

Gulf Oil Company - U.S.

EXPLORATION DEPARTMENT
MIDLAND DISTRICT

J. A. Hord
DISTRICT EXPLORATION MANAGER
R. E. Griffith
DISTRICT LANDMAN
Y. B. Newsom
DISTRICT EXPLORATION GEOLOGIST

November 16, 1973

P. O. Drawer 1150
Midland, Texas 79701

Re: Proposed Stock Unit
9-Section Unit, Sections 9, 10,
11, 14, 15, 16, 21, 22 and 23,
T-21-S, R-33-E, Lea County,
New Mexico (Gulf Lease
No. 5-07313-00)

Getty Oil Company
P. O. Box 1231
Midland, TX 79701

Attention: Mr. Wade Vick

Gentlemen:

50714 3
5719
Vick
28 NOV 73

Reference is made to your letter of October 18, 1973, in which you requested that we join a nine-section unit in the drilling of a 14,900 foot Morrow test and your letter of November 9, 1973 stating that Atlantic Richfield desired to sell its leasehold interest to the Unit.

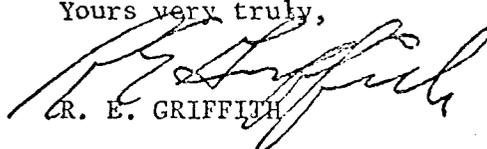
We have carefully considered your proposal and it has been decided that we would be willing to participate in the drilling of a Morrow test well and also willing to participate in all farmins and purchase our proportionate share of Atlantic Richfield's acreage at the asking price or less, if possible.

Please prepare the Operating Agreement and furnish us two copies of same for acceptance. There are three provisions which we require in all of our Agreements. They are: (1) Non-Operators Lien, (2) Removal of Operator Clause, and (3) Gas Storage and Balancing Agreement. We are enclosing a copy of these provisions so that they may be incorporated in the Agreement.

To aid you in preparation of the required instruments, we enclose a copy of our lease.

Please keep us advised as to the progress of this Unit.

Yours very truly,


R. E. GRIFFITH

Enclosures
FWT/dch



A DIVISION OF GULF OIL CORPORATION

Exhibit 3