should you elect to participate.

In the event you do not choose to participate, Enron would request a Farmout for the drilling of this well on your interest covering all of Section 32. General terms would provide for delivering Enron a 75% NRI and a 180 day continuous development clause to drill the remaining tracts (if any) under the same terms.

Should there be any questions, please feel free to contact the undersigned at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower  
Project Landman

PJT/ms  
enclosures

cc: Rudy Mikulec-EOG Houston  
Ronnie Adams-EOG Houston  
G. L. Thomas/R. L. Ingle/WDS/TJA/LISA/WF

# ENRON Oil & Gas Company

## Drilling AFE

AFE Type Wildcat(31) X Development(32)  
X Drilling X Completion

Re-Entry Oil X Gas High Cost Gas

AFE No.	101262
Property No.	
Enron W. I.	85.73000%
Enron AFE Amt (DHC)	\$439,538
(CWC)	\$742,593
Division	MIDLAND
AFE Date	2/19/97
Budget Year	1997

Well Name & No. Sand Tank "32" St. Com No. 2	Prospect Name Sand Tank	Total Depth 11,800'	Spud Date
Location & Survey 1,650' FSL & 1,650' FEL	Sec-Twn-Rng Sec 32-17S-30E	Producing Horizon Lower Morrow	DD&A Field Sand Tank
Operator Enron Oil & Gas Company	County & State Eddy, NM	Regulatory Field Sand Tank	
AFE Description Drill and complete an 11,800' Lower Morrow gas well			

DESCRIPTION	SUB ACT	DRILLING 230	COMPLETION 231	TOTAL
Access, Location & Roads	401	\$20,000	\$2,000	\$22,000
Rig Move	402	30,000		30,000
Footage Cost /Ft	403			-
Day Work Cost 31/3 days @ \$ 4,800	404	148,800	14,400	163,200
Bits, Reamers & Stabilizers	405	40,000		40,000
Fuel	406	500		500
Water	407	18,000	3,000	21,000
Mud & Chemicals	408	41,000	3,000	44,000
Cementing & Service	409	21,000	18,000	39,000
Coring	410	18,000		18,000
Logging & Testing	411	36,000	5,000	41,000
Mud Logging	412	12,500		12,500
Perforating	413		25,000	25,000
Stimulation	414		23,000	23,000
Transportation	415	5,500	4,000	9,500
Overhead days @ \$	416	6,600		6,600
Equipment Rental	417	6,000	3,000	9,000
Completion Rig days @ \$	418		9,800	9,800
Other Expense	419	22,000	7,000	29,000
Fishing & Equip. lost in hole	420			-
Environmental & Safety Charges	421	3,600	5,000	8,600
Directional Drilling	422			-
Equipment Usage	423			-
Supervision	424	17,000	2,800	19,800
Communications	431	2,000		2,000
MWD Logging	432			-
Tubular Inspection / Handling	436			-
Coiled Tubing Unit / Nitrogen	445			-
Completion Fluids	448			-
TOTAL INTANGIBLES		\$448,500	\$125,000	\$573,500

	FEET	SIZE	GRADE	\$/FT.				
Conductor Casing	40	20			101	\$1,000		\$1,000
Surface Casing	650	11-3/4	H-40	16.00	102	10,400		10,400
Intermediate Casing	4000	8-5/8	J	11.45	103	45,800		45,800
Intermediate Casing					103			-
Drilling Liner					103			-
Production Casing/Liner	12050	5-1/2	N-S	7.25	104		87,400	87,400
Tie-Back Casing					104			-
Tubing	11600	2-7/8	N	3.5	106		40,600	40,600
Tubing					106			-
Well Head Equipment and Tree					107	7,000	25,000	32,000
Tanks					108		25,000	25,000
Flow Lines					109		5,000	5,000
Valves & Fittings					110		7,500	7,500
Rods					111			-
Pumping Equipment - Surface					112			-
Production Equipment - Subsurface					113			-
Engines & Motors					114			-
Heater-Treater & Separators					115		25,000	25,000
Other Equipment					116			-
Buildings					117			-
Metering Equipment					118			-
Non-Controllable Equipment					119		3,000	3,000
Liner Equipment					120			-
Construction Cost					122		10,000	10,000
TOTAL TANGIBLES						\$64,200	\$228,500	\$292,700
TOTAL WELL COST						\$512,700	\$353,500	\$866,200

### ENRON APPROVAL

Division	Date	By	Date	Headquarters	Date
By W.D. Smeltzer	02/19/97	By <i>Daisy L. Thomas</i>	2/19/97	By	Date
By	Date	By	Date	By	Date

### JOINT OPERATOR APPROVAL

Firm	By	Title	Date
------	----	-------	------

**ENRON**  
**Oil & Gas Company**

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

June 20, 1996

Frederika A. Leet  
113 Walnut Tree Hill Road  
Sandy Hook, Connecticut 06482

Re: Sand Tank "32" St. Com No. 1 Well  
660' FSL & 1980' FWL Section 32,  
S/2 Section 32 Proration Unit  
Township 17 South, Range 30 East  
Eddy County, New Mexico  
EOG's Sand Tank Prospect

Dear Ms. Leet:

Following your discussions with Jim McMichael enclosed please find two (2) copies of an Assignment for your execution. Please sign, have notarized, and return one (1) original in the enclosed stamped envelope.

Should you have any questions feel free to call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower  
Project Landman

PJT:jr

Enclosures

u:\landtemp\leet.doc

ASSIGNMENT OF OPERATING RIGHTS

STATE OF NEW MEXICO   §  
                                  §  
COUNTY OF EDDY       §

For and in consideration of the sum of Ten and No/100 Dollars (\$10.00), cash paid in hand, **FREDERIKA A. LEET**, dealing in her separate property, whose address is 113 Walnut Tree Hill Road, Sandy Hook, Connecticut 06482, hereinafter called "**ASSIGNOR**", does hereby assign and convey unto **ENRON OIL & GAS COMPANY**, whose addresss is P. O. Box 2267, Midland, Texas 79702, hereinafter called "**ASSIGNEE**", all of Assignor's interest in and to the operating rights and rights to working interest production in and under the following described Oil and Gas Lease, to-wit:

Oil and Gas Lease dated April 10, 1935, executed by the State of New Mexico, as Lessor, to William Spurck, as Lessee, bearing New Mexico State Lease No. B-4108, INsofar AND ONLY INsofar as said lease covers the following described lands located in Section 32, T-17-S, R-30-E, N.M.P.M., Eddy County, New Mexico, to-wit:

N/2 SW/4 as to all depths below 100 feet below the base of  
the Loco Hills Sand,  
NW/4 SE/4 as to all depths below 100 feet below the base of  
the Loco Hills Sand,  
S/2 NW/4 as to all depths below 100 feet below the base  
of the Loco Hills Sand, and  
NE/4 SE/4 as to all depths

This assignment is made without warranty of title, express or implied, and shall be binding upon and shall inure to the benefit of Assignor and Assignee and their respective legal representatives, successors, heirs and assigns.

IN WITNESS WHEREOF, this instrument is executed this \_\_\_\_\_ day of \_\_\_\_\_, 1996.

\_\_\_\_\_  
FREDERIKA A. LEET

STATE OF                   §  
                                  §  
COUNTY OF               §

The foregoing instrument was acknowledged before me, the undersigned authority, on this \_\_\_\_\_ day of \_\_\_\_\_, 1996, by FREDERIKA A. LEET, dealing in her separate property.

\_\_\_\_\_  
Notary Public in and for the State of Texas

PENALTY FOR PRIVATE  
USE TO AVOID PAYMENT  
OF POSTAGE, \$300



RECEIVED

MAY 15 1996

Print your name Andress and ZIP Code here

ENRON OIL & GAS COMPANY  
Attn: Mr. Patrick J. Tower  
P. O. Box 2267  
Midland, Texas 79702

Sand Tank "32"  
St Corn #1



Is your RETURN ADDRESS completed on the reverse side?

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Frederica Leet  
113 Walnut Tree Hill Rd.  
Sandy Hook, CT 06482

4a. Article Number

237 021 124

4b. Service Type

- ☐ Registered      ☐ Insured  
☒ Certified      ☐ COD  
☐ Express Mail      ☐ Return Receipt for Merchandise

7. ~~Date of Delivery~~

5. Signature (Addressee)

Frederick's List

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991

☆U.S. GPO: 1993-352-714

DOMESTIC RETURN RECE.

**Thank you for using Return Receipt Service.**

28 Form 3800, June 1991

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**Certified Mail**  
The Insurer's Coverage Provider  
Do not use for International Mail  
(Eero Hövönen)

Р 237 022, 3,24



**ENRON**  
Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 20, 1996

CERTIFIED MAIL - RETURN RECEIPT

Frederica A. Leet  
2 Briar Oak Drive  
Weston, CT 06883

Re: Sand Tank "32" St. Com No. 1 Well  
660' FSL & 1980' FWL Section 32,  
S/2 Section 32 Proration Unit  
Township 17 South, Range 30 East  
Eddy County, New Mexico  
EOG's Sand Tank Prospect

Dear Ms. Leet:

Enron Oil & Gas Company (Enron) proposes to drill the Sand Tank "32" St. Com No. 1 well as an 11,800' Lower Morrow test at a location 660' FSL and 1980' FWL of Section 32, T17S, R30E, Eddy County, New Mexico. In this regard please find two (2) AFEs covering this test. Please execute and return one (1) copy should you elect to participate.

In the event you do not choose to participate, Enron would request a Farmout for the drilling of this well on your interest covering all of Section 32. General terms would provide for delivering Enron a 75% NRI with the retained ORRI convertible to a 25% back-in at payout and a 180 day continuous development clause to drill the remaining tract under the same terms for the subsequent well.

Enron looks forward to a favorable response to our proposal. Should there be any questions concerning this matter, please call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY

  
Patrick J. Tower  
Project Landman

PJT:jh  
enclosures

cc: Rudy Mikulec/Ronnie Adams-EOG Houston  
G. L. Thomas/R. L. Ingle/WDS/TJA/LISA/WF

u:\letters\pjt\leet.doc

U.S. POSTAL SERVICE  
**MIDLAND ADDRESSEE**  
 Official Receipt  
 MAR 28 1996  
 U.S. MAIL  
**RECEIVED**  
 MAR 29 1996  
 Print your name, address and ZIP Code here  
 ENRON OIL & GAS COMPANY  
 Attn: Mr. Patrick J. Tower  
 P. O. Box 2267  
 Midland, Texas 79702

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Frederica A. Leet  
 2 Briar Oak Drive  
 Weston, Connecticut 06883

4a. Article Number:  
 P 329 296 384

4b. Service Type

☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery:  
 MAR 28 1996

5. Signature (Addressee)  
 Frederica A. Leet

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

PS Form 3811, December 1991 U.S. GPO: 1993-352-714 **DOMESTIC RETURN RECEIPT**

PS Form 3800, April 1995

U.S. Postal Service  
**Receipt for Certified Mail**  
 No Insurance Coverage Provided  
 Do not use for International Mail (See reverse)

Frederica A. Leet  
 2 Briar Oak Drive  
 Weston, Connecticut 06883

Certified Fee	
Special Delivery Fee	
Postnet Delivery Fee	
Postnet Delivery (Marking by Addressee)	
Postnet Delivery (Marking by Addressee)	
Postnet Delivery (Marking by Addressee)	
TOTAL Postage & Fees	\$

Frederica A. Leet  
 2 Briar Oak Drive  
 Weston, Connecticut 06883

**ENRON**  
Oil & Gas Company

P. O. Box 2267  
Midland, Texas 79702

P 329 296 384

MAIL

MIDLAND/DDESSA TX 79703-2056 20:41

**Abstract**

119-3952 (10/89)

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# ENRON

## Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 11, 1997

VIA CERTIFIED MAIL - RETURN RECEIPT

Glen F. Leet, Jr.  
2 Briar Oak Drive  
Weston, Connecticut 06883

RE: Sand Tank "32" St. Com No. 2 Well  
1650' FSL & 1650' FEL Section 32,  
S/2 Section 32 Proration Unit  
Township 17 South, Range 30 East  
Eddy County, New Mexico  
EOG's Sand Tank Prospect

Dear Mr. Leet:

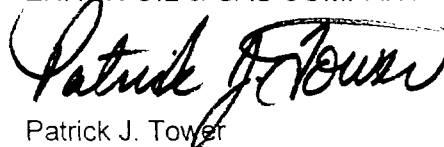
Enron Oil & Gas Company hereby proposes to drill the Sand Tank "32" State Com No. 2 well as an 11,800' Lower Morrow test at a location 1650' FSL and 1650' FEL of Section 32, T17S, R30E, Eddy County, New Mexico. In this regard please find two (2) AFEs covering this test. Please execute and return one (1) copy should you elect to participate.

In the event you do not choose to participate, Enron would request a Farmout for the drilling of this well on your interest covering all of Section 32. General terms would provide for delivering Enron a 75% NRI and a 180 day continuous development clause to drill the remaining tracts (if any) under the same terms.

Should there be any questions, please feel free to contact the undersigned at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower  
Project Landman

PJT/ms  
enclosures

cc: Rudy Mikulec-EOG Houston  
Ronnie Adams-EOG Houston  
G. L. Thomas/R. L. Ingle/WDS/TJA/LISA/WF

# ENRON Oil & Gas Company

## Drilling AFE

AFE Type Wildcat(31) X Development(32)  
X Drilling X Completion

Re-Entry Oil X Gas High Cost Gas

Well Name & No. Sand Tank "32" St. Com No. 2	Prospect Name Sand Tank	Total Depth 11,300'	Spud Date
Location & Survey 1,650' FSL & 1,650' FEL	Sec-Twn-Rng Sec 32-17S-30E	Producing Horizon Lower Morrow	DD&A Field Sand Tank
Operator Enron Oil & Gas Company	County & State Eddy, NM	Regulatory Field Sand Tank	
AFE Description Drill and complete an 11,300' Lower Morrow gas well			

DESCRIPTION	SUB ACT	DRILLING 230	COMPLETION 231	TOTAL
Access, Location & Roads	401	\$20,000	\$2,000	\$22,000
Rig Move	402	30,000		30,000
Footage Cost	403			
Day Work Cost	404	148,800	14,400	163,200
Bits, Reamers & Stabilizers	405	40,000		40,000
Fuel	406	500		500
Water	407	18,000	3,000	21,000
Mud & Chemicals	408	41,000	3,000	44,000
I Cementing & Service	409	21,000	18,000	39,000
N Coring	410	18,000		18,000
T Logging & Testing	411	36,000	5,000	41,000
A Mud Logging	412	12,500		12,500
N Perforating	413		25,000	25,000
G Stimulation	414		23,000	23,000
I Transportation	415	5,500	4,000	9,500
B Overhead	416	6,800		6,800
L Equipment Rental	417	6,000	3,000	9,000
E Completion Rig	418		9,800	9,800
Other Expense	419	22,000	7,000	29,000
Fishing & Equip. lost in hole	420			
Environmental & Safety Charges	421	3,600	5,000	8,600
Directional Drilling	422			
Equipment Usage	423			
Supervision	424	17,000	2,800	19,800
Communications	431	2,000		2,000
MWD Logging	432			
Tubular Inspection / Handling	433			
Coiled Tubing Unit / Nitrogen	434			
Completion Fluids	438			
TOTAL INTANGIBLES		\$448,500	\$125,000	\$573,500

	FEET	SIZE	GRADE	S/FT.				
Conductor Casing	40	20		101		\$1,000		\$1,000
Surface Casing	650	11-3/4	H-40	102		10,400		10,400
Intermediate Casing	4000	8-5/8		103		45,800		45,800
Intermediate Casing				103				
Drilling Liner				103				
Production Casing Liner	12050	5-1/2	J-S	104			87,400	87,400
Tie-Back Casing				104				
Tubing	11500	2-7/8	N	106			40,600	40,600
T Tubing				106				
A Well Head Equipment and Tree				107		7,000	25,000	32,000
N Tanks				108			25,000	25,000
G Flow Lines				109			5,000	5,000
I Valves & Fittings				110			7,500	7,500
B Rods				111				
L Pumping Equipment - Surface				112				
E Production Equipment - Subsurface				113				
Engines & Motors				114				
Heater-Treater & Separators				115			25,000	25,000
Other Equipment				116				
Buildings				117				
Metering Equipment				118				
Non-Controllable Equipment				119			3,000	3,000
Liner Equipment				120				
Construction Cost				122			10,000	10,000
TOTAL TANGIBLES						\$64,200	\$228,500	\$292,700
TOTAL WELL COST						\$512,700	\$353,500	\$866,200

### ENRON APPROVAL

By W.D. Smeltzer	Date 02/19/97	By Darcy L. Dierman	Date 2/19/97	By	Date
By	Date	By	Date	By	Date

### JOINT OPERATOR APPROVAL

Firm	By	Title	Date
------	----	-------	------

**ENRON**  
**Oil & Gas Company**

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600  
June 18, 1996

CERTIFIED MAIL - RETURN RECEIPT

(P 329 305 530)

Glen F. Leet, Jr.  
113 Walnut Tree Hill Road  
Sandy Hook, Connecticut 06482

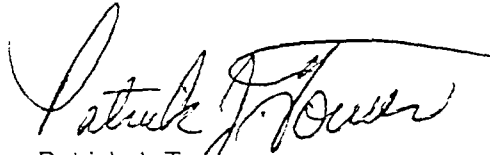
RE: Sand Tank "32" St. Com No. 1 Well  
660' FSL & 1980' FWL Section 32,  
S/2 Section 32 Proration Unit  
Township 17 South, Range 30 East  
Eddy County, New Mexico  
EOG's Sand Tank Prospect

Dear Mr. Leet:

Attached please find Enron Oil & Gas Company's original well proposal for the Sand Tank "32" St. Com No. 1 well. We wish to apologize for the delay in forwarding said proposal to you. Our records apparently reflected a wrong address when mailed the first time. Again, please accept our apology and should you have any questions or comments, please do not hesitate to call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower  
Project Landman

PJT/ms  
enclosures

UNITED STATES POSTAL SERVICE

Official Business

**RECEIVED**

JUN 27 1996

LAND DEPT.

PENALTY FOR PRIVATE  
USE TO AVOID PAYMENT  
OF POSTAGE, \$300

Print your name, address and ZIP Code here

Sand Tank "32"  
St Com #1ENRON OIL & GAS COMPANY  
ATTN: PATRICK J. TOWER  
P. O. BOX 2267  
MIDLAND, TEXAS 79702

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:  
Glen F. Leech Jr.  
113 Walnut Tree Hill Rd.  
Sandy Hook CT 06482

4a. Article Number:  
P 329 305 530

4b. Service Type:  
☐ Registered ☐ Insured  
☐ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery:  
6-22-96

5. Signature (Addressee):  
*Glen F. Leech Jr.*

6. Signature (Agent):  
*Glen F. Leech Jr.*

8. Addressee's Address (Only if requested and fee is paid):

PS Form 3811, December 1991 U.S. GPO: 1993-352-714 **DOMESTIC RETURN RECEIPT**

PS Form 3800, April 1995

US Postal Service,  
Receipt for Certified Mail  
No Insurance Coverage Provided  
Do not use for International Mail (See reverse)

Serial & Number  
Sent to  
Glen F. Leech Jr.

Post Office, State, & ZIP Code

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$

Postmark or Date  
Sand Tank 32  
St Com #1

P 329 305 530

# ENRON

## Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 20, 1996

CERTIFIED MAIL - RETURN RECEIPT

Glen F. Leet, Jr.  
2 Briar Oak Drive  
Weston, CT 06883

Re: Sand Tank "32" St. Com No. 1 Well  
660' FSL & 1980' FWL Section 32,  
S/2 Section 32 Proration Unit  
Township 17 South, Range 30 East  
Eddy County, New Mexico  
EOG's Sand Tank Prospect

Dear Mr. Leet:


Enron Oil & Gas Company (Enron) proposes to drill the Sand Tank "32" St. Com No. 1 well as an 11,800' Lower Morrow test at a location 660' FSL and 1980' FWL of Section 32, T17S, R30E, Eddy County, New Mexico. In this regard please find two (2) AFEs covering this test. Please execute and return one (1) copy should you elect to participate.

In the event you do not choose to participate, Enron would request a Farmout for the drilling of this well on your interest covering all of Section 32. General terms would provide for delivering Enron a 75% NRI with the retained ORRI convertible to a 25% back-in at payout and a 180 day continuous development clause to drill the remaining tract under the same terms for the subsequent well.

Enron looks forward to a favorable response to our proposal. Should there be any questions concerning this matter, please call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY

  
Patrick J. Tower  
Project Landman

PJT:jh  
enclosures

cc: Rudy Mikulec/Ronnie Adams-EOG Houston  
G. L. Thomas/R. L. Ingle/WDS/TJA/LISA/WF

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**ENRON**  
Oil & Gas Company

P. O. Box 2267  
Midland, Texas 79702

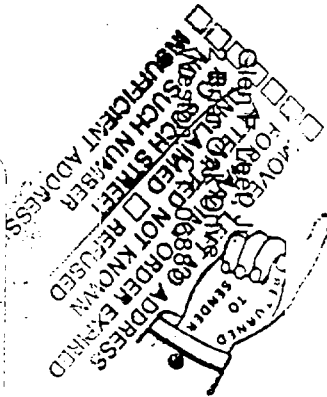
**CERTIFIED**

P 329 296 387

**MAIL**

MIDLAND/DDESSA TX 797 03/20/96 20:41

119.3952 (10/89)



119.3952 (10/89)

Official Business

PENALTY FOR PRIVATE  
USE TO AVOID PAYMENT  
OF POSTAGE \$300



**RECEIVED**

APR 01 1996

Print your name, address and ZIP Code here

*Sand tank  
32 St. (cont.)*

ENRON OIL & GAS COMPANY  
Attn: Mr. Patrick J. Tower  
P. O. Box 2267  
Midland, Texas 79702

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Glen F. Leet, Jr.  
2 Briar Oak Drive  
Weston, CT 06883

4a. Article Number

*P 329 296 387*

b. Service Type

- ☒ Registered ☐ Insured
- ☒ Certified ☐ COD
- ☐ Express Mail ☐ Return Receipt for Merchandise

Date of Delivery *MAR 28 1996*

5. Signature (Addressee)

*Glen F. Leet, Jr.*

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

P. 329 296 387

US Postal Service

**Receipt for Certified Mail**

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Glen F. Leet, Jr.  
2 Briar Oak Drive  
Weston, CT 06883

PS Form 3800, April 1995

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$25
Postmark or Date	3-24-96 Sand Fork 32 St Conn #1

**ENRON**  
**Oil & Gas Company**

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

June 13, 1996

Douglas L. Lunsford  
Hinkle Law Firm  
P. O. Box 10  
Roswell, New Mexico 88210

*JR COLE*

Re: Estates of Albert Sidney Johnson  
and Claire Gribble Johnson

Dear Doug:

Enclosed is a copy of a letter from Susan F. Irby dated June 12, 1996 regarding the estates of Albert Sidney Johnson and Claire Gribble Johnson. I have also enclosed copies of the Wills, the Order Admitting the Wills to Probate and the Inventory and Appraisement for each Estate.

If you have any questions, please feel free to call.

Yours very truly,

ENRON OIL & GAS COMPANY



Patrick J. Tower  
Project Landman

PJT/jr

Enclosures

u:\landtemp johnson.doc

**SUSAN F. IRBY**  
HARTFORD BUILDING, SUITE 980  
400 NORTH ST. PAUL STREET  
DALLAS, TEXAS 75201

BUS. (214) 220-2832

RES. (214) 343-2721

June 12, 1996

Mr. Patrick J. Tower  
Enron Oil & Gas  
4000 N. Big Spring Street  
Suite 500  
Midland, TX 79705

(Via Federal Express)

Re: Estates of Albert Sidney Johnson and  
Claire Gribble Johnson

Dear Mr. Tower:

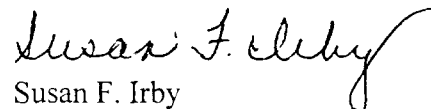
At the request of David Frye, I examined the Probate Records in the office of the County Clerk of Dallas County, Texas for Estates on Albert Sidney Johnson and Claire Gribble Johnson. I found estates on both of them and have enclosed copies of the Will, the Order Admitting the Will to Probate, and the Inventory and Appraisement for each Estate.

As I mentioned to David, Mrs. Johnson died first in 1970 and left everything to her husband. Mr. Johnson died in 1981 and left everything to Thelma Richards. I checked the Dallas County Probate Records for an estate on Thelma Richards and found none; the address shown for her in Mr. Johnson's estate file is "4421 University Boulevard, Dallas, Texas 75205." David and I checked for a telephone number in Dallas for her name or address and found none.

One other bit of information which may be helpful to you is that Mrs. Johnson's will provided that if her husband predeceased her, her estate was devised to her father, Robert W. Gribble. The Dallas phone directory lists a Robert W. Gribble, Jr. who may have more information about the family.

I appreciate the opportunity to be of assistance to you and David. Please feel free to call me with any questions or if I may be of further assistance.

Very truly yours,

  
Susan F. Irby

cc: Mr. David Frye

**J Bar Cane, Inc.**  
Oil & Gas Properties  
Petroleum & Mineral Land Services

**RECEIVED**

JUN 4 1996

LAND DEPT.

16 Spring Court      Sandia Park, New Mexico 87047      Telephone (505) 281-8186      FAX 281-8196

May 29, 1996

Enron Oil and Gas Company  
P. O. Box 2267  
Midland, TX 79702

Attn: Patrick J. Tower, CPL

**Re:    Records Search  
      J. R. Cole and Audrey S. Cole  
      Probate  
      Santa Fe County, New Mexico**

**Via Facsimile 915-686-3773**

Dear Pat,

As per your request, we have run the general indices, county probate records, and the district court Probates records of Santa Fe County, New Mexico in search of a probate filed for either J. R. Cole and or Audrey S. Cole. We found a few Warranty Deeds into and out of these parties that were 1958 - 1960 vintage, but found no other entries pertinent to same. If we can be of any further assistance to you regarding this matter, please advise.

Sincerely  
J Bar Cane, Inc.



John Michael Richardson, CPL  
JMR:ms

MEMO

To: Mr. Patrick J. Tower  
Enron Oil & Gas Company  
From: Jim R. McMichael  
Date: July 15, 1996  
Subject: Efforts made to Locate J.R. Cole and Albert Sydney Johnson their heirs or  
Assigns:

I in compliance with your instructions I did a take-off of the mineral and/or Leasehold interest in Section 32, T-17-S, R-30-E, Eddy County, New Mexico based On the County Records of Eddy County, New Mexico, and in addition to developing the Interest of the owners to develop the addresses as to where said parties could be Contacted. In addition to the Eddy County records I was furnished take-offs prepared By the Federal Abstract Company.

Two of the tracts involved, being the N/2SE/4 and the N/2SW/4 of said section 32. These two tract were covered by State of New Mexico Lease No. B-4108, and by an Assingment dated April 1, 1940 J.R. Cole and Sidney Johnson (there is an affidavit of Record that Albert S, Albert Sidensy and Sidney Johnson are all and the same person) acquired a jointly owned 1/18th interest in the said lease insofar as it covered the N/2SE/4 of Sec. 32 no addresses for these parties appeared on the assingment and the Assignor is now Deceased. By an unrecorded Unit Agreement dated March 19, 1947 all the parties to the Above assignment agreed that the N/2SE/4 would be unitized with the N/2SW/4 of said sec. And that Mr Cole and Johnson would have an undivided joint interest of 1/36th in the N/2SW/4. A copy of this agreement was obtained from Mr. Doug Lunsford.

As to the interest of Albert Sidney Johnson: from a later assignment he made to Lee Moore of 1/2 of his interest he was acknowledged in Dallas County, Tx. A check of a current Dallas telephone directory did not show a listing for he or his wife Clara Gribbble Johnson. Due to the time since he acquired his interest a check was made of the Dallas County Probate Records and we were able to acquire copies of the probate proceedings for both he and his Wife. His wife pre-deceased him and left all to him if living if not to her father Robert Gribble. His will left everything to Thelma Richards no address shown. We attempted to locate the attorney who handled the probate; however he is not listed as an attorney in The Dallas directory nor does he have a personal listing. When then checked the Dallas Area for Robert Gribble, Mrs Johnson's father, and found a Robert Gribble Jr. He said that Mr. Johnson was his Uncle and that Thelma Richards was Mr. Johnson's nurse and he did *not* Know where she was. He could not give me anyone to contact who might know.

As to the interest of J.R. Cole; By an assingment of the shall <sup>own</sup> rights he and his wife Audrey S. Were acknowledged in Santa Fe County, New Mexico. A check of information and

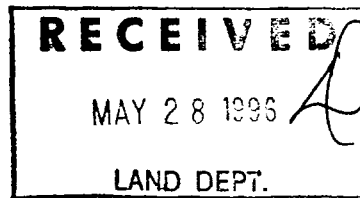
Probate recods of Santa Fe County did reveal any information. We were given some Information that they might have lived in Albuquerque, NM. A check there both Information and probate did not revei<sup>la</sup> anything.

I ran both names thru the Grantor<sup>g</sup>-Grantee Indexes of Eddy County, New Mexico From the time thy acquired their interest thru June 1996 without obataining and new Information.



For:

Called every Cole  
in Santa Fe and  
no luck in locating  
J.R. Cole. Did find  
out his wife's name  
is Audrey S. Cole.



Federal Abstract  
Co.

FAX

# ENRON

## Oil & Gas Company

P. O. BOX 2267  
4000 N. BIG SPRING ST., SUITE 500  
MIDLAND, TEXAS 79705  
(915) 686-3600

DATE: 5/24/96 NO. PAGES: 5  
(INCLUDING COVER PAGE)  
FROM: PATRICK TOWER TELE NO: 915-686-3758  
FAX NO: 915 - 686 - 3773  
TO: John Michael Richardson COMPANY: J BAR CANE, INC.  
TELE NO: (505) 281-8186  
FAX NO: (505) 281-8196

IF PAGES ARE NOT RECEIVED OR IF THERE ARE ANY TRANSMISSION PROBLEMS,  
PLEASE CALL NUMBER LISTED ABOVE.

☐ URGENT ☐ CONFIDENTIAL ☐ REPLY REQUESTED

MESSAGE: John Michael,  
HERE is A COPY OF INSTRUMENT  
discussed. I AM trying to locate J. R.  
Cole OR his heirs. I did find out that  
his wife is Audrey S. Cole. THE ATTACHED  
OPERATING AGREEMENT DATED 4-23-58  
Shows he ACKNOWLEDGED this in SANTA FE  
County, NM. Maybe there is some probate  
there on him or his wife or other  
TRANSACTIONS in the records if he lived  
there that would give us a clue. His  
INTEREST we ARE looking at lies under  
ST. OF NM LSE# B-4108-60 (N/2SW Sec. 32-T175-R30E  
Reddy Co, NM) AND ST. OF NM LSE# B-4108-62  
(N/2 SE Sec. 32-175-30E).  
THANKS FOR your help. CALL if ANY  
QUESTIONS. Patrick

FAX

# ENRON

## Oil & Gas Company

P. O. BOX 2267  
4000 N. BIG SPRING ST., SUITE 500  
MIDLAND, TEXAS 79705  
(915) 686-3600

DATE: 5/23/96

NO. PAGES: ~~5~~ 5  
(INCLUDING COVER PAGE)

FROM: PATRICK TOWER

TELE NO:  
FAX NO: 915 - 686 - 3773

TO: DAVID FRYE

COMPANY: LOGRO  
TELE NO:  
FAX NO: (214) 964-3319

IF PAGES ARE NOT RECEIVED OR IF THERE ARE ANY TRANSMISSION PROBLEMS,  
PLEASE CALL NUMBER LISTED ABOVE.

☐ URGENT ☐ CONFIDENTIAL ☐ REPLY REQUESTED

MESSAGE:

HERE IS COPY OF LAST INSTRUMENT FOUND  
IN TRYING TO LOCATE A.S. JOHNSON.  
NOTE NOTARY SHOWED HIM IN DALLAS  
COUNTY W/ WIFE NAMED CLARA OR CLAIRE  
G. ? (HARD TO READ WIFE'S NAME  
EXACTLY)

Albert Sydney Johnson

Need to find where  
this went - heirs? etc

HINKLE, COX, EATON, COFFIELD & HENSLEY,  
L.L.P.

ATTORNEYS AT LAW

400 PENN PLAZA, SUITE 700 POST OFFICE BOX 10  
ROSWell, NEW MEXICO 88202  
(505) 622-6510 FAX (505) 623-9332

LEWIS C COX, JR. (1924-1993)  
CLARENCE E. HINKLE (1904-1985)

OF COUNSEL  
O. M. CALHOUN\* JOE W. WOOD  
RICHARD L. CAZZELL\* RAY W. RICHARDS\*

AUSTIN AFFILIATION  
HOFFMAN & STEPHENS, P.C.  
KENNETH R. HOFFMAN\*  
TOM D. STEPHENS\*  
RONALD C. SCHULTZ, JR.\*  
JOSE CANO\*

RECEIVED

MAY 23 1996

THOMAS E. WOOD\*  
REBECCA NICHOLS JOHNSON  
STANLEY K. KOTOVSKY, JR.  
ELLEN S. OLSEN  
MARGARET CARTER LUDWIG  
S. BARRY PAISNER  
WYATT L. BROOKS\*  
DAVID M. RUSSELL\*  
ANDREW J. CLOUTIER  
STEPHANIE LANDRY  
KIRT E. MOELLING\*  
DIANE FISHER  
JULIE P. NEERKEN  
WILLIAM P. SLATTERY  
CHRISTOPHER M. MOODY  
JOHN D. PHILLIPS  
EARL R. NORRIS  
JAMES A. GILLESPIE  
MARGARET R. MCNETT  
GARY W. LARSON  
JOHN K. SMITH\*  
NORMAN D. EWART  
DARREN T. GROSS  
MOLLY MCINTOSH  
MARCIA B. LINCOLN  
SCOTT A. SHUART\*  
PAUL G. NASON  
AMY C. WRIGHT\*  
BRADLEY G. BISHOP\*  
KAROLYN KING NELSON  
ELLEN T. LOUDERBOUGH  
JAMES H. WOOD\*  
NANCY L. STRATTON  
TIMOTHY R. BROWN  
JAMES C. MARTIN

\*NOT LICENSED IN NEW MEXICO

PAUL W. EATON  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
STUART D. SHANOR  
ERIC D. LANPHERE  
C. D. MARTIN  
ROBERT P. TINNIN, JR.  
MARSHALL G. MARTIN  
MASTON C. COURTNEY\*  
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JERRY F. SHACKELFORD\*  
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STEVEN D. ARNOLD  
THOMAS D. HAINES, JR.  
GREGORY J. NIBERT  
FRED W. SCHWENDIMANN  
JAMES M. HUDSON  
JEFFREY S. BAIRD\*

May 22, 1996

VIA FACSIMILE

Mr. Patrick J. Tower, Project Landman  
Enron Oil & Gas Company  
Post Office Box 2267  
Midland, Texas 79702-2267

Re: **S $\frac{1}{2}$  Section 32-17S-30E, N.M.P.M.**  
**Eddy County, New Mexico**

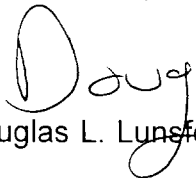
Dear Pat:

Per your request, I enclose a briefed copy of the July 1, 1958 Operating Agreement executed by J. R. Cole et ux and A. S. Johnson et ux, among others. The Coles acknowledged the instrument in Santa Fe County, New Mexico and the Johnsons acknowledged the instrument in Dallas County, Texas.

Best regards.

Yours very truly,

HINKLE, COX, EATON, COFFIELD & HENSLEY, L.L.P.

  
Douglas L. Lunsford

DLL:hl  
Enclosure

**HINKLE, COX, EATON, COFFIELD & HENSLEY,  
L.L.P.**

RECEIVED  
MAY 03 1996

ATTORNEYS AT LAW

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ROSWell, NEW MEXICO 88202

(505) 622-6510 FAX (505) 623-9332

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TOM D. STEPHENS\*  
RONALD C. SCHULTZ, JR.\*  
JOSE CANO\*

May 1, 1996

THOMAS E. HOOD\*  
REBECCA NICHOLS JOHNSON  
STANLEY K. KOTOVSKY, JR.  
ELLEN S. CASEY  
MARGARET CARTER LUDEWIG  
S. BARRY PAISNER  
WYATT L. BROOKS\*  
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LAND DEPT.

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GREGORY J. NIBERT  
FRED W. SCHWENDIMANN  
JAMES M. HUDSON  
JEFFREY S. BAIRD\*

Mr. Patrick J. Tower, Project Landman  
Enron Oil & Gas Company  
Post Office Box 2267  
Midland, Texas 79702-2267

**Re: S½ Section 32-17S-30E, N.M.P.M.  
Eddy County, New Mexico**

Dear Pat:

I enclose the following instruments for delivery to Jim McMichael:


- (a) A series of instruments pertaining to the C. A. Schurich interest in N½S½ Section 32; and
- (b) Notice of Probate with respect to Carl A. Hatch, deceased, Bernalillo County District Court Cause No. 2102-Probate.

With the hard copy of this letter, I enclose a copy of the unrecorded "Unitization Assignment and Operating Agreement" which unitized S½NW¼, N½SW¼ Section 32. This is a poor copy, but it is the best copy we could make.

Best regards.

Yours very truly,

HINKLE, COX, EATON, COFFIELD & HENSLEY, L.L.P.

  
Douglas L. Lunsford

DLL:hl  
Enclosures

- 2 -  
ASSIGNMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS: That,

WHEREAS, on April 10, 1935 the State of New Mexico, acting by and through its Commissioner of Public Lands, executed and delivered to William Spurck, as the lessee, that certain oil and gas mining lease No. B-4108, embracing the N½ of Section 32, Township 17 South, Range 30 East, N.M.P.M., Eddy County, New Mexico; and,

WHEREAS, the said lease by mesne assignments has been conveyed to Aston & Fair, Inc., a New Mexico corporation, whose Post Office address is 607 Franklin Building, Oklahoma City, Oklahoma, hereinafter referred to as assignor, and assignor is now the owner of record in the State Land Office of said lease and the leasehold estate created thereby; and,

WHEREAS, assignor has agreed to assign said lease and leasehold estate to the following named persons in the respective proportions stated:

R. W. Fair . . . . . 1/4th,

Bert Aston . . . . . 1/4th,

C. A. Scheurich and Carl A. Hatch. . . . . 5/18ths,

J. R. Cole and Sidney Johnson. . . . . 1/18th,

Anna Franklin. . . . . 1/8th.

and;

WHEREAS, the rules and regulations of the State Land Office prohibit the approval by the Commissioner of Public Lands of an assignment of a State lease in which more than two persons are named as assignees and also prohibit the approval of an assignment of an undivided interest in an oil and gas lease on State lands; and,

WHEREAS, assignor desires to make a matter of public record the ownership of the above named persons in said oil and gas lease and leasehold estate;

NOW THEREFORE, assignor for and in consideration of the premises and of the sum of One Dollar and other valuable considerations to it in hand paid by the said C. A. Scheurich, Carl A. Hatch, Anna Franklin, J. R. Cole, Sidney Johnson, R. W. Fair, and Bert Aston, hereinafter referred to as assignees, the receipt whereof is hereby acknowledged, has this day sold, transferred, conveyed, and assigned, and by these presents does sell, transfer, convey, and assign to each of said assignees and their respective heirs and assigns the respective interests above set forth in and to the said oil and gas mining lease above described and the leasehold estate created by same insofar as the above described tract of land is concerned and affected, including any and all rights and privileges accruing and to accrue under said lease as to said tract of land, TO HAVE AND TO HOLD the said property unto the said assignees, their heirs and assigns, forever.

Assignor agrees to comply with all valid and reasonable rules and regulations of the State Land Office affecting said lease and to pay to the Commissioner of Public Lands all rentals and royalties which may become due and payable by the terms of the above described lease and to do and perform all things necessary to maintain said lease in good standing and