

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702

Attention: Mr. A. W. Hanley

June 26, 1979

| | |
|---|-------------|
| BEFORE THE UNITED STATES OIL CONSERVATION DIVISION | |
| FILE NO. | 2 |
| CASE NO. | 6574 |
| Submittal Date | 7-11-79 TXO |
| Hearing Date | 7-11-79 |

Re: Unorthodox location and Compulsory
Pooling Hearing - E/2 of Section 6,
T17S, R35E, Lea County, New Mexico
(NMOCD Case #6574)

Gentlemen:

As discussed Tuesday, June 26, 1979, with Mr. Hanley, Texas Oil & Gas Corp. has scheduled a compulsory pooling and unorthodox well location hearing for July 11, 1979. We would prefer to work out an acceptable farmout agreement covering your acreage as opposed to the compulsory pooling hearing.

Should you desire to discuss the farmout, please call me at 682-7992.

Sincerely yours,

DOYLE JOHN SNOW

DJS:nb

bcc: Vacuum North Prospect File

Marathon Oil Company
P. O. Box 552
Midland, TX 79702

.15

TOTAL POSTAGE AND FEES

POSTMARK OR DATE

June 26, 1979

PS Form 3811, Apr. 1977

RETURN RECEIPT REGISTERED, INSURED AND CERTIFIED MAIL

| <p>● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.</p> | | | | | | | | |
|---|---------------|-------------|----------------|---------------|-------------|--|--------|--|
| <p>1. The following service is requested (check one). <input checked="" type="checkbox"/> Show to whom and date delivered ¢ <input type="checkbox"/> Show to whom, date, and address of delivery ¢ <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered ¢ <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery \$ (CONSULT POSTMASTER FOR FEES)</p> | | | | | | | | |
| <p>2. ARTICLE ADDRESSED TO: MARATHON OIL COMPANY P. O. Box 552 Midland, Texas 79702</p> | | | | | | | | |
| <p>3. ARTICLE DESCRIPTION:</p> <table border="1"><thead><tr><th>REGISTERED NO.</th><th>CERTIFIED NO.</th><th>INSURED NO.</th></tr></thead><tbody><tr><td></td><td>292702</td><td></td></tr></tbody></table> | | | REGISTERED NO. | CERTIFIED NO. | INSURED NO. | | 292702 | |
| REGISTERED NO. | CERTIFIED NO. | INSURED NO. | | | | | | |
| | 292702 | | | | | | | |
| <p>(Always obtain signature of addressee or agent)</p> | | | | | | | | |
| <p>I have received the article described above. SIGNATURE <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent</p> <p><i>[Signature]</i></p> | | | | | | | | |
| <p>DATE OF DELIVERY POSTMARK</p> <p><i>[Signature]</i> <i>[Signature]</i></p> | | | | | | | | |
| <p>5. ADDRESS (Complete only if requested)</p> | | | | | | | | |
| <p>6. UNABLE TO DELIVER BECAUSE</p> <p>CLERK'S INITIALS</p> | | | | | | | | |

Houston Division
Production Exploration, U.S. & Canada



**Marathon
Oil Company**

P.O. Box 552
Midland, Texas 79702
Telephone 915/682-1626

FEB 14 1979

TEXAS OIL & GAS CORP.

February 13, 1979

Texas Oil & Gas Corp.
900 Wilco Building
Midland, Texas 79701

Attention: Mr. Doyle John Snow

Gentlemen:

Vacuum Prospect

Re: Our Lease NM-1993 - State Lease K-6119
NM-2023 - State Lease K-5189
Lea County, New Mexico

Receipt is acknowledged of your letter of February 2, 1979, requesting a farmout covering the SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ and N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 6, T-17-S, R-35-E, Lea County, New Mexico.

Your inquiry was appreciated; however, we are not interested in farming out these leases at the present time.

Yours very truly,

MARATHON OIL COMPANY

A. W. Hanley, DR

A. W. Hanley
District Landman

AWH-DR:dr

February 2, 1979

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702

Attn: Mr. A. W. Hanley

Re: State of New Mexico Lease K-5189
and K-6119 covering the SE/4, SE/4
SW/4 and N/2 SW/4 of Section 6,
T17S, R35E, Lea County, New Mexico

Gentlemen:

Texas Oil & Gas Corp. requests a farmout of the above described acreage subject to Texas Oil & Gas Corp. drilling a 12,200 foot Morrow formation test well 660' feet from South and East lines of Section 6. Marathon will retain a 1/16th of 8/8ths overriding royalty interest with the option at payout of the test well to convert the override to a 33-1/3rd percent working interest, both the override and working interest being proportionately reduced as to your current ownership in the S/2 of Section 6. Subsequent operations on the initial test well after payout and all subsequent operations on the S/2 of Section 6 following the drilling and completion of the initial test well will be subject to the terms of a 1977 Model Form Operating Agreement containing slight revisions and a Gas Balancing Agreement. Failure to drill the proposed well will result only in a forfeiture of those rights to have been earned had such well been drilled.

Please advise us of any Gas Contract in existence since such a contract may be prohibitive in drilling the well. Our offer to drill the well is based on the assumption that a reasonable price will be obtained for the gas.

Thank you for considering our proposal. Should you desire to discuss the proposal in greater detail, please contact me at telephone number 682-7992.

Sincerely yours,

Doyle John Snow

DJS/scs

bcc/North Vacuum Prospect File

Farmout Request
Marathon Oil Company
Page 2

Should you elect to farmout, we would appreciate your advising us of any Gas Contract in existence since such a Contract may prohibit the drilling of the well due to a low price. Our offer to drill the well is based on the assumption that a reasonable gas price can be obtained for the gas.

Thank you for considering our proposal. We would appreciate your prompt reply.

Sincerely yours,

DOYLE JOHN SNOW

DJS:mb

bcc: Vacuum North Prospect File

Houston Division
Production Exploration, U.S. & Canada



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Oil Company**

P.O. Box 552
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District Landman

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