

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=International Letter Telegram

1220
(R 11-54)

The filing time shown in the date line of a teletype message is the TIME at point of origin. Time of receipt STANDARD TIME at point of destination

LA25

CASE NO. 2655

KB408

1962 SEP 51 PM 4 07

K OCC285 PD=WUX OKLAHOMA CITY OKLA 21 411P CST=

=S P YATES=

311-313 CARPER BLDG. ARTESIA NMEX=

BEST AVAILABLE COPY

RE: PROPOSED MORROW TEST NE NE SEC 30-10S-32E LEA COUNTY,
NEW MEXICO

IF YOU SPUD THE ABOVE TEST WITHIN 10 DAYS FROM DATE
HEREOF AND DILIGENTLY TEST ALL FORMATIONS DOWN TO AND
INCLUDING THE MORROW FORMATION, WE WILL CONTRIBUTE 80
CENTS PER FOOT DRY HOLE MONEY, NOT TO EXCEED \$10,160.00,
WITH THE UNDERSTANDING (1) THAT, IN CONSIDERATION THEREOF,
YOU WILL WAIVE YOUR RIGHT TO FORCE POOL SECTION 30 AGAINST
KERR-MCGEE AND (2) YOU WILL SUPPORT 160 ACRE SPACING FOR
THE STRAWN RESERVOIR EMBRACING THE NE/4 OF SECTION
30-19S-32E AND IF THE WELL PRODUCES ALLOW KERR-MCGEE THE
OPTION TO CONTRIBUTE ITS LEASES IN THE NORTHWEST QUARTER
OF SECTION 30 AND PAY ITS SHARE OF THE ACTUAL COST OF
DRILLING AND COMPLETING SAME AND THEREBY BECOME THE OWNER
OF ITS PROPORTIONATE INTEREST IN THE UNIT WELL AND (3)
YOU WILL REQUEST AND SUPPORT WITH REASONABLE EFFORTS 640
ACRE MORROW SPACING EMBRACING THE ENTIRE SECTION
30-19S-32E AND IF THE PROPOSED TEST PRODUCES ALLOW
KERR-MCGEE THE OPTION TO CONTRIBUTE ITS LEASES IN
SECTION 30 AND PAY ITS PROPORTIONATE SHARE OF THE ACTUAL

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1220
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COST OF DRILLING AND COMPLETING SAME AND THEREBY BECOME OWNER OF ITS PROPORTIONATE PART OF THE UNIT WELL, SUCH INTEREST TO BE EQUAL TO THE RATIO OF NET ACRES OWNED BY KERR-MCGEE TO THE TOTAL NET ACRES IN THE PRORATION UNIT ESTABLISHED BY THE STATE OF NEW MEXICO OIL AND CONSERVATION COMMISSION. IN THE EVENT KER-MCGEE ELECTS NOT TO EXERCISE ITS OPTION WITH RESPECT TO EITHER THE STRAWN OR MORROW, ITS ACREAGE WILL BE PLACED IN THE PRORATION UNIT AND YOU WILL BE ALLOWED TO RECOUP FROM PRODUCTION 100 PER CENT OF KERR-MCGEE'S SHARE OF OPERATING COST A D SURFACE EQUIPMENT BEYOND THE WELL HEAD AND 125 PECTENT OF KERR-MCGEE'S SHARE OF THE COST OF DRILLING AND EQUIPPING THE WELL THROUGH THE WELL HEAD. IF THE ABOVE IS ACCEPTABLE TO YOU, PLEASE SO ADVISE BY WIRE AND WE WILL DRAFT A DEFINITIVE LETTER AGREEMENT FORMALIZING THESE TERMS. YOUR ACCEPTANCE MUST REACH US BY MIDNIGHT

SEPTEMBER 24, 1962=

BRENE M. KERR KERR MCGEE OIL IND INC==

= 30-10S-32E 10 80 10,160.00 1 30 2 160 NE/4 30-19S-32E
30 3 640 30-19S-32E 30 100 125 24 1962

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THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE