

P. L. Alexander #6
306

Raton, New Mexico
October 7, 1939

Miss Winston Marks
Herring Hotel
Amarillo, Texas

Dear Madam:

This is to confirm our oral understanding entered into with you yesterday evening.

We understand that you desire to resume drilling operations under your contract with us dated October 28, 1937, or to assign that contract to Mr. L. W. Alexander of Oklahoma City, Oklahoma.

We hereby consent to such assignment and hereby consent that you may resume drilling operations under the above mentioned drilling contract under the following conditions:

1. You or your assignee must actually resume drilling operations within thirty (30) days from this date.
2. Drilling operations may be continued in the hole already started, or, if that is deemed impracticable, you or your assignee may drill a new hole on the same location.
3. Drilling operations must proceed and continue with due diligence until the drilling is complete according to the terms of the contract.
4. This consent does not in any way cancel or abrogate the contract above mentioned, and, in the event that you or your assignee proceed hereunder, the said former contract shall remain in full force and effect in all its terms and provisions except as herein expressly modified.
5. We hold oil and gas leases on approximately 3,000 acres, a description of which acreage is attached hereto marked "Exhibit A." If you or your assignee comply with all the foregoing conditions, we will assign the oil and gas leases covering the above mentioned acreage to you or your assignee at the times hereinafter specified, with the express understanding that we shall not be compelled to pay any rentals accruing or becoming due under the terms of such oil and gas leases, but all such rentals shall be paid by you or your assignee. The assignments shall be made by us to you or your assignee as follows:
 - (a) As soon as the complete rig is placed on location and ready to start work, leases covering 1,000 acres shall be assigned.
 - (b) If drilling is resumed in the present hole, then as soon as the hole is cleaned out and drilling operations are actually started, the leases covering the remaining 2,000 acres shall be assigned. If, on the other hand, drilling operations are not resumed in the present hole, but a new hole is started, then as soon as said hole

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has been drilled to a depth of 1,000 feet, the leases covering the remaining 2,000 acres shall be assigned.

As soon as we are notified by you or your assignee of definite acceptance of this arrangement, we will execute all the assignments and place them in escrow with First National Bank in Raton, Raton, New Mexico.

6. This proposed arrangement must be definitely accepted in writing by you or (in the event of an assignment) by your assignee within ten (10) days from this date. Otherwise, this entire offer will be automatically withdrawn.

7. In the event that this offer is accepted, we will be willing to enter into a more detailed written contract if that is considered necessary by you or your assignee.

Very truly yours,

TENEJA OIL COMPANY

By _____
Its President

EXHIBIT A

	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Acres</u>
SW 1/4	19	26 N.	24 E.	160
NW 1/4	20	26 N.	24 E.	160
NE 1/4	21	26 N.	24 E.	160
SW 1/4	22	26 N.	24 E.	160
SE 1/4	18	26 N.	24 E.	160
NE 1/4	17	26 N.	24 E.	160
SE 1/4	16	26 N.	24 E.	160
SW 1/4	7	26 N.	24 E.	160
SE 1/4	13	26 N.	23 E.	160
SE 1/4	13	25 N.	23 E.	160
NW 1/4	12	25 N.	23 E.	160
NE 1/4	1	25 N.	23 E.	160
SW 1/4	36	26 N.	23 E.	160
SW 1/4	31	26 N.	24 E.	160
NE 1/4	9	25 N.	24 E.	160
NE 1/4	32	26 N.	24 E.	160
SW 1/4	35	26 N.	24 E.	160
NE 1/4	27	26 N.	24 E.	160
NW 1/4 and SE 1/4	34	26 N.	24 E.	<u>120</u>
				<u>3,000</u>