

NEIL B. WATSON  
FRED A. WATSON  
JOHN W. FISK

LAW OFFICES  
**WATSON & WATSON**  
AMERICAN HOME BUILDING  
P O DRAWER E  
ARTESIA, NEW MEXICO 88210

AREA CODE 505  
746-4151 · 746-2201

December 23, 1981

RECEIVED

DEC 28 1981

Collier Energy, Inc.  
P. O. Box 798  
Artesia, New Mexico 88210

C. C. D.  
ARTESIA, OFFICE

Gentlemen:

Re: Kissinger Property  
T-18-S, R-26-E, N.M.P.M.  
Section 10: NW $\frac{1}{4}$   
Eddy County, New Mexico

C  
O  
P  
Y  
We have represented the Kissinger family at various times over the years, and Mr. and Mrs. Kissinger were in the office yesterday asking me to handle a matter for them concerning some transactions that you have with them.

An Operating Agreement was made April 5, 1956 by H. E. Kissinger and Edna Irene Kissinger to Hugh D. Burch and William Hudson granting shallow operating rights under the NW $\frac{1}{4}$  of Section 10, Township 18 South, Range 26 East, N.M.P.M., from the surface down to 2,900 feet. The Kissingers advise me that there is a well on the land under the Operating Agreement but that the well apparently has not produced for three years because they have had no payments for any production and they advise me there are apparently no efforts being made to produce the well and it probably should be plugged and abandoned and the location cleaned up since it is in their farm.

They also furnished me with a copy of a very short lease agreement with respect to a tank battery located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 10 for which you paid \$300.00 rental for the year 1981.

Mr. and Mrs. Kissinger are not willing to renew the tank battery lease agreement and they request that you plug and abandon the well and remove the tank battery and clean up the locations as soon as possible prior to the time they need to start farming.

Page No. 2

Mr. Kissinger says he has been farming around these installations of yours and it is very inconvenient and, since the well is no longer producing, he feels that the Operating Agreement has expired and the well should be plugged and the tank battery and other installations removed from his farm.

I trust you will let me know if you will comply with their request and I will appreciate hearing from you.

Yours very truly,

Neil B. Watson

NEW:js

cc: Mr. and Mrs. H. E. Kissinger  
Route 1, Box 133  
Artesia, New Mexico 88210