

Case 574

EXHIBIT NO. 3

NOTICE TO CANCEL OIL AND GAS MINING LEASES

TO: Frank B. Murta, 606 Kennedy Bldg., Tulsa, Oklahoma  
Russell Cobb, 606 Kennedy Bldg., Tulsa, Oklahoma  
Derman Drilling Company, Wichita Falls, Texas  
Greenbrier Oil Company, 327 South Adams, Ft. Worth, 4, Texas  
OR ANY UNKNOWN ASSIGNEES OF THE FOREGOING:

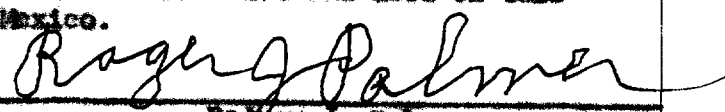
You and each of you are hereby notified that the undersigned, RODGER J. PALMER, hereby cancels that certain oil and gas mining lease entered into on the 11th day of November, 1949, between himself and Frank B. Murta and Russell Cobb of Tulsa, Oklahoma, as lessees, covering Lot 1, SW $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$  and S $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 1, Township 24 North, Range 2 West, New Mexico Meridian, New Mexico, containing 322.60 acres.

This cancellation is being effected for the reason that the annual rental stipulated to be paid by the lessees, or their assigns, to the lessor, as provided in Paragraph 6 of said Oil and Gas Mining Lease, has not been paid. Said stipulated annual rentals were to be paid at the rate of \$1.00 per acre per year and said payments to be made or tendered to the undersigned, or deposited to his credit at the Santa Fe National Bank, Santa Fe, New Mexico, on or before the 15th day of May of each and every succeeding year during the term of the said lease.

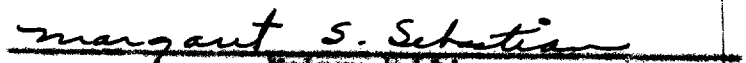
  
Rodger J. Palmer

STATE OF NEW MEXICO }  
COUNTY OF SANTA FE } ss.

RODGER J. PALMER, being first duly sworn on oath, deposes and says: That he is the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed on this 21st day of May, 1953, at Santa Fe, New Mexico.

  
Rodger J. Palmer

Subscribed and sworn to before me this 21st day of May, 1953.

  
Margaret S. Sebastian  
Notary Public