GLADYS E. MC CORMICK
478 South First Street
San Jose, California
CYpress 4-0264
December 15, 1951

Joe B. & Feliz A. Garcia
621 Alarid Street
Santa Fe, New Mexico

About a year ago the Sunol Oil Company, of which I am Secretary,
entered into a deal with Thomas W. Bailes of Los Angeles, Calif-
ornia, to drill a well for oil in Valencia County near the
Junction of Dales, State of New Mexico. To date the Sunol Oil
Company has spent approximately $50,000.00 towards this project.
The derrick is erected, machinery all rigged up and in place,
6200 feet of new 7-inch casing is at the drillsite, bits and
other equipment are on hand, including 6200 feet of drill pipe,
and 10-3/4-inch surface casing is set and cemented.

It was brought to my attention recently that under the laws of
the State of New Mexico a well cannot be drilled on less than
40 acre parcels, which must be contiguous and in the form of
square blocks.

A recent search of the records in Valencia County shows you as
the owner of land in this vicinity. Due to the 40-acre law,
which now prevails, it is necessary that we have more land in
order to fill up some of the gaps now existing in the lease
held by the Sunol Oil Company.

This situation we hope to accomplish by means of a new lease,
known as the EL CAPITAN COMMUNITY OIL AND GAS LEASE, which is
enclosed herewith. This new lease will not exceed 2500 acres
of leased land. Even if no well is ever drilled on your land,
once it is incorporated in the EL CAPITAN COMMUNITY OIL AND GAS
LEASE you will participate in all wells drilled under said lease,
as provided for the landowners thereunder according to the amount
of acreage you sign in this lease.

May I point out that if we are unable to obtain sufficient ac-
reage to block this area more solidly, the Sunol Oil Company
might decide to abandon the drilling entirely.

Hope you will realize that where you do not have a 40-acre parcel of land, and do not join in this lease, that at a later date if oil were brought in in commercial quantities, that you could be left out and you might not be able to lease your land, since you do not have the necessary acreage to make up a drill-site as required by the State of New Mexico.

We are enclosing herewith the EL CAPITAN COMMUNITY OIL AND GAS LEASE for your signature, which must be signed by both husband and wife, if married, in the presence of a Notary Public. Should there be any other ownership in your land, that person, or persons, must also sign the lease before a Notary Public. You can then mail the same in the enclosed stamped envelope.

This letter is being addressed to a group of Old Spanish Grants, Sunrise Land Co. and other persons who now own lands situated in Valencia County, New Mexico in and near the townsite of Dalies.

I have appointed C. E. LONG of 6311 Wilshire Blvd., Los Angeles, 48, California, Phone: Webster 3-7575 to act as my representative in Los Angeles and you may phone or go in and see Mr. Long between the hours of 10:00 A.M. and 4:00 P.M. Monday thru Friday.
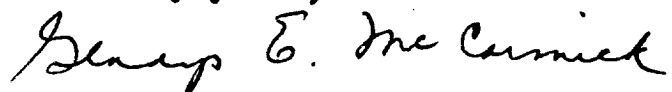
In the event that the taxes on your land are delinquent, would you be willing to allow me to pay them up to date, providing you sign the enclosed lease?

May I please impress upon you the necessity of signing the enclosed lease at once, because if I do not get the amount of acreage necessary in a very short time, the Sunol Oil Company, as previously stated, may be compelled to abandon their drilling, and your land might again stand a great many years without anything being done. The delay is costing the Sunol Oil Company and myself a great deal of money, as the machinery, which is tied up, could be leased out for about $250.00 per day.

Won't you kindly sign and execute the enclosed lease and return it to me immediately, as it is definitely to our mutual advantage that this drilling proceed without further delay? Upon receipt of your signed lease, I shall send you one signed by me for your records.

Thanking you for giving this most urgent matter your prompt attention, I remain

Sincerely yours,

GLADYS E. McCORMICK

GEM:mb