

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

BETGER DIMMINUTE CATAMACH
OL COLLECTIVATION DIVISION
DARGET NO. 19

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 appeciated. 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

	SENDER: Complete items 1 and 2 when additions	services are desired, and complete items 3
	Put your address in the "RETURN TO" Space on the recard from being returned to you. The return receipt for delivered to and the date of delivery. For additional fee postmaster for fees and check box(es) for additional serving. Show to whom delivered, date, and addressee's additional fees the serving of th	ee will provide you the name of the person is the following services are available. Consult ice(s) requested.
	3. Article Addressed to: Kail Salem	4. Article Number P-757-967-747
	Kay Salem, as Guardian of Kelly Low and Lauren Lowe 4513 13th Street	Type of Service: Registered Insured Certified COD Express Mail
∦.	4513 13th Street Lubback, Texas 79416	Always obtain signature of addressee or agent and DATE DELIVERED.
	5. Signature Addressee	8. Addressee's Address (ONLY if pequested and fee paid)
	x EGISA Ponce	
	7. Date of Delivery 1: 20 - 87	

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WELLS										10/16/87	1 of 2
Co. Dept.	Play No.	AF	E No.			Α	FE Title or Lo	cation N	ame (25)		
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		oil wel				⊶ -					
		ction 14					ROPOSED FO	RMATIC	NO		
							Strawn				
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☐ Dual	☐ Bay	Zoii	TO START	as	DATE TO		Dev.	DAYS	w □ Worko TO DRILL	ver	No No
☐ Marsh	□ Bay		10 START		DATE	COM			36	12,200	
				<u> </u>							
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		1 1 1 1 1	4 1	0 8		1		-1-1	□ No □ Ye	s ☐ 2-Co. ☐	3-Outsd.
County/ a.		Conveyed	_					<u></u>	Environm	ental Cost	% Safety
Ph. Code Ci	ivil Dist.		l .	port to Cod		_	Location Mktg	70	Air 8W		and Health
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JUSTIFICAT	ION										
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INTANGIBLE CONTRACT I			12,20	<u></u>	ft. @ \$	1	3.00 /ft.	SUB 489	158,600	COMPLETION	TOTAL 158,600
1-	LING		12,20		days @\$	1.	/day	490	130,000	-	130,000
∵× ⊢—		ILL STEM TE	EST		days 🗟 \$	4	,000 /day	490	16,000		16,000
F ≥ roc		AND PERFOR			days @\$,000 /day	490	8,000		8,000
N O OTH	ER			10	days 🕮 💲		,300 /day	490		13,000	13,000
		RACT DAY W						490	7.000	1.050	0.07
EMPLOYEE			/day /day					501	7,020 3,780	1,950	8,970 4,830
TRANSPORT			у дау					505 545	10,000		17,500
ACCESS CAN								476	10,000	7,500	17,500
		S OR KEYWA	Υ					472	7,500	6,000	13,500
BITS, CORE	HEADS, ET							492			
MUD MATER								475	18,000		19,50
		NG SERVICES		CAL VADLE	BACKER			473	21,000 1,000		29,00
MUD LOGGIN			days @ \$					474	7,350		7,35
FORMATION	TESTING	or	ne DST					482	4,500		4,50
LOGGING AN	ND SIDE WA	LL CORING						478	26,000		29,00
PERFORATI								479	F 000	7,500	7,50
		ING SMALL D	NAMETER DE	RILL PIPE	·			488	5,000 6,000	1	11,00 21,00
INTERNAL (ODS						485	0,000	13,000	21,00
STIMULATIO		ENT					, , , , , , , , , , , , , , , , , , , 	480		7,500	7,50
OTHER SPE	CIAL WELL	SERVICES	ir	cludes	60' cc	ore		494	16,000		16,00
		S AND CONT	INGENCIES	10%				599	31,550		39,45
	OTAL INTA	NGIBLES							347,300	86,900	434,20
TANGIBLES	fr.	in.	j.	. Gr.		1	@ \$	440			, , , , , , , , , , , , , , , , , , ,
9	425	13-3/8	48.0	H-40			21.39	440	9,100		9,10
- -	400	8-5/8	28.0	S-80			16.60	440	73,000		73,00
is 4,	202		17	N-80	J		9.48	440		115,700	115,70
12,	200	5-1/2	ì	1			4.49	443		53,000	53,00
12,			6.5	N-80)			443	,	_ 000,000	3.5.00
<u>12,</u>	800	2-7/8	6.5	N-80)		4.47				
12,	800		6.5	N-80)		4.43	443	4,000	9,500	
IZ,	800 ADS	2-7/8	6.5	N-80)	i	4.43	443	4,000	8,000	13,50
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CASING HEACHISTMAS RETRIEVAE OTHER WEL	800 ADS TREE BLE PACKE	2-7/8 RS	6.5	N-80)		4.45	443 444 445		8,000 6,000	13,50 8,00 6,00
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146 545 Tr	ansportation sc. contingencie							5,00
146 456 F1	owlines & connector							6,00
	ectrical equipme por recovery un		sformers,	control p	anel, etc	· •	1	5,75 12,00
146 463 LA	s separator CT unit						1	2,80 15,00
146 459 He	berglass water t ater treater	ank (300	DD1)				1	3,00
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Account Maj Sub	<u>U</u>		ESCRIPTION	20.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1			QUANTITY	AMOUNT 10
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Pennzoil Comp LL NAME AND NO			Weste	FIELD OR ARE			36 UNDEVELOPED	LEASE NO.
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Co. Dept. Play No.		0 0 7					n c s e	
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