



PENNZOIL PLACE • P. O. BOX 2967 • HOUSTON, TEXAS 77252-2967 • (713) 546-4000

October 16, 1987

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Kay Salem, as Guardian
of Lauren Lowe
4513 13th Street
Lubbock, Texas 79416

BETTER EXAMINED CATAFACH OIL CONSERVATION DIVISION EXHIBIT NO. <u>19</u> DATE NO. _____
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Re: #1 M. H. Medlin
S/2 NW/4 of Section 14,
T16S - R37E
Lea County, New Mexico

Dear Ms. Salem:

Pennzoil Company hereby proposes to drill a 12,200' Strawn-Atoka test at a legal location 1980' FNL and 660' FWL of Section 14, T16S-R37E, by January 1, 1988. A copy of our AFE is enclosed for your review.

The Oil and Gas Records of Lea County, New Mexico indicate that you, as Guardian of Lauren Lowe, own an undivided and unleased 2.34325% of a 1/48th mineral interest in the S/2 NW/4 of Section 14-16S-37E, and the same interest in the N/2 NW/4, N/2 SW/4 of Section 14, T16S-R37E and the NE/4, N/2 SE/4 of Section 15-16S-37E.

We hereby request that you either participate in our proposed well or lease your interest in the S/2 NW/4 of Section 14-16S-37E and the N/2 NW/4, N/2 SW/4 of Section 14, T16S-R37E and the NE/4, N/2 SE/4 of Section 15-16S-37E to Pennzoil for a bonus consideration of \$100.00 for a one (1) year lease providing for 1/4 royalty and a 180 day continuous drilling program.

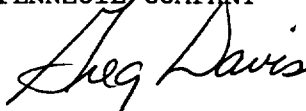
Should you elect to participate, please return an executed copy of the enclosed AFE. Upon our receipt of same, an A.A.P.L. Form 610-1982 Model Form Operating Agreement will be forwarded to you for your review and execution.

Please be advised that due to Pennzoil's lease expirations in January of 1988, we plan to make application to compulsory pool the S/2 NW/4 of Section 14-16S-37E on the next available Commission docket.

Your prompt consideration of our proposal will be appreciated. Should you have any questions, please feel free to contact me at 713/546-6195.

Yours very truly,

PENNZOIL COMPANY


Greg Davis
Land Specialist

GD:jt
Enclosure

JUSTIFICATION To test a Strawn lime algal mound in the Lovington NE Field area.

[illegible]

1	PROPERTY ADDITIONS								
6	REMOVAL COST								
5	SALVAGE								
				TOTAL COST		100.00000		%	104,800
CO. OWNERSHIP		616704		COMPANY COST		616666		7%	
APPROVAL		DATE		APPROVAL		DATE		AUTHORIZATION DATE	
JOINT INTEREST APPROVAL									
COMPANY NAME:						%			
APPROVAL						DATE			