

PAN AMERICAN PETROLEUM CORPORATION
FORT WORTH, TEXAS

BEFORE EXAMINER STOGNER

OIL CONSERVATION DIVISION

DEVON EXHIBIT NO. D

CASE NO. 10658

July 6, 1961

HD-NM-3255

Re: AFE 20,044
Contract No. 21,851
Lease No. 188752
(Formerly Lease No.
171397)
Hddy County, New Mexico

Hondo Oil & Gas Company
P. O. Box 660
Roswell, New Mexico

Gentlemen:

Reference is made to that certain Operating Contract Covering Operating and Development of Lease Acreage dated April 23, 1958, by and between Pan American Petroleum Corporation, as Operator, and Malco Refineries, Inc., as Non-Operator, covering the operation and development of land covered by United States Oil and Gas Leases, Serial Numbers LC-067858, LC-065478 and RM-025604.

The name of Malco Refineries, Inc. has been changed to Hondo Oil & Gas Company, a corporation, and by the execution of this Letter Agreement, it is understood and agreed that the operations and development of the lease and lands in Hddy County, New Mexico, hereinbelow described, shall also be governed and controlled by the terms and provisions of said above mentioned Operating Contract as though same had been originally included therein. The lease and lands to be included by this Letter Agreement within the lease acreage covered by said Operating Contract are described as follows, to-wit:

Pan American Lease No. 188752:

Lessor: United States of America

Lessee: J. E. Harbold

Dated: December 31, 1938

US Serial No.: LC-050158

Description: Township 17 South, Range 27 East,
N.M.P.M.:

Section 26: E/2 of the E/2 and
S/2 of the SW/4

Section 27: S/2 of the S/2

Section 34: NE/4; NW/4 of the
SE/4

Section 35: SW/4 of the NW/4,
E/2 of the NW/4,
E/2 of the NE/4

HAVE AND EXCEPT all rights from the surface to a depth of 2,500 feet as to the

COPY

July 6, 1961

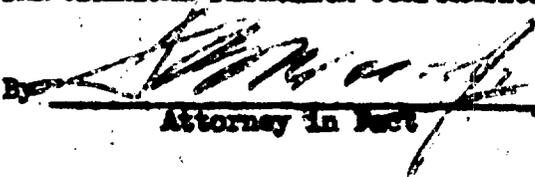
E/2 of the NE/4 and the E/2 of the NW/4 of Section 35, and also SAVE AND EXCEPT all rights from the surface to a depth of 2,000 feet as to all of the above described land except the E/2 of the NE/4 and the E/2 of the NW/4 of Section 35.

Except as heretofore expressly amended by Letter Agreements including those under dates of July 15, 1958, October 31, 1958, September 4, 1959, October 12, 1959, March 10, 1960, March 29, 1960, May 3, 1960, and June 17, 1960, and has herein expressly amended, said Operating Contract referred to above shall remain in full force and effect as originally written.

If the foregoing is in accordance with your understanding of our agreement to include the above described lease and lands in the lease acreage covered by said Operating Contract dated April 23, 1958, please return to us one copy hereof, signed and dated in acceptance by you.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION

By  APPROVED 

Attorney in Fact

ACCEPTED AND AGREED TO, this _____ day of _____, 1961:

HONDO OIL & GAS COMPANY

By  VICE PRESIDENT

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