

CHASE INVESTMENT COUNSEL CORP.

CITIZENS COMMONWEALTH CENTER SUITE 403

300 PRESTON AVENUE

CHARLOTTESVILLE, VIRGINIA 22901

AREA CODE (804) 293-9104

Denny #2

P-4-25N-1E

February 14, 1983

Mr. Frank Chavez
District Supervisor
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Dear Mr. Chavez:

As you will note from the copy of the BLM lease # 53171, part of the acreage in Section 4, T. 25 N., R. 1 E. has been leased to my company.

We understand that a well is being drilled in the southeastern portion of Section 4 by a Mr. Milton Reeves. It appears that that well is in an area which requires a 160 acre pooling and although Mr. Reeves telephoned me on November 12, 1982, and indicated that he was drilling a well, as yet we have not been approached by Mr. Reeves for any type of consolidation or purchase of our lease.

Do your records show that Mr. Reeves has completed such well as a producer? If so, how would I ascertain how much has been produced to date? I thought when Mr. Reeves called me on November 12th he was going to send along one or more alternative agreements to either purchase or communitize our acreage, which I encouraged him to do, but I have never heard anything further from him.

Thank you very much for your cooperation.

Sincerely,

Derwood Chase Jr.
Derwood S. Chase, Jr.
President

DSC:djh

Enclosure

RECEIVED
FEB 17 1983
OIL CON. DIV.
DIST. 3

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

LEASE FOR OIL AND GAS
(Sec. 17 Noncompetitive Public Domain Lease)
Act of February 25, 1920 (41 Stat. 437), as amended (30 U.S.C. 181-263)

Name
Street
City
State
Zip Code

Chase Investment Counsel Corp.
c/o Derwood S. Chase, Jr.
300 Preston Avenue
Charlottesville, Virginia 22901

NM 53171

(Serial Number)

This oil and gas lease is issued for a period of ten (10) years to the above-named lessee pursuant and subject to the provisions of the Mineral Leasing Act and subject to all rules and regulations of the Secretary of the Interior now or hereafter in force, when not inconsistent with any express and specific provisions herein, which are made a part hereof.

Lands included in the lease: State: New Mexico County: Rio Arriba

T. 25 N., R. 1 E., NME

Sec. 4: Lots 1,2, SW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$,
W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$

21: N $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$,
W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$

Containing a total of 453.55 acres

(Regs. CFR 3103.3-2 Amended 2/19/82)

Annual Rental-\$1. Per acre. \$ 454.00

for first 5 years, \$3 per acre thereafter

This lease is issued to the successful drawee pursuant to his "Simultaneous Oil and Gas Entry Card" application filed under 43 CFR 3112, and is subject to the provisions of that application and those specified on the reverse side hereof.

Effective date of lease: SEP 1 1982

THE UNITED STATES OF AMERICA

Chase Investment Counsel Corp.

By Grace A. Gonzales
(Signature of Signing Officer)

Chief, Noncompetitive
Oil and Gas Unit
(Title)

By A. D. Chase, Jr., President
Lessee's Signature

Date

6/8/82

AUG 31 1982

(Date)

ANNUAL RENTALS ARE TO BE RE-
MITTED TO: BUREAU OF LAND
MANAGEMENT, NEW MEXICO STATE
OFFICE, P.O. BOX 1449,
SANTA FE, NEW MEXICO 87501

RECEIVED
OIL CON. DIV.
DIST. 3