

Application for Approval of  
the Dona Unit,  
Oil Conservation Division  
Department of Energy and Minerals,  
State of New Mexico

EXHIBIT  
SYNOPSIS OF NEGOTIATIONS  
DONA UNIT  
DONA ANA COUNTY  
NEW MEXICO

INTERESTED PARTY: Camilu - Vig., Inc.  
NATURE OF INTEREST: Fee (Mineral Patent)  
TRACTS: 38 (128.54 net acres - 0.515% of the Unit)

SUMMARY:

Exxon's Mr. David Willcox has been in contact with Mr. Joe Garcia, who is the president of and spokesman for Camilu-Vig., Inc. on numerous occasions regarding this and other property. Mr. Willcox specifically discussed the possibility of leasing the subject property in November of 1982, in March of 1983 and, most recently, in November of 1983. The latest terms offered were \$20 per acre bonus, a 1/8th royalty, and a ten year primary term. Mr. Garcia's position remains that he is not interested in leasing, but should we do any drilling, he will be "happy" to cooperate with Exxon, either by a farmout, or by participating.

Exxon has advised Mr. Garcia of our plans to form the Dona Unit. We have not formally presented him with the Unit Agreement and Unit Operating Agreement. Upon our obtaining preliminary approval from the BLM and the State of New Mexico, we will present the Dona Unit Agreement and Unit Operating Agreement to Mr. Garcia and offer a farmout arrangement similar to those offered Hunt, SHJR and LL&E or the opportunity to join in the Unit.

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXXON EXHIBIT NO. G

CASE NO. 8035

Submitted by \_\_\_\_\_

Hearing Date \_\_\_\_\_

Application for Approval of  
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SYNOPSIS OF NEGOTIATIONS  
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NEW MEXICO

INTERESTED PARTY: Atlas Building Products Company  
(Now Featherlite Corporation)

NATURE OF INTEREST: Fee (Mineral Patent)

TRACT: 37 (60 acres - 0.2406% of the Unit)

SUMMARY:

Featherlite Corporation is the successor to Atlas Building Products Company, who was the record title owner of Tract 37. Mr. David Willcox of Exxon contacted Mr. Leonard Fowler of Featherlite offering to lease the tract in November of 1983. The terms of the offer are \$10 per net mineral acre bonus, a 1/8th royalty and a ten year primary term. Mr. Fowler advised Mr. B. Bradfute, President of Featherlite, of the offer. On December 7, 1983, Mr. Willcox spoke to Mr. Bradfute by telephone. Mr. Bradfute said Exxon's offer was not acceptable, but he remains willing to discuss the matter further.

On December 8, 1983, Mr. Willcox put Exxon's offer in writing and asked for a counter-offer. (See attached). As of December 29, 1983, Exxon has received no reply.

Mr. Bradfute is aware of our plans to form the Dona Unit. Upon the receipt of preliminary approval by the BLM and the State of New Mexico, Exxon will present him with the Unit Agreement and Unit Operating agreement. Should we fail to negotiate a lease, Exxon will offer a farmout proposal similar to those offered Hunt, SHJR and LL&E or the opportunity to participate.

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION EXXON EXHIBIT NO. <u>H</u> CASE NO. <u>8035</u> Submitted by <u>EXXON</u> Hearing Date <u>1/4/84</u>
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**EXXON** COMPANY, U.S.A.  
PCST OFFICE BOX 1600 • MIDLAND, TEXAS 79702

EXPLORATION DEPARTMENT  
SOUTHWESTERN DIVISION

December 8, 1983

Re: Mineral Patent No. 1123402 over  
SE/4NE/4 and N/2NE/4SE/4 of Section 15  
T-24-S, R-4-W,  
Dona Ana County, New Mexico

Mr. B. Bradfute, President  
Featherlite Corporation  
P. O. Box 1029  
Austin, Texas 78767

Dear Sir,

I refer to our telephone conversation on December 7th, 1983 regarding the above matter and confirm that Exxon is interested in obtaining a lease from you over the abovementioned properties.

The terms which we are offering are as follows:

1. A \$10.00 per net acre lease bonus.
2. A production royalty of 1/8th.
3. \$1.00 per net acre per annum delay rental.
4. A primary lease period of ten (10) years.

You indicated that these terms would not be of interest to you and I would, therefore, ask you please to advise me what terms may be acceptable to you.

Thank you for your consideration regarding this matter.

Yours sincerely,

*David D. Willcox*

David D. Willcox  
Landman

DDW:h1