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#### MINERAL OWNERSHIP (AS OF MARCH 17, 1989) COVERING NE/4 and NE/4 SE/4 SECTION 34, T-24-S, R-34-E, NMPM LEA COUNTY, NEW MEXICO

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UNLEASED MINERAL OWNER	INTEREST
Richard Lyons Moore	.16666667
Michael Harrison Moore	.16666667
Richard L. Moore, Independent Executor of The Estate of Stephen Scott Moore	.16666667 Leased to J. Hiram Moore (3-7-82 Exp.)
Estate of W. E. Baird, Jr. Willie Margaret Lain Baird, Louise B. Thompson and Kathy Pearson P. O. Box 297 Seminole, Texas 79360	.0500000 .0500000 .0500000
Robert E. Landreth and wife, Donna P. 505 N. Big Spring, Suite 507 Midland, Texas 79701	.17500000
Alan Jochimsen 2402 Cimmaron Midland, Texas 79705	.04375000
Shanee Oil Company Attn: Charles R. Tierce 310 W. Texas, Suite 424 Midland, Texas 79701	.04921875 * <b>Handler</b>
Boley B. Embrey 303 W. Wall 1200 First Republic Bank Tower Midland, Texas 79701	.01640625 EXAMINER STOGNER NSERVATION DIVISION EXHIBIT NO. 2 9669
David L. Schmidt P. O. Box 1511 Midland, Texas 79702	
David H. Pace P. O. Box 2136 Midland, Texas 79702	.03281250
TOTAL:	1.0000000

\* Bob L. Bales sold his .01640625 mineral interest to Charles R. Tierce pursuant to conversation with Bales and recordation of mineral deed providing for same.

Envien (3? (5/2) 215 Danars in 3/3 87.570 asrecable

#### PROPOSED 160 ACRE NON-STANDARD ATOKA PRORATION UNIT SE/4 Section 34, T-24-S, R-34-E, N.M.P.M. Lea County, New Mexico

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Leasehold Ownership subject to Operating Agreement:	<u>Interest</u>
Enron Oil & Gas Company	.58671704
Enserch Exploration, Inc.	.09843755
Robert E. Landreth	.01797046
Samedan Oil Corporation	<u>.04687500</u>
SUBTOTAL:	.75000000

-

#### Unleased Mineral Owners and Leasehold Ownership Not Subject To Operating Agreement:

Richard Lyons Moore	.04166667
Michael Harrison Moore	.04166667
J. Hiram Moore (Leasehold)	.04166667
Willie Margaret Lain Baird, Louise B. Thompson and Kathy Pearson	.01250000 .01250000 .01250000
Robert E. Landreth and wife, Donna P.	.04375000
Alan Jochimsen	.01093750
Shanee Oil Company (Charles R. Tierce)	.01230469
Boley B. Embrey	.00410156
David L. Schmidt	.00820313
David H. Pace	.00820313
SUBTOTAL:	.2500000
TOTAL:	1.00000000

#### PROPOSED 320 ACRE MORROW PRORATION UNIT S/2 Section 34, T-24-S, R-34-E, N.M.P.M. Leg County, New Mexico

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Leasehold Ownership Subject To Operating Agreement:	Working Interest Ownership
Enron Oil & Gas Company	.62773227
Enserch Exploration, Inc.	.06796875
*Leon Jeffcoat, Trustee	.02056305
Robert E. Landreth	.02436093
*Roden Exploration Company Roden Associates, Ltd. and Roden Participants, Ltd.	.01718750
Samedan Oil Corporation	.11718750
SUBTOTAL:	87.5000000

 $\star$  Leasehold Ownership Only in SW/4 of said Section 34.

#### Unleased Mineral Owners and Leasehold Ownership Not Subject To Operating Agreement:

Richard Lyons Moore	.02083333
Michael Harrison Moore	.02083333
J. Hiram Moore (Leasehold)	.02083333
Willie Margaret Lain Baird, Louise B. Thompson and Kathy Pearson	.00625000 .00625000 .00625000
Robert E. Landreth and wife, Donna P.	.02187500
Alan Jochimsen	.00546875
Shanee Oil Company (Charles R. Tierce)	.00615234
Boley B. Embrey	.00205078
David L. Schmidt	.00410156
David H. Pace	.00410156
SUBTOTAL:	.12500000
TOTAL:	1.00000000

الا معاد Robert E. Landreth RV 10. RUI OIL ATE GAS EXPLORATION

and a second second

May 16, 1989

HAND DELIVERED MAY 16, 1989

Mr. Gary Thomas - Enron Oil & Gas Company P.O. Box 2267 Midland, Texas 79702

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ENERGE ROUSIE

BEFORE	EXAMINER CATANACH
OILCO	NSERVATION DIVISION
ENRON	EXHIBIT NO. 3
CASE NO	$\sim$

RE: Proposed Morrow/Atoka Well S/2 Section 34, T-24-S, R-34-E, Lea County, New Mexico

Dear Mr. Thomas:

Enron's proposal to drill the captioned well appears to violate two provisions of the Operating Agreement dated January 16, 1984 governing the captioned property. First, it is in conflict with Article XVA in light of the proposal already made by Midland Phoenix Corporation. Second, it negates the participation percentages set out in Exhibit "A" as well as the E/2 - W/2 spacing units which were established and agreed upon by all parties for the orderly development of this section, and therefore cannot be changed without the consent of all parties.

I called Frank Estep, your Division Land Manager, on April 28 to express my opinion regarding the first of these concerns. I also stated that I was willing to try to work out a mutually agreeable compromise. Contrary to Mr. Estep's statement that Enron's well proposal was equitable to all parties, Enron's proposal reduces the combined working interests of myself and Leon Jeffcoat, Trustee from 11.8% under Midland Phoenix's E/2 unit to 6.6% in a S/2 unit. I indicated to Mr. Estep that one possible solution would be for Enron to limit its well proposal to the Morrow only, thereby eliminating the Atoka bank as an objective at the proposed location which stands to materially drain reserves from the closely offsetting Page 3-2 well in which I own a significant revenue interest. I also suggested that there might be other ways to reach a compromise. Mr. Estep said he would discuss this with you and get back in touch with me but never did. My next contact with Enron was a call from Mr. Estep on Monday afternoon, May 8, stating that he had heard from Enron's Santa Fe attorney that I wanted to make some sort of proposal to Enron. Since I had already made Enron a proposal which had not been acknowledged, we made the decision on May 5 to request a postponement of the hearing date, and I so advised Mr. Estep on May 8.

I am very disturbed that Enron feels it can lay aside the written provisions of a contract with its partners because the contract no longer fits Enron's needs. It is obvious that Enron sees a window of opportunity which benefits only one party. Enron stands to see its participation in the Morrow Sinatra reserves double in relation to the competing Page 3-1 well, and increase from the current 5% to 54% in the Atoka Bank reserves which look favorable in the Page 3-2.

Mr. Gary Thomas Enron Oil & Gas Company May 16, 1989 Page 2

After discussing the Operating Agreement provisions with legal counsel, I am again advising Enron that I consider its proposal a breach of the operating agreement. However, in the interest of compromise, I am willing to amend the operating agreement, join in drilling and support Enron's proposal under the following conditions:

- 1. Enron will carry me for 5.2% working interest and 4.16% net revenue interest through completion of the well, being the difference between my interest in the E/2 proration unit proposed by Midland Phoenix and the S/2 proration unit proposed by Enron. I will join for my remaining approximate 6.6% working interest.
- 2. Enron agrees to drill the well through at least the Sinatra sand, set a liner through that zone, and attempt completion beginning with the lowermost prospective zone. Once a commercial well is made, production shall continue from that perforated interval until depletion unless offset drainage considerations dictate recompletion to another horizon.

I would also like to meet with you to discuss the technical merits of drilling this well and specifically your evaluation of the reserve potential for the Morrow Sinatra objective.

In light of the pending hearing on May 24, 1989 on the Enron and Midland Phoenix applications and the need to reach a decision with respect to my interest, this matter needs to be resolved as soon as possible.

Yours very truly,

Fresh Istang

Robert E. Landreth

REL:bk

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

May 17, 1989

Robert Landreth Energy Square 500 N. Big Spring, Suite 507 Midland, Texas 79701

Dear Mr. Landreth:

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This letter is in response to your letter dated May 16, 1989 addressed to Mr. Gary Thomas.

First, Enron Oil & Gas Company does not believe our proposal is in conflict with Article XV.A of the Joint Operating Agreement. We believe the spirit of the Joint Operating Agreement and the language contained therein is relative only to a proposal made by a party to the agreement.

Secondly, Enron has acknowledged your unusual situation, ie., a working interest position and a mineral interest position since our original working interest owners meeting which was held on April 17, 1989. In our various telephone conversations with you regarding the Enron proposal versus the Midland Phoenix proposal, we have always stated that our proposal was more advantageous to the working interest owners with the exception of you because of your unusual situation as both a working interest owner and a mineral interest owner.

Thirdly, you are the only working interest owner which has elected to oppose our position, you are also the only working interest owner with a mineral interest in the E/2 of the Section. Enron has in no way violated any provision of our joint operating agreement with the proposal that has been presented to you. Your proposal to be carried for a 5.2% working interest and a 4.16% net revenue interest through completion of the well being the difference between your interest in the E/2 proration unit and a S/2 proration unit is in no way a compromise.

You are agreeing to our proposal provided we keep you whole as to your interest in the E/2, we assume based on geological consideration, ie, our proposed location is a better location than the location proposed by Midland Phoenix Corporation. It would seem you are willing to lay a side the written provisions of the contract with your partners because the contract no longer fits your needs provided we agree to a proposal more advantageous to you.

Part of the Enron Group of Energy Companies

Page 2 Robert Landreth May 19, 1989

Enron would still be interesting in sitting down with you and discussing the possibility of purchasing an oil and gas lease covering your mineral interest under the NE/4 of the SE/4 of Section 34. This would allow you to keep your interest in the balance of the E/2 of the Section to do with as you saw fit after we have drilled and completed our proposed well.

Sincerely,

ENRON OIL & GAS COMPANY

ΰ. Estep Frank Division Landman

FCE/cl

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

HAND DELIVERED

May 23, 1989

Mr. Robert E. Landreth and wife, Donne P. Landreth, and Mr. Leon Jeffcoat, Trustee Energy Square 500 N. Big Spring, Suite 507 Midland, Texas 79701

> RE: Marshall Prospect Purchase Offer Section 34, T-24-S, R-34-E, and N/2 Section 3, T-25-S, R-34-E, N.M.P.M. Lea County, New Mexico

Gentlemen:

Pursuant to the meeting on May 22, 1989 at 3:30 P.M. held in the offices of Enron Oil & Gas Company, this is to confirm and to reiterate Enron's offer to purchase all of your interest in the captioned property as shown on Exhibit "A" attached hereto for a total of \$1,000,000.00. Enron's offer to purchase your interest is subject to Enron's approval of title, verification of your interest to be conveyed and the full execution of a mutually acceptable Assignment and Bill of Sale by & between Robert E. Landreth and wife, Donna P. Landreth, and Leon Jeffcoat, Trustee, and Enron Oil & Gas Company. Said Assignment and Bill of Sale shall include all of your leasehold, working, income, royalty, overriding royalty, mineral and contractual rights interest in the above properties.

Should this offer meet with your approval, then please indicate your acceptance of same in the space provided below and return this letter to Enron oil & Gas Company at the above address. Page 2 Mr. Robert E. Landreth, and wife Donna P. Landreth, and Mr. Leon Jeffcoat, Trustee May 23, 1989

This offer is valid through June 7th, 1989.

Yours very truly,

ENRON OIL & GAS COMPANY

Ù C. Estep ank

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Division Landman

RMM/cl

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Sale Price Agreed to and Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 1989.

ROBERT E. LANDRETH

DONNA P. LANDRETH

LEON JEFFCOAT, TRUSTEE

#### EXHIBIT "A"

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Attached to Letter dated May 23, 1989 from Enron Oil & Gas Company to Mr. Robert E. Landreth and wife, Donna P. Landreth, and Mr. Leon Jeffcoat, Trustee

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PROPERTY	WELL(s)	INTE	REST*
		(Working Interest)	(Income Interest)
W/2 Section 34 T-24-S, R-34-E,NMPM Lea Co., New Mexico	Pitchfork 34 Fed Com #1	7.187749%	9.9351002
E/2 Section 34 T-24-S, R+34-E,NMPM Lea Co., New Mexico	No. well	6.60000%	7.718640%
N/2 Section 3, T-24-S, R-34-E, NMPM Lea Co., New Mexico	Page 3 Com #1 Page 3 Com #2	3,352160%	8.605820%

\* Including, but not limited to, all mineral, leasehold, royalty, overriding royalty, contractual rights, working and income interest.

P. O. Box 2267 Midland, Texos 79702 (915) 686-3600

March 16, 1989

Messrs. Richard Lyons Moore Michael Harrison Moore and Stephen Scott Moore P. O. Box 1733 Midland, Texas 79702

> RE: Request For Oil and Gas Lease NE/4 and NE/4 SE/4, Section 34, T-24-S, R-34-E, N.M.P.M. Lea County, New Mexico

Gentlemen:

Enron Oil and Gas Company is interested in acquiring an oil and gas lease covering your mineral interest in the NE/4 and NE/4 SE/4 Section 34, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico. If you currently maintain a mineral interest in this property and would be interested in granting us an oil and gas lease covering same, or wish to discuss further, then please contact the undersigned at telephone number (915) 686-3730 or at the above address.

Your cooperation in this matter is appreciated.

Yours very truly,

ENRON OIL & GAS COMPANY

A M M' Common fr Cl

Robert M. McCommon, Jr. Project Landman

RMM/cl

Part of the Enron Group of Energy Companies

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 16, 1989

W. E. Baird, Jr. and wife, Margaret C. Baird P. O. Box 297 Seminole, Texas 79360

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RE: Request For Oil and Gas Lease NE/4 and NE/4 SE/4, Section 34, T-24-S, R-34-E, N.M.P.M. Lea County, New Mexico

Gentlemen:

Enron Oil and Gas Company is interested in acquiring an oil and gas lease covering your mineral interest in the NE/4 and NE/4 SE/4 Section 34, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico. If you currently maintain a mineral interest in this property and would be interested in granting us an oil and gas lease covering same, or wish to discuss further, then please contact the undersigned at telephone number (915) 686-3730 or at the above address.

Your cooperation in this matter is appreciated.

Yours very truly,

ENRON OIL & GAS COMPANY

Robert ni. McCommon . Ja/cl

Robert M. McCommon, Jr. Project Landman

RMM/cl

Part of the Enron Group of Energy Companies

P. O. Box 2267 Midland, Texas 79702 [915] 686-3600

March 16, 1989

Alan Jochimsen 2402 Cimmaron Midland, Texas 79705

> RE: Request For Oil and Gas Lease NE/4 and NE/4 SE/4, Section 34, T-24-S, R-34-E, N.M.P.M. Lea County, New Mexico

Gentlemen:

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Enron Oil and Gas Company is interested in acquiring an oil and gas lease covering your mineral interest in the NE/4 and NE/4 SE/4 Section 34, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico. If you currently maintain a mineral interest in this property and would be interested in granting us an oil and gas lease covering same, or wish to discuss further, then please contact the undersigned at telephone number (915) 686-3730 or at the above address.

Your cooperation in this matter is appreciated.

Yours very truly,

ENRON OIL & GAS COMPANY

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Robert M. McCommon, Jr. Project Landman

RMM/cl

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P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 16, 1989

Mr. Boley Embrey 303 West Wall - Suite 1200 Midland, Texas 79701

> RE: Request For Oil and Gas Lease NE/4 and NE/4 SE/4, Section 34, T-24-S, R-34-E, N.M.P.M. Lea County, New Mexico

Gentlemen:

Enron Oil and Gas Company is interested in acquiring an oil and gas lease covering your mineral interest in the NE/4 and NE/4 SE/4 Section 34, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico. If you currently maintain a mineral interest in this property and would be interested in granting us an oil and gas lease covering same, or wish to discuss further, then please contact the undersigned at telephone number (915) 686-3730 or at the above address.

Your cooperation in this matter is appreciated.

Yours very truly,

ENRON OIL & GAS COMPANY

Labert Mittil Common file

Robert M. McCommon, Jr. Project Landman

RMM/cl

Part of the Enron Group of Energy Companies



P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 16, 1989

Bob L. Bales & Beverly A. Bales 414 W. Texas Street - Suite 308 Midland, Texas 79701

> RE: Request For Oil and Gas Lease NE/4 and NE/4 SE/4, Section 34, T-24-S, R-34-E, N.M.P.M. Lea County, New Mexico

Gentlemen:

Enron Oil and Gas Company is interested in acquiring an oil and gas lease covering your mineral interest in the NE/4 and NE/4 SE/4 Section 34, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico. If you currently maintain a mineral interest in this property and would be interested in granting us an oil and gas lease covering same, or wish to discuss further, then please contact the undersigned at telephone number (915) 686-3730 or at the above address.

Your cooperation in this matter is appreciated.

Yours very truly,

ENRON OIL & GAS COMPANY

hent M. Mic Common fr /cl

Robert M. McCommon, Jr. Project Landman

RMM/cl



P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

March 16, 1989

Trican Exploration 306 W. wall, Suite 550 Midland, Texas 79702

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RE: Request For Oil and Gas Lease NE/4 and NE/4 SE/4, Section 34, T-24-S, R-34-E, N.M.P.M. Lea County, New Mexico

Gentlemen:

Enron Oil and Gas Company is interested in acquiring an oil and gas lease covering your mineral interest in the NE/4 and NE/4 SE/4 Section 34, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico. If you currently maintain a mineral interest in this property and would be interested in granting us an oil and gas lease covering same, or wish to discuss further, then please contact the undersigned at telephone number (915) 686-3730 or at the above address.

Your cooperation in this matter is appreciated.

Yours very truly,

ENRON OIL & GAS COMPANY

n Xl 12alurt M. McCommon

Robert M. McCommon, Jr. Project Landman

RMM/cl

Part of the Enron Group of Energy Companies

MIDLAND PHOENIX CORPORATION HIGHTOWER BUILDING RECEIVED 600 W. ILLINOIS, SUITE 1002 MIDLAND, TEXAS 79701 (915) 687-0457 MAR 27 1989 March 22, 1989 LAND DEPT. Enron Oil & Gas Company Samedan Oil Corporation P. O. Box 2267 10 Desta Dr., Suite #240 East Midland, Texas 79702 Midland, Texas 79705 Attention: Frank Estep Attention: Jack E. Anderson Enserch Exploration, Inc. Leon Jeffcoat, Trustee 4849 Greenville Ave. 310 W. Wall St. Dallas, Texas 75206 Midland, Texas 79701 Attention: Dave Leaverton

> In Re: Well Proposal 660' FSL & 1980' FEL Section 34, T-24-S,R-34-E Lea County, New Mexico

Gentlemen:

Midland Phoenix Corporation proposes the drilling of a 15,800' Morrow test at the above captioned location, thus being an unorthodox location in an east-half proration unit. We invite you to participate in this joint-venture with your interest as would be calculated for an E/2 proration unit. The estimated dry-hole costs for this test would be \$1,360,000.00 and the estimated completed well costs would be \$1,760,000.00

In lieu of your participating in this joint venture with us, Midland Phoenix would be willing to accept a farmout of your interest with you delivering a 75% net revenue interest with the option to convert your retained override to a 25% working interest after payout, proportionately reduced to your ownership in the E/2 of section 34. A well capable of producing oil and/or gas in commercial quantities would earn 100% of your working interest until payout.

We respectfully request a response to this proposal at your earliest convenience since we would like to spud this well in the very near future. Upon our hearing from you as to your decision, we will forward a formal AFE and a 1982 AAPL Form Operating Agreement for your approval. We understand that your acreage may already be subject to an operating agreement, and if so, we will work with you in any way to expedite this matter, whether it is to cancel your acreage in the E/2 Section 34 subject to the existing agreement and execute a new operating agreement covering the E/2 only or to keep your exisiting agreement intact and have an overlapping in the E/2 of section 34 with a new agreement.

If you should have any questions regarding this proposal please do not hesitate to contact us. I look forward to hearing from you.

Your Tim Dieey President



P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

April 28, 1989

WORKING INTEREST PARTNERS: See Address List Attached

> RE: Marshall Prospect Pitchfork Ranch Proposed Pitchfork "34" Federal Com #2 660' FSL & 1980' FEL of Sec. 34, T24S, R34E, NMPM Lea County, New Mexico

Gentlemen:

Relative to the captioned, reference is made to that certain Operating Agreement dated January 16, 1984 between Enron Oil & Gas Company (successor in title to HNG Oil Company), as Operator, and Enserch Exploration, Inc., Samedan Oil Corporation and Robert E. Landreth, as Non-Operators, covering all of Section 34, T-24-S, R-34-E, N.M.P.M., Lea County, New Mexico; limited from the surface down to the stratigraphic equivalent of 100' below a depth of 15,435'.

In accordance with the terms and provisions of said operating agreement, this is to serve as notice that Enron Oil and Gas Company hereby proposes the drilling of the Pitchfork "34" Federal Com #2 well, a 15,800' Morrow test, to be located 660' FSL and 1980' FSL of Section 34, T-24-S, R-34-E, N.M.P.M., Lea County, New Mexico. Enclosed for your review and approval is a copy of Enron Oil & Gas Company's Drilling AFE for the proposed operation.

Enron further proposes that the above well be drilled on a standard 320 acre proration unit comprised of the South-Half (S/2) of said Section 34 for the Morrow formation and on a non-standard 160 acre proration unit comprised of the Southeast Quarter (SE/4) of said Section 34 for the Atoka Formation. The above well location will therefore be a legal location for the Morrow Formation and an unorthodox location for the Atoka Formation. Furthermore, Enron recognizes the difference in working interest ownership in a south-half (S/2) proration unit versus a southeast-quarter (SE/4) proration unit and acknowledges that a mutually acceptable method to distribute the cost of the proposed operation on an equitable basis must be devised.

	BEFORE EXAMINER STOGNER
	HL CONSERVATION DIVISION
	ENRIN EXHIBIT NO. 3
	CASE NO. 9669
Part of the Enron Group of En	ergy_Companies

EAM

Page 2 Working Interest Owners Pitchfork Ranch April 28, 1989

Your prompt consideration and an early response to our proposal will be greatly appreciated Should you have any questions concerning the above, then please contact the undersigned at telephone number (915) 686-3730.

Very truly yours,

ENRON OIL & GAS COMPANY Robert M. McCommon, Jr. man

Project Landman

RMM/cl

attachment

Enserch Exploration, Inc. 4849 Greenville Avenue Suite 1200 Dallas, Texas 75206 ATTN: Mr. David N. Leaverton

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Samedan Oil Corporation 10 Desta Drive, Suite 240 East Midland, Texas 79705 ATTN: Mr. Jack E. Anderson

Robert E. Landreth and wife, Donna P. 505 N. Big Spring, Suite 507 Midland, Texas 79701

Leon Jeffcoat, Trustee 310 W. Wall, Suite 500 Midland, Texas 79701

	ł	ENR	ON	•
Oil	&	Gas	Jmpany	

	D	rill	ling	AFE
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AFE No.	
Enron W.	
Enron AFE Amt (DHC)	See Reverse Side
(CWC)	
Division/District	Midland
AFE Date	04/11/89
Type X Drilling X Completion	
X Drilling	
X Drilling X Completion Re-Entry Depth & Formation	Water Depth
X Drilling X Completion Re-Entry Depth & Formation 15,800 Morrow	. Water Depth
X Drilling X Completion Re-Entry Depth & Formation	Water Depth

Cat	egory			
	Wildcat_			
X	Development		•	
	injection			

660' FSL & 1980' FEL, Section 34, T-24-S, R-34-E

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Lease & Well No.

County & State

Description of Work

Location

Operator

(1) A. A. Martin M. M. Martin M. M. Martin M. M Martin M. Marti

Fum

Pitchfork 34 Federal Com. #2

Lea County, New Mexico

Enron Oil & Gas Company

			<u></u>		tangible Well	Cost (	Dollars)		
Code			Description			Dri	lling	Completion	Total
5501	Access, Loc	ation & Ac	bads				40,000		40.00
5502	Rig Move						30,000		30,00
5503	Footage Co	st		\$/Ft					
	Day Work C			85 days @	\$ 4100		348,500		348,50
	Bits, Reame	ers & Stabi	lizers				100,000		100,00
5506	Fuel								
5507							8,500	2,000	10,50
	Mud & Che						85,000	2,000	87,00
	Cementing	& Service					52,000	14,000	66,00
	Coring								
	OH Logging		2				52,000		52,00
	Mud Loggir	9		70 day	s @ \$325		22,750		22,7
	Perforating							10,000	10,00
	Stimulation							10,000	10,00
	Transporta	the second s					10,000	5,000	15,00
	Drilling Ove	and the second					16,450	1,000	17,4
	Equipment						30,000	5,000	35,00
	Completion			5 day	s@ 2640			13,200	13,2
	Other Drilli		0				50,000		50,0
	Directional								
	Equipment								
5524			days @ \$400	Compl: 5 days	@ \$400		34,000	2,000	36,0
	Contingent		·						
	Total Intan	gibles					879,200	64,200	943,4
- MAR	tirii (11) M	i de trees			<b>Fangible Well</b>	Cost	(Dollars)		
Code	T		Descriptio	n	······································	D	rilling	Completion	Total
5101	1	'01		"Conductor	Casing				
5102	650	'01	13-3/8	"Surface Ca	sing \$22.75/lt		15,600		15,6
5103	5200	'01	9-5/8	"Int Csg \$14	.40/\$16.49/1		83,400		83,4
5103	13250	101	7	*Intermediat	e Csg \$10.50/ft	1	147,500		147,5
5103	1200	*Ot	5-1/2 *	"Liner	\$17.45/tt	1	20,940		20,9
5104	1950	101	3-1/2	*Liner	\$8.75/h	1		17,063	17,0
5104		'01		"Tie-Back C	asing				
5105		101		*Tubing					
5105		101	2-7/8	Tubing	\$8.68/11			120,218	120,2
the second se		Equipmer	nt and Tree			<u> </u>	15,100	22,000	37.1
5107	Tanks				·	<u> </u>		8,700	8,3
	(Continue	d on back	of AFE)						
	97. <b>•</b> ••******				Enron Appr	oval			
Divis	ion					1			10
By	mike	Inca	Date 4-17.0	59 Ban 1	Mumas	Date 4/19/8-1	Ву		Date
By	RPN	l'	Date 17 April	By		Date	Ву		Date

Title

Dale

By

1,484,421	322,681	0+2,131,1	Total Well Cost	تحف مسجد
120,112	184,822	585'240	2016 Taxiples	
			Contingencies	
			Drive Pipe	2123
000'S	000'S		Construction Cost	
			Mudlina Suspension Equipment	2150
36,000	36,000		Liner Equipment	6115
5,000	2,000		Non-Controllable Equipment	8112
5,000	5,000		Metering Equipment	2115
			spribling	9115
			Other Equipment	
58,500	58,500		Heater-Treater & Separators	1119
			Engines & Motors	ELLS
000,8	000,8		Production Equipment - Subsurtace	2112
			Pumping Equipment - Surtace	1119
			Rods	0119
000'9	000'9		Valves & Fillings	6019
3,000	3,000		Plow Lines	
Total	Completion	Drilling	Description	epo;
		(ກອບການອີກຄຸ	c) too IlbW aldigns Tangible Well Cost (c	1.10

· Deduct \$122,190 If Atoka 5-1/2" liner at 14,100' is not required.

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1,346,860

333'400

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	]	480-794	Sent to Samedan Oil corp	
Leon Jeffcoat, Tr		985-46	Street and No	
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#### P 297 005 017

# RECEIPT FOR CERTIFIED MAIL VO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL (See Reverse)

0.794	Sent to Robert E. Landreth						
985.46	Street and No						
P.O. 1	P.O. State and ZIP Code						
+ U.S.G.P.O. 1985-480-794	Postage	5					
*	Centiled Fee						
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e 198	Return Receipt showing to whom Date and Address of Delivery						
PS Form 3800, June 1985	TOTAL Postage and Fees	Ś					
3800	Postmark or Date						
Form							
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P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

May 1, 1989

WORKING INTEREST PARTNERS: See Address List Attached

> RE: Marshall Prospect Correct Location Pitchfork Ranch Proposed Pitchfork "34" Federal Com #2 660' FSL & 1980' FEL of Sec. 34, T245, R34E, NMPM Lea County, New Mexico

Gentlemen:

Relative to the above, reference is made to Enron's letter to you dated April 28, 1989, a copy of which is enclosed. In the body of Enron's letter the location of the proposed Pitchfork "34" Federal Com #2 is incorrectly described as being 660' FSL and 1980' <u>FSL</u> of Section 34, T-24-S, R-34-E, N.M.P.M., Lea County, New Mexico. The correct location of the proposed well is 660' FSL and 1980' <u>FEL</u> of said Section 34, as properly indicated in the "RE:" clause" of said letter and on our AFE enclosed with same.

Please make appropriate note of the correct location of the proposed Pitchfork "34" Federal Com #2 well, being 660' FSL and 1980' FEL of Section 34, T-24-S, R-34-E, N.M.P.M., Lea County, New Mexico. We look forward to your response to our proposed operation. Should you have any questions, please contact the undersigned at telephone number (915) 686-3730.

Very truly yours,

ENRON OIL & GAS COMPANY JUL 1 BRIN 11 DMMONTO

Robert M. McCommon, Jr. Project Landman

RMM/cl

Part of the Enron Group of Energy Companies

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Enserch Exploration, Inc. 4849 Greenville Avenue Suite 1200 Dallas, Texas 75206 ATTN: Mr. David N. Leaverton

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Samedan Oil Corporation 10 Desta Drive, Suite 240 East Midland, Texas 79705 ATTN: Mr. Jack E. Anderson

Robert E. Landreth and wife, Donna P. 505 N. Big Spring, Suite 507 Midland, Texas 79701

Leon Jeffcoat, Trustee 310 W. Wall, Suite 500 Midland, Texas 79701

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TRANSMITTAL HAND DELIVERED DOCUMENTS •

Date: 5-2-89

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FROM: ENRON OIL & GAS 508 W. Wall Midland, Texas 79702

Sender: Kahert Delivered by:

**RECEIVED BY:** Midland Phoener Company Name: Address: Telephone No:

nels

31111

Representative-Title:

Time:

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

May 2, 1989

Midland Phoenix Corporation Hightower Building 600 W. Illinois, Suite 1002 Midland, Texas 79701

ATTN: MR. TIM DICEY

RE: Marshall Prospect/Pitchfork Ranch Proposed Pitchfork "34" Federal Com #2 Well 660' FSL and 1980' FEL Section 34, T24S, R34E, NMPM Lea County, New Mexico

Gentlemen:

According to our information, Midland Phoenix Corporation is a leasehold owner of certain mineral interests in the Northeast Quarter of the Southeast Quarter of Section 34, T-24-S, R-34-E, NMPM, Lea County, New Mexico. Therefore, Enron Oil & Gas Company hereby proposes for your consideration and extends to Midland Phoenix Corporation the opportunity to participate in the drilling of the Pitchfork "34" Federal Com #2 Well, a 15,800' Morrow test to be located 660' FSL and 1980' FEL of Section 34, T-24-S, R-34-E, NMPM, Lea County, New Mexico. Enclosed for review and approval is a copy of Enron Oil & Gas Company's drilling AFE for the proposed operation.

Enron further proposes to drill the above well on a standard 320 acres proration unit for the Morrow Formation comprised of the South-Half (S/2) of said Section 34 and a non-standard 160 acre proration unit for the Atoka Formation comprised of the Southeast Quarter (SE/4) of said Section 34. The above well location will therefore be a legal location for the Morrow Formation and an unorthodox location for the Atoka Formation. Furthermore, Enron recognizes the difference in working interest ownership in a South-Half (S/2) versus a Southeast Quarter (SE/4) proration unit and acknowledges that a mutually acceptable method to distribute the cost of the proposed operation on an equitable basis must be devised. Should Midland Phoenix Corporation desire to join in the drilling of the above well, then your joinder in executing the existing operating agreement, insofar as same covers the applicable proration unit(s), will be requested.

Should Midland Phoenix Corporation not be willing to join in the drilling of the Pitchfork "34" Federal Com #2 as proposed above, then Enron Oil & Gas Company hereby requests a farmout of Midland Phoenix Corporation's leasehold interest in the Northeast Quarter of the Southeast Quarter (NE/4 SE/4) of said Section 34. Under the proposed farmout, a producer would earn Enron an Assignment of 100% of Midland Phoenix Corporation's leasehold interest in the

Part of the Enron Group of Energy Companies

Page 2 Midland Phoenix Corporation May 2, 1989

Northeast Quarter Southeast Quarter (NE/4 SE/4) of Section 34 with Midland Phoenix Corporation reserving an overriding royalty interest equal to the difference between 25% and existing leasehold burdens (the intent is to deliver Enron a 75% net revenue interest), with the option at payout of the initial well to convert said overriding royalty interest to a 25% working interest, all proportionately reduced. The proposed farmout will be subject to the full execution of a mutually acceptable formal farmout agreement between Midland Phoenix Corporation and Enron Oil & Gas Company.

Your earliest consideration and response to our proposal will be appreciated as we plan to spud this well in the near future. Should you have any questions concerning the above, please contact the undersigned at telephone number 686-3730 or at the above address.

Very truly yours,

ENRON/OIL & GAS COMPAN BERKUL.U.L. OMMAR

Robert M. McCommon, Jr. Project Landman

RMM/cl

#### TRANSMITTAL HAND DELIVERED DOCUMENTS

FROM:	ENRON OIL & GAS 508 W. Wall Midland, Texas 79702					
Sender: Robert McCommon						
Deliver	red by: <u>Juanita Williams</u>					

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5/4/1989

RECEIVED BY:

Date:

Company Name:	Midland Phoenix
Address:	
Telephone No:	
Representative- Title:	
Time:	2:20
5/4	184
2	:20

## Drilling AFE

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AFE No.	+
Enron W. 1.	
Enron AFE Amt (DHC)	See Reverse Side
(CWC)	
Division/District	Midland
AFE Date	04/11/89

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Catcgory Wildcat X Development Injection

Туре	
X	Drilling
X	Completion
	Re-Entry

Leaso & Well No.	Depth & Formation Water Depth
Pitchlork 34 Federal Com. #2	15,800 Morrow
Location 660' FSL & 1980' FEL, Section 34, T-24-S, R-34-E	
County & State	Field
Lea County, New Mexico	Pitchfork Ranch
Operator	Anticipated Spud Date
Enron Oil & Gas Company	
Description of Work	

				Intan	igible Well	Cost (	Dollars)		
:ode			Description			Dri	lling	Completion	Total
5501	Accoss, Loo	ation & Road	ls				40,000		40,000
5502	Aig Move						30,000		30,000
	Foolage Co			\$/Ft					
	Day Work C			85 days@\$	4100		348,500		348,500
		ers & Stabilize	ers				100,000		100,000
5506	Fuel								
5507	Water						8,500	2,000	10,500
5508	Mud & Chei	micals					85,000	2,000	87,000
	Cementing	& Service					52,000	14,000	66,000
	Coring								
5511	OH Logging	& Testing					52,000		52,000
	Mud Loggir	ig		70 days @	\$325		22,750		22,750
	Perforating		_					10,000	10,000
	Stimulation							10,000	10,000
	Transportat						10,000	5.000	15,000
	Drilling Ove						16,450	1,000	17,450
	Equipment	the second s					30,000	5,000	35,000
5518	Completion	Rig		5 days @	2640			13,200	13,200
5519	Other Drillin	ng Expense					50,000		50,000
5522	Directional	Drilling							
5523	Equipment	Usage							
5524	Supervision	Drlg: 85 da	ys@\$400 C	ompl: 5 days @ \$	\$400		34,000	2,000	36,000
	Contingend	ies							
	Total Intan	pibles				•	879,200	64,200	943,400
				Tan	gible Well	Cost	(Dollars)		
ode			Description		β		illing	Completion	Total
15101	+	'01		Conductor Casi	na				
5102	650	'01		Surface Casing			15,600		15,600
5103	1	'01		"Int Csg \$14.40/			83,400		83,400
5103		'01		"Intermediate Cs			147,500		147,500
5103	1200	'O1		"Liner	\$17.45/lt		20,940		20,940
5104	1950	'01	3-1/2	"Liner	\$8.75/It			17,063	17,063
5104	1	101		*Tie-Back Casir	ıg				
5105		'01		*Tubing					
5105	13850	'01	the second s	"Tubing	\$8.68/11			120,218	120,218
5106	Well Head	Equipment a	eerT bn				15,100	22,000	37,100
5107	Tanks							8,700	8,700
	(Continued	on back of A	FE)						
				E	nron Appro	oval			
Divis	ion						en antaria (mangalar 1960) y		<u></u>
Ву	mil	8	Date 4-17.89	By Ann 1	Morro	Date ://19/56	Ву	<u></u>	Date
By	R J N	Li concardo	and and an and a second se	Ву	1100100	Date	Ву		Date
			1	Joint	Operator A	pprova			1
Firm				Ву		Title			Date
		<u> </u>					- <u></u> ,		
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	Total Well Cost	027,131,1	352,681	1,484,421
·	29ldignaT laioT	582,540	184'852	120,142
	Contingencies			
2153	Drive Pipe			
1212	Construction Cost		000'S	000'S
2150	Inemqiupa noizneqzu2 enilbuM			
6115	Liner Equipment		36,000	36,000
8115	Non-Controllable Equipment		5,000	5,000
2115	Metering Equipment		5'000	5,000
9115	sgnibliuß			
5115	Other Equipment			
1115	Heater-Treater & Separators		58'200	28,500
2113	Engines & Motors			
	Production Equipment - Subsurtace		000'8	000,8
	Pumping Equipment - Surface			
	stoorA			
	Valves & Fittings		000'9	000'9
	Flow Lines		3'000	3'000
epoc	المريب فالمتحد والمراجع والمراجع والمتحد والمراجع والمحدور والمراجع والمتحد والمحد والمح	Drilling	Completion	Total
	O IIaWaldignsT	(pənuŋuoʻ)		

· Deduct \$122,190 II Atoka 5-1/2" liner at 14,100' is not required.

1,346,860

333'400

1,013,450

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#### MIDLAND PHOENIX CORPORATION

HIGHTOWER BUILDING 600 W. ILLINOIS, SUITE 1002 MIDLAND, TEXAS 79701 (915) 687-0457

May 11, 1989

Le Maringon Maringon Matur

Enron Oil & Gas Company P. O. Box 2267 Midland, Texas 79702

Attn: Mr. Robert M. McCommon, Jr.

Re: Madera 34 Fed. Com. #1 1980' FSL & 1980' FEL Section 34, T-24-S, R-34-E Lea County, New Mexico

Gentlemen:

Midland Phoenix Corporation respectfully declines your offer of May 2, 1989 to participate in the drilling of the Pitchfork 34 Federal Com. #2 well, located at a standard location for a S/2 proration unit, and at an unorthodox location for a non-standard SE/4 proration unit, in Section 34, T-24-S, R-34-E, Lea County, New Mexico.

Midland Phoenix Corporation proposes the drilling of a 15,800' Morrow test at the above captioned location, thus being a standard legal location in an east-half proration unit. We invite you to participate in this joint-venture with your interest as would be calculated for an E/2 proration unit. Enclosed for your review and approval is a copy of Midland Phoenix Corporation's drilling AFE for the proposed operation.

In lieu of your participating in this joint venture with us, Midland Phoenix would be willing to accept a farmout of your interest with you delivering a 75% net revenue interest with the option to convert your retained override to a 25% working interest after payout, proportionately reduced to your ownership in E/2 of Section 34. A well capable of producing oil and/or gas in commercial quantities would earn 100% of your working interest until payout.

We respectfully request a response to this proposal at your earliest convenience. Upon our hearing from you as to your decision, we will forward a 1982 AAPL Form Operating Agreement for your approval. We understand that your acreage may already be subject to an operating agreement, and if so, we will work with you in any way to expedite this matter, whether it is to cancel your acreage in the E/2 Section 34 subject to the existing agreement and execute a new operating agreement covering the E/2only or to keep your existing agreement intact and have an overlapping in the E/2 of Section 34 with a new agreement.

If you should have any questions regarding this proposal please do not hesitate to contact us.

Very truly yours,

MIDLAND PHOENIX CORPORATION

Tim Decey, / President

cc: Enserch Exploration, Inc. Attn: Dave Leaverton

Robert E. Landreth

Samedan Oil Corporation Attn: Jack E. Anderson

Leon Jeffcoat, Trustee

# MIDLAND PHOENIX **CORPORATION**

U WILDCAT

DEVELOPMENT 

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DRILLING O COMPLETION D RE-ENTRY

AFE No. Midland Phoenix WI

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AFE Amount\_\_\_\_\_

AFE Date \_\_\_\_\_

	•		L		
Lease	e Well No.		Oepih & Forma	lion	<u></u>
	Madera 34 Fed. Com. # 1		15,800		
Locati					
County	1980 FEL and 1980 FSL Section		<u>5, R-34-1</u> Field	<u> </u>	·
	Lea County, New Mexico		-	ork_Ranch	
Opera			Anticipated S	pud Date	
Descrip	Midland Phoenix Corporation	l			
	· · · · · · · · · · · · · · · · · · ·	WELL CO			
1001	DESCRIPTION Access, Location & Roads	DRILLING		MPLETION 5,000	TOTAL
10 02	Rig Move	30,000		5,000	35,000
1003	Foolage Cosl \$/Ft				
1004	Day Work Cost 70 days <b>e</b> \$4,300 /day Bits, Reamers & Stabilizers	301,000		······	301.000
1005	Fuel	/0,000	<u>'</u>		70,000
1007	Water	10,000		2,500	12,500
1008	Mud & Chemicals Cementing & Service	70,000	and the second se	3,000	73,000
1010	Coring	40,000		15,000	55,000
1011	OH Logging & Testing	35,000		10,000	45,000
101 2	Mud Logging	15,500			15,500
1013	Perforating	<b> </b>		10,000	10,000
1014	Stimulation Transportation	25,000		20,000	20,000
1016	Drilling Overhead			207000	
1017	Equipment Rental	35,000		15,000	50,000
1018 1019	Completion Rig 4 days <b>#</b> \$4,300 /day Other Drilling Expenses			17,200	17,200
1020	Directional Drilling				
1021	Equipment Usage				
1022	Supervision	25,000		1,600	26,200
1023	Contingencies Total Internalblas	71,650		11,230	82,880
	Total Intangibles TANGIBLE V	<u>788,150</u> VELL COS		123,530	911,680
CODE		YLLL COS	····		
2001	40' Ot 20" Conductor Casing	1,000			1,000
2002	600' 01 13 3/8" Surface Casing	12,500			12,500
2003	5200' Of 9 5/8" Intermediate Casing	78,000	<u></u>		78,000
2004	13300' 01 7 5/8" Intermediate Casing 1000' 01 5 1/2" Liner	395,000			395,000
2005	1800' of 3 1/2 " Production -Casing]			18,600	18,600
2007	Of "Tie-Back Casing				
2008	13000' 01 2 7/8" Tubing ' 01 " Tubing			124,000	124,000
2010	Well Head Equipment and Tree	26,000		25,000	51,000
2011	Tanks			6,000	6,000
	[Continued on back of AFE]				
	MIDLAND PHC				
	MIDLAND FAC				
Y i	Date				
3y '	Dater				
	JOINT OPERAT	TOR APPRO	VAL		······
onipany			ile.		Date
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	TANGIBLE	WELL COST (CO	ont.)	
ODE	DESCRIPTION	DRILLING	COMPLETION	TOTAL
2012	Row Lines		3,000	3,000
2013	Valves 2 Fittings		6,000	6,000
2014	Rods			
	Pumping Equipment - Surface -		Τ	
	Production Equipment - Subsurface		10,000	10,000
2017	Engines & Motors			
2018	Heater Treater & Separators		25,000	25,000
2019	Other Equipment			
	Buildings			
	Metering Equipment		1,000	1,000
2022	Non ~ Controlable Equipment		1,000	1,000
2023	Liner Equipment	10,000	15,000	25,000
2024	Mudline Suspension Equipment			
2025	Construction		20,000	20,000
2026	Drive Pipe			
2027	Contingencies	53,800	25,460	79,260
	Total Tangibles	591,800	280,060	871,860
I	Total Well Cost	1,379,950	403,590	1,783,540

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#### MIDLAND PHOENIX CORPORATION

HIGHTOWER BUILDING 600 W. ILLINOIS, SUITE 1002 MIDLAND, TEXAS 79701 (915) 687-0457 RECEIVED

May 11, 1989

Enserch Exploration, Inc. 4849 Greenville Avenue Dallas, Texas 75206

Attn: Dave Leaverton

Samedan Oil Corporation 10 Desta Drive #240 East Midland, Texas 79705

Attn: Jack E. Anderson

Leon Jeffcoat, Trustee 310 W. Wall Street Midland, Texas 79701

Re: Madera 34 Fed. Com. #1 1980' FSL & 1980' FEL Section 34, T-24-S, R-34-E Lea County, New Mexico

Gentlemen:

0

Midland Phoenix Corporation proposes the drilling of a 15,800' Morrow test at the above captioned location, thus being a standard legal location in an east-half proration unit. We invite you to participate in this joint-venture with your interest as would be calculated for an E/2 proration unit. Enclosed for your review and approval is a copy of Midland Phoenix Corporation's drilling AFE for the proposed operation.

In lieu of your participating in this joint venture with us, Midland Phoenix would be willing to accept a farmout of your interest with you delivering a 75% net revenue interest with the option to convert your retained override to a 25% working interest after payout, proportionately reduced to your ownership in E/2 of section 34. A well capable of producing oil and/or gas in commercial quantities would earn 100% of your working interest until payout.

We respectfully request a response to this proposal at your earliest convenience. Upon our hearing from you as to your decision, we will forward a 1982 AAPL Form Operating Agreement for your approval. We understand that your acreage may already be subject to an operating agreement, and if so, we will work with you in any way to expedite this matter, whether it is to cancel your acreage in the E/2 Section 34 subject to the existing agreement and execute a new operating agreement covering the E/2 only or to keep your existing agreement intact and have an overlapping in the E/2 of section 34 with a new agreement.

If you should have any questions regarding this proposal please do not hesitate to contact us.

Very truly yours,

MIDLAND PHOENIX CORPORATION

Tim Dicey/President cc: Enron Oil & Gas Company Attn: Robert M. McCommon, Jr.

Robert E. Landreth

## MIDLAND PHOENIX CORPORATION HIGHTOWER BUILDING

HIGHTOWER BUILDING 600 W. ILLINOIS, SUITE 1002 MIDLAND, TEXAS 79701 (915) 687-0457

LAKO DEPT.

May 11, 1989

Robert E. Landreth 505 N. Big Spring Suite #507 Midland, Texas 79701

Re: Madera 34 Fed. Com. #1 1980' FSL & 1980' FEL Section 34, T-24-S, R-34-E Lea County, New Mexico

2

Dear Mr. Landreth,

Midland Phoenix Corporation proposes the drilling of a 15,800' Morrow test at the above captioned location, thus being a standard, legal location in an east-half proration unit. Midland Phoenix recognizes your various interests in the E/2 of Section 34 and invites you to participate in this joint venture with those interests. Enclosed for your review and approval is a copy of Midland Phoenix Corporation's Drilling AFE for the proposed operation.

In lieu of your participating in this joint venture with us, Midland Phoenix would be willing to accept a farmout on your interests with you delivering a 75% net revenue interest with the option to convert your retained override to a 25% working interest after payout, proportionately reduced to your ownership in the E/2 of Section 34. A well capable of producing oil and/or gas in commercial quantities would earn 100% of your interest until payout.

However, on your unleased minerals in the NE/4 & NE/4SE/4 of Section 34, Midland Phoenix would be willing to accept a farmout on the same terms as stated above, except that if you decided to exercise your back-in option, you would convert 1/16 royalty to a 25% working interest, proportionately reduced, thus retaining a 3/16 royalty on the leasehold. In lieu of farming-out or participating with your unleased minerals, Midland Phoenix would be willing to accept an oil & gas lease from you on the following terms:

- 1.) \$250.00 per net mineral acre
- 2.) 1/4 royalty on production, if established
- 3.) 2 year primary term

Since you are familiar with this area, we respectfully request a response to this proposal at your earliest convenience. Upon hearing from you as to your decision, we will forward a 1982 AAPL Form Operating Agreement for your approval.

If you should have any questions regarding this proposal, please do not hesitate to contact us.

Very truly yours,

MIDLAND PHOENIX CORPORATION

Tim Dicey, President

cc: Earon Oil & Gas company Attn: Robert M. McCommon, Jr. Enserch Exploration, Inc. Attn: Dave Leaverton

Samedan Oil Corporation

Leon Jeffcoat, Trustee

#### MIDLAND PHOENIX CORPORATION

HIGHTOWER BUILDING 600 W. ILLINOIS, SUITE 1002 MIDLAND, TEXAS 79701 (915) 687-0457

May 17, 1989

Enron Oil & Gas Company P. O. Box 2267 Midland, TX 79702

Attn: Robert M. McCommon, Jr.

Re: Madera 34 Fed. Com. #1 1980' FSL & 1980' FEL Section 34, T-24-S, R-34-E Lea County, New Mexico

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Gentlemen:

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Midland Phoenix Corporation is the owner of certain leasehold interests, farmouts and other commitments totaling 51.5625% W.I. in the E/2 of Section 34, T-24-S, R-34-E, Lea County, New Mexico. As you are well aware of, Midland Phoenix has proposed the drilling of the Madera 34 Fed. Com. #1 in the E/2 of said Section 34. As of this date, Enron Oil & Gas has shown no interest in participating in this joint venture. Likewise, Midland Phoenix has no interest in participating in the Pitchfork 34 Fed. Com. #2 well, proposed by Enron in the S/2 and SE/4 of said Section 34.

In order to settle the obvious ensuing dispute between Enron and Midland Phoenix, pursuant to this matter, Midland Phoenix Corporation proposes to sell their 51.5625% W.I. in the E/2 of Section 34 under the following terms and conditions:

- 1. A cash consideration of \$200,000.00.
- 2. Midland Phoenix will be carried for 25% W.I. to casing point, proportionately reduced by 51.5625% in a well drilled at a location mutually agreed upon in the E/2 of Section 34, T-24-S, R-34-E, Lea County, New Mexico. It is the intention herein, that a well must be drilled in the E/2 of Section 34, to a depth of 15,800', on or before 12-31-89.
- 3. Midland Phoenix Corporation will be designated the operator of said well, through the completion of said well. At which time, if the well is completed as a producer of oil and/or gas, Midland Phoenix will turn over operations to Enron Oil & Gas Company.

Enron Oil & Gas Company May 16, 1989 Page Two

As we are both aware, the rescheduled hearing on this matter before the Oil Conservation Division of the State of New Mexico is May 24, 1989. This offer to sell by Midland Phoenix Corporation will be valid until 5:00 p.m. CDT, Monday, May 22, 1989.

By this offer to sell, it is the intention of Midland Phoenix Corporation to settle this dispute in a manner that is beneficial to all parties involved. We look forward to hearing from you.

Very truly yours,

MIDLAND PHOENIX CORPORATION

Toket anon.

Robert O. Canon

ROC:dlw

## ENRON Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

May 17, 1989

Midland Phoenix Corporation Hightower Building 600 W. Illinois, Suite 1002 Midland, Texas 79701

Attn: Robert O. Canon

RE: Proposal dated May 17, 1989 Section 34-24S-34E, Lea County, New Mexico

Gentlemen:

Enron Oil & Gas Company has reviewed your proposal dated May 17, 1989 wherein you offered to sell your interest in the E/2 of Section 34 for a cash consideration of \$200,000.00 and be carried for a 25% working interest to casing point proportionately reduced to your interest in the E/2 of the Section in a 15,800' Morrow test to be located on an E/2 proration unit.

Enron Oil & Gas Company respectfully declines your offer. A legal location in the E/2 for a Morrow test is in the opinion of Enron not geologically feasible. As you are aware any Morrow test has a great deal of risk and because of this risk our economics will not justify a carried interest to casing point and paying in excess of \$1000 an acre for your interest.

Enron is still very interested in discussing with you either a buy-out of your interest in the NE/4 of the SE/4 or a farmout of your interest under the NE/4 of the SE/4 of Section 34. Of course, any agreement that we are able to work out would be conditioned upon Midland Phoenix agreeing not to oppose us at the May 24th 1989 hearing.

Sincerely,

ENRON OIL & GAS COMPANY

Frank C. Estep Division Landman

FCE/cl

Part of the Enron Group of Energy Companies

#### MEETINGS AND TELEPHONE CONVERSATIONS BETWEEN ENRON OIL & GAS COMPANY AND MIDLAND PHOENIX CORPORATION

DATE	TIME	EVENT
5/15/89	9:10 A.M.	Robert O. Canon with Midland Phoenix called to verify if we received letter dated May 11, 1989 and AFE.
5/15/89	10:30 P.M.	Called Midland Phoenix (R. O. Canon)
5/15/89	4:35 P.M.	Midland Phoenix (R. O. Canon) returned call.
5/15/89	4:40 P.M.	Called Midland Phoenix (R. O. Canon), told him we will review w/Gary and discuss with them Wed. or Thurs. Canon mentioned possibility of Enron buying Midland Phoenix out of Section 34.
5/16/89	2:15 P.M.	Meeting with Midland Phoenix (R. O. Canon).
5/17/89	9:30 A.M.	Meeting with Midland Phoenix (R. O. Canon).
5/17/89	3:00 A.M.	Meeting with Midland Phoenix in their Offices.
5/19/89		Phone conversation with Midland Phoenix (R.O. Canon) twice (2) afternoon.
5/22/89	11:30 A.M.	Telephone Conversation with R. O. Canon
5/22/89	1:40 P.M.	Telephone Conversation with R. O. Canon
5/22/89	4:30 P.M.	Telephone Conversation with R. O. Canon
5/22/89	4:40 P.M.	Meeting with Midland Phoenix (R.O. Canon) in their Offices.
5/22/89	7:30 P.M.	Telephone Conversation with R. O. Canon
5/22/89	9:30 P.M.	Telephone Conversation with R. O. Canon
5/23/89		Scheduled to meet with Midland Phoenix Corp. (R. O. Canon) at 8:30 A.M.

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#### BEFORE THE

#### OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF ENRON OIL & GAS COMPANY FOR COMPULSORY POOLING, UNORTHODOX GAS WELL LOCATION, AND NON-STANDARD GAS PRORTION UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 9669

- in in a second

#### AFFIDAVIT

STATE OF NEW MEXICO) )ss. COUNTY OF SANTA FE )

WILLIAM F. CARR, attorney in fact and authorized representative of Enron Oil & Gas Company, the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1207, notice has been given at the correct addresses provided by such rule.

**ÒA**RR

SUBSCRIBED AND SWORN to before me this Ath day of May, 1989.

dus Notary Public

BEFORE EXAMINER STOGNER DEPAYTICK DIVISION ENRON EXHIBIT NO. 9669 CASE NO.

My Commission Expires:

#### EXHIBIT A

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Attn: Mr. Randy Patterson Richard Lyons Moore Michael Harrison Moore Richard L. Moore, Independent Executor of the Estate of Stephen Scott Moore Post Office Box 1733 Midland, Texas 79702 J. Hiram Moore, Ltd. 310 W. Wall Street, Suite 404 Midland, Texas 79701 Willie Margaret Lain Baird Louise B. Thompson and Kathy Pearson Post Office Box 297 Seminole, Texas 79701 Robert E. Landreth and wife, Donna P. Landreth 505 N. Big Spring, Suite 507 Midland, Texas 79701 Alan Jochimsen 2402 Cimmeron Midland, Texas 79705 Shanee Oil Company 310 W. Texas, Suite 424 Midland, Texas 79701 Attn: Charles R. Tierce Boley B. Embrey 303 W. Wall 1200 First Republic Bank Tower Midland, Texas 79701 David L. Schmidt Post Office Box 1511 Midland, Texas 79702 David H. Pace Post Office Box 2136 Midland, Texas 79702

Midland Phoenix Corporation The Hightower Building 600 W. Illinois, Suite 1002 Midland, Texas 79701 Attn: Mr. Tim Dicey, President

Parker Drilling Company 8 East Third Street Tulsa, Oklahoma 74101

Enserch Exploration, Inc. 4849 Greenville Avenue ]Suite 1200 Dallas, Texas 75206 Attn: Mr. David N. Leaverton

Samedan Oil Corporation 10 Desta Drive, Suite 240 East Midland, Texas 79705 Attn: Mr. Jack E. Anderson

Leon Jeffcoat, Trustee 310 W. Wall, Suite 500 Midland, Texas 79701

Roden Exploration Company Roden Associates, Ltd. and Roden Participants, Ltd. Post Office Box 10909 Midland, Texas 79702 Attn: Mr. John W. Isom

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LAWYERS

JACK M. CAMPBELL BRUCE D. BLACK MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN J. SCOTT HALL JOHN H. BEMIS MARTE D. LIGHTSTONE PATRICIA A. MATTHEWS JEFFERSON PLACE SUITE I - IIO NORTH GUADALUPE POST OFFICE BOX 220B SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 TELECOPIER: (505) 983-6043

April 20, 1989

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210

Attn: Mr. Randy Patterson

Re: Application of Enron Oil & Gas Company for Compulsory Pooling, a Non-Standard Spacing or Proration Unit and an Unorthodox Gas Well Location, Lea County, New Mexico

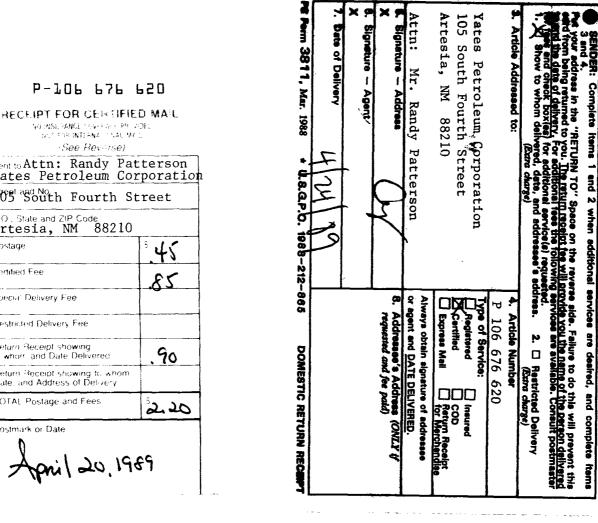
Dear Mr. Patterson:

This letter is to advise you that Enron Oil & Gas Company has filed an application with the New Mexico Oil Conservation Division seeking an order for the compulsory pooling of a 320-acre standard spacing or proration unit in the Morrow formation comprised of the S/2 of Section 34, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico and compulsory pooling of a 160-acre nonstandard spacing or proration unit in the Atoka formation to be comprised of the SE/4 of said Section 34. Enron also seeks approval of this non-standard spacing or proration unit in the Atoka and approval of a non-standard well location in the Atoka formation. A copy of Enron's application is enclosed for your information.

This application has been set for hearing before a Division Examiner on May 10, 1989. You are not required to attend this hearing, but as ar owner of an interest that may be subject to pooling or otherwise affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later date.

Very truly yo

WILLIAM F. CARR ATTORNEY FOR ENRON OIL & GAS COMPANY WFC:mlh Enclosure



## VOUNSERANCE COMPANY PROVIDE WORDERING COMPANY AND MCC See Revorse) Sentto Attn: Randy Patterson Yates Petroleum Corporation 105 South Fourth Street PO. State and ZIP Code Artesia, NM 88210 Postage Certified Fee

Special Delivery Fee

Restricted Delivery Fee

Return Receipt showing to whom and Date Delivered

TOTAL Postage and Fees

Postmark or Date

Return Receipt showing to whom Date, and Address of Delivery

June 1985

PS Form 3800,

JACK M. CAMPBELL BRUCE D. BLACK MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN J. SCOTT HALL JOHN H. BEMIS WILLIAM P. SLATTERY MARTE D. LIGHTSTONE PATRICIA A. MATTHEWS

JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 TELECOPIER: (505) 983-6043

April 20, 1989

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Richard Lyons Moore Michael Harrison Moore Richard L. Moore, Independent Executor of the Estate of Stephen Scott Moore Post Office Box 1733 Midland, Texas 79702

> Re: Application of Enron Oil & Gas Company for Compulsory Pooling, a Non-Standard Spacing or Proration Unit and an Unorthodox Gas Well Location, Lea County, New Mexico

Gentlemen:

This letter is to advise you that Enron Oil & Gas Company has filed an application with the New Mexico Oil Conservation Division seeking an order for the compulsory pooling of a 320-acre standard spacing or proration unit in the Morrow formation comprised of the S/2 of Section 34, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico and compulsory pooling of a 160-acre nonstandard spacing or proration unit in the Atoka formation to be comprised of the SE/4 of said Section 34. Enron also seeks approval of this non-standard spacing or proration unit in the Atoka and approval of a non-standard well location in the Atoka formation. A copy of Enron's application is enclosed for your information.

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Very truly yours,

WILLIAM T. CARR ATTORNEY FOR ENRON OIL & GAS COMPANY WFC:mlh Enclosure

## P-106 676 621

RELEIPT FOR CERTIFIED MAIL NU MIGHANGE CHIRAGE PROVIDE NUTHOR NERNATIONAL MAIL See Reverses

Sent to Richard Lyons Moor	e, et al.
Street and No Post Office Box 17	
PO State and ZIP Code Midland, Texas 79	702
Postage	5.45
Certified Fee	.85
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Restricted Delivery Fee	
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2-805 DOMESTIC RETURN RECEIPT	PAD	-EE	Always obtain signature of addresses or spont and DATE DELIVERED.	Certified Control Cont	P 106 676 621	addreas. 2. C Restricted Delivery	al services are desired, and complete <b>kerns</b> verse side. Failure to do this will prevent the <u>in provide you the name of the person definition</u> in the person definition of the person definition in the person of the person definition of the person definition in the person of the person definition of the person definition of the second of the person of the person definition of the person definition of the second of the person of the person definition of the person def	

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LAWYERS

JACK M. CAMPBELL BRUCE D. BLACK MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN J. SCOTT HALL JOHN H. BEMIS WILLIAM P. SLATTERY MARTE D. LIGHTSTONE PATRICIA A. MATTHEWS JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 TELECOPIER: (505) 983-6043

April 20, 1989

#### CERTIFIED MAIL RETURN RECEIPT REQUESTED

J. Hiram Moore, Ltd. 310 W. Wall Street, Suite 404 Midland, Texas 79701

> Re: Application of Enron Oil & Gas Company for Compulsory Pooling, a Non-Standard Spacing or Proration Unit and an Unorthodox Gas Well Location, Lea County, New Mexico

#### Gentlemen:

This letter is to advise you that Enron Oil & Gas Company has filed an application with the New Mexico Oil Conservation Division seeking an order for the compulsory pooling of a 320-acre standard spacing or proration unit in the Morrow formation comprised of the S/2 of Section 34, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico and compulsory pooling of a 160-acre nonstandard spacing or proration unit in the Atoka formation to be comprised of the SE/4 of said Section 34. Enron also seeks approval of this non-standard spacing or proration unit in the Atoka and approval of a non-standard well location in the Atoka formation. A copy of Enron's application is enclosed for your information.

This application has been set for hearing before a Division Examiner on May 10, 1989. You are not required to attend this hearing, but as an owner of an interest that may be subject to pooling or otherwise affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later date.

Very truly yours,

WILLIAM F. CARR ATTORNEY FOR ENRON OIL & GAS COMPANY WFC:mlh Enclosure

P     106     676     62:       Street, Suite 404     Type of Service:     F       as     79701     Registered     F       Always obtain signetum or agent and DATE DEL     S. Addressee's Addit     S. Addressee's Addit       y     S. Addressee's Addit     S. Addressee's Addit       y     S. Addressee's Addit     S. Addressee's Addit	-865 DOMESTIC RETURN RECEIPT	<b>* Form 3811</b> , Mar. 1988 * U.S.G.P.O. 1988-212-865
P     106     676     62/       reet, Suite     404     Type of Service:       79701     Registered       Alverys obtain signeture       or sgent end DATE DEL       8. Addressed's Addre	2	7. Date of Delivery ( - 34
P 106 676 62: P 106	3/0 www.or	9. Signature - Agent X/UU/UV/OUU
re, Ltd. Street, Suite 404 as 79701 Always obtain eignetun or agent and DATE DEL	8. Addressee's Address (ONLY if requested and fee paid)	<ol> <li>Bignature - Address</li> <li>X</li> </ol>
re, Ltd. Street, Suite 404 as 79701 P 106 676 62/ Type of Service: Registered Centhed Express Mail	Always obtain signature of addressee or agent and DATE DELIVERED.	
re, Ltd. Street, Suite 404		Midland, Texas 79701
re. Ltd.		310 W. Wall Street, Suite 404
	P 106 676 622	J. Hiram Moore. Ltd.
	4. Article Number	3. Article Addressed to:

P-106 676 622

	C T C ≻OR CERTIFIE C V. RANCE INTERNE PROV N COM N ERNADONIZ MA Sec Reverse	lūtu:	
	Sent to J. Hiram Moore, L	td.	
	Street and No 310 W. Wall St.,	Suite	404
	PO State and ZIP Code Midland, Texas 7	9701	
	Postage	s .4	5
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	Special Delivery Fee		
	Restricted Delivery Fee		
10	Return Receipt showing to whom and Date Delivered	.9	0
e 1985	Return Receipt showing to whom. Date and Address of Delivery		
unr	TOTAL Postage and Fees	5.2	0
PS Form 3800, June 1985	Postmark or Date	87	

LAWYERS

JACK M. CAMPBELL BRUCE D. BLACK MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN J. SCOTT HALL JOHN H. BEMIS WILLIAM P. SLATTERY MARTE D. LIGHTSTONE PATRICIA A. MATTHEWS

JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE. (505) 988-4421 TELECOPIER: (505) 983-6043

April 20, 1989

#### CERTIFIED MAIL RETURN RECEIPT REQUESTED

Willie Margaret Lain Baird, Louise B. Thompson and Kathy Pearson Post Office Box 297 Seminole, Texas 79701

> Re: Application of Enron Oil & Gas Company for Compulsory Pooling, a Non-Standard Spacing or Proration Unit and an Unorthodox Gas Well Location, Lea County, New Mexico

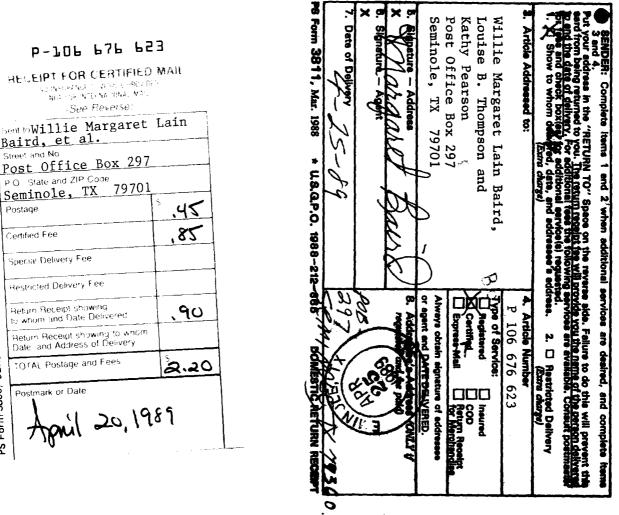
#### Ladies:

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Very truly yours

WILLIAM F. CARR ATTORNEY FOR ENRON OIL & GAS COMPANY WFC:mlh Enclosure



Baird, et al. Street and No Post Office Box 297 PO State and ZIP Code Seminole, TX Postage

June 1985 PS Form 3800,

LAWYERS

JACK M. CAMPBELL BRUCE D. BLACK MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN J. SCOTT HALL JOHN H. BEMIS WILLIAM P. SLATTERY MARTE D. LIGHTSTONE PATRICIA A. MATTHEWS

JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 TELECOPIER: (505) 983-6043

April 20, 1989

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Robert E. Landreth and wife, Donna P. Landreth 505 N. Big Spring, Suite 507 Midland, Texas 79701

> Re: Application of Enron Oil & Gas Company for Compulsory Pooling, a Non-Standard Spacing or Proration Unit and an Unorthodox Gas Well Location, Lea County, New Mexico

Dear Mr. and Mrs. Landreth:

This letter is to advise you that Enron Oil & Gas Company has filed an application with the New Mexico Oil Conservation Division beeking an order for the compulsory pooling of a 320-acre standard spacing or proration unit in the Morrow formation comprised of the S/2 of Section 34, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico and compulsory pooling of a 160-acre nonstandard spacing or proration unit in the Atoka formation to be comprised of the SE/4 of said Section 34. Enron also seeks approval of this non-standard spacing or proration unit in the Atoka and approval of a non-standard well location in the Atoka formation. A copy of Enron's application is enclosed for your information.

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ry truly yours,

WILLIAM F. CARR ATTORNEY FOR ENRON OIL & GAS COMPANY WFC:mlh Enclosure

### P-106 676 624

RECEIPT FOR CERTIFIED MAIL NO AS FAND LIVERSE PPT/DBS NO AS NERNASTINA MAIL (See Reverse) .

Sector Robert E. Land and Donna P. Landre	reth th
Street and No	507
PO State and ZIP Code Midland, TX 79701	
Postage	\$ .45
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Return Receipt showing to whom and Date Delivered	.90
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Postmark or Date April 20, 190	fg

PS Form 3800, June 1985

We Form 3811, Mar. 1988 × ş × 5. Signature - Address 5. Article Addressed to: Midland, TX 79701 Donna P. Landreth' 505 N: Big Spring, Suite 507 Robert E. Landreth and wife, gigs Date OW to Complete items 1 and 2 when additional services are desired, and complete items whom deliv in the "RETURN TO" Space on the reverse side. Failure to do this will prevent the summed to you. The return receipt fee will provide you the name of the person delivered for the bare of 5 (Eara charge) Type of Service: Registered Insured Centified COD Express Mail Return Receipt for Merchendite 8. Addressee's Address (ONLY (f requested and fee paid) or agent and DATE DELIVERED. 4. Article Number Always obtain signature of addressee P 106 676 624 Same 2. C Restricted Delivery (Exm charge) DOMESTIC RETURN RECEIPT



JACK M. CAMPBELL BRUCE D. BLACK MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN J. SCOTT HALL JOHN H. BEMIS WILLIAM P. SLATTERY MARTE D. LIGHTSTONE PATRICIA A. MATTHEWS

JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE. (505) 988-4421 TELECOPIER: (505) 983-6043

April 20, 1989

#### CERTIFIED MAIL RETURN RECEIPT REQUESTED

Alan Jochimsen 2402 Cimmeron Midland, Texas 79705

> Re: Application of Enron Oil & Gas Company for Compulsory Pooling, a Non-Standard Spacing or Proration Unit and an Unorthodox Gas Well Location, Lea County, New Mexico

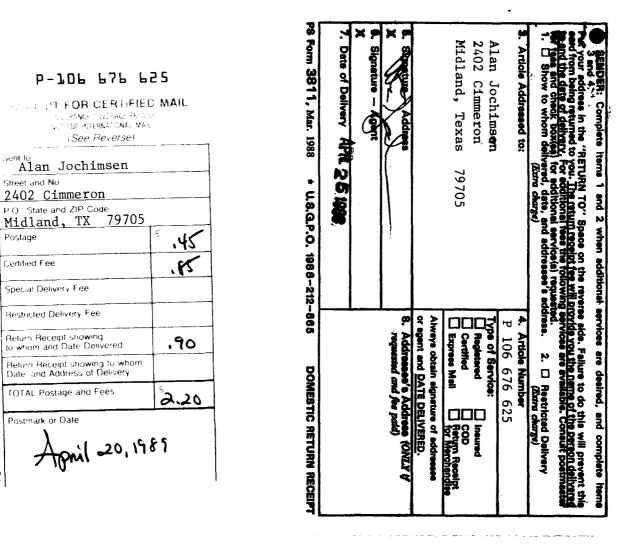
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Very truly yours,

WILLIAM F. CARR ATTORNEY FOR ENRON OIL & GAS COMPANY WFC:mlh Enclosure



1985

June

PS Form 3800,

JACK M. CAMPBELL

BRUCE D. BLACK MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN J. SCOTT HALL JOHN H. BEMIS WILLIAM P. SLATTERY MARTE D. LIGHTSTONE PATRICIA A. MATTHEWS JEFFERSON PLACE SUITE : - IIO NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 TELECOPIER (505) 983-6043

April 20, 1989

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Shanee Oil Company 310 W. Texas, Suite 424 Midland, Texas 79701

Attn: Charles R. Tierce

Re: Application of Enron Oil & Gas Company for Compulsory Pooling, a Non-Standard Spacing or Proration Unit and an Unorthodox Gas Well Location, Lea County, New Mexico

Gentlemen:

This letter is to advise you that Enron Oil & Gas Company has filed an application with the New Mexico Oil Conservation Division seeking an order for the compulsory pooling of a 320-acre standard spacing or proration unit in the Morrow formation comprised of the S/2 of Section 34, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico and compulsory pooling of a 160-acre nonstandard spacing or proration unit in the Atoka formation to be comprised of the SE/4 of said Section 34. Enron also seeks approval of this non-standard spacing or proration unit in the Atoka and approval of a non-standard well location in the Atoka formation. A copy of Enron's application is enclosed for your information.

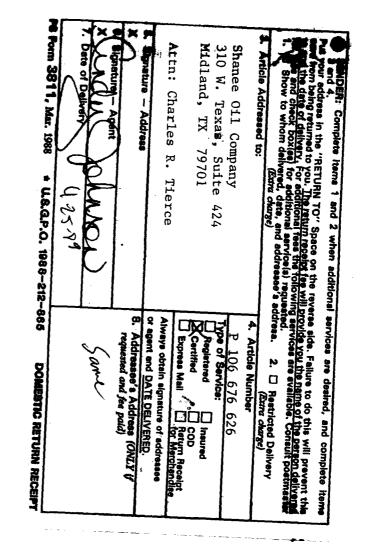
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Very truly yours, illain X

WILLIAM F. CARR ATTORNEY FOR ENRON OIL & GAS COMPANY WFC:mlh Enclosure

### 6-70P P5P P5P

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PS Form 3800, June 1985

JACK M. CAMPBELL BRUCE D. BLACK MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN J. SCOTT HALL JOHN H. BEMIS WILLIAM P. SLATTERY MARTE D. LIGHTSTONE

PATRICIA A. MATTHEWS

JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 TELECOPIER: (505) 983-6043

April 20, 1989

#### CERTIFIED MAIL RETURN RECEIPT REQUESTED

Boley B. Embrey 303 W. Wall 1200 First Republic Bank Tower Midland, Texas 79701

> Re: Application of Enron Oil & Gas Company for Compulsory Pooling, a Non-Standard Spacing or Proration Unit and an Unorthodox Gas Well Location, Lea County, New Mexico

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y truly your

WILLIAM F. CARR ATTORNEY FOR ENRON OIL & GAS COMPANY WFC:mlh Enclosure

P-JOB 676 627 SECEIPT FOR CERTIFIED MAIL MARKER MEMORY OF MARKER MEMORY OF MARKER PROPERTY See Reverse See Reverse Steet and No 303 W. Wall P.O. State and ZIP Code Midland, Texas 79701 Postage S.45 Certified Fee	n 3811, Mar. 1988 * U.S.Q.P.O. 1988-212-865	a of Delivery	Boley B. Embrey 303 W. Wall 1200 First Republic Bank Tower Midland, TX 79701	Address in the second s
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#### LAWYERS

JACK M. CAMPBELL BRUCE D. BLACK MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN J. SCOTT HALL JOHN H. BEMIS WILLIAM P. SLATTERY MARTE D. LIGHTSTONE PATRICIA A. MATTHEWS

JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE. (505) 988-4421 TELECOPIER: (505) 983-6043

April 20, 1989

CERTIFIED MAIL RETURN RECEIPT REQUESTED

David L. Schmidt Post Office Box 1511 Midland, Texas 79702

> Re: Application of Enron Oil & Gas Company for Compulsory Pooling, a Non-Standard Spacing or Proration Unit and an Unorthodox Gas Well Location, Lea County, New Mexico

Dear Mr. Schmidt:

This letter is to advise you that Enron Oil & Gas Company has filed an application with the New Mexico Oil Conservation Division seeking an order for the compulsory pooling of a 320-acre standard spacing or proration unit in the Morrow formation comprised of the S/2 of Section 34, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico and compulsory pooling of a 160-acre nonstandard spacing or proration unit in the Atoka formation to be comprised of the SE/4 cf said Section 34. Enron also seeks approval of this non-standard spacing or proration unit in the Atoka and approval of a non-standard well location in the Atoka formation. A copy of Enron's application is enclosed for your information.

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WILLIAM F. CARR ATTORNEY FOR ENRON OIL & GAS COMPANY WFC:mlh Enclosure

### P-JO6 676 628

REFERENCE BY FOR CE BY FIED MAIL

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TOTAL Postage and Fees	320
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LAWYERS

JACK M. CAMPBELL BRUCE D. BLACK MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN J. SCOTT HALL JOHN H. BEMIS WILLIAM P. SLATTERY MARTE D. LIGHTSTONE PATRICIA A. MATTHEWS

JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 TELECOPIER: (505) 983-6043

April 20, 1989

#### CERTIFIED MAIL RETURN RECEIPT REQUESTED

David H. Pace Post Office Box 2136 Midland, Texas 79702

> Re: Application of Enron Oil & Gas Company for Compulsory Pooling, a Non-Standard Spacing or Proration Unit and an Unorthodox Gas Well Location, Lea County, New Mexico

Dear Mr. Pace:

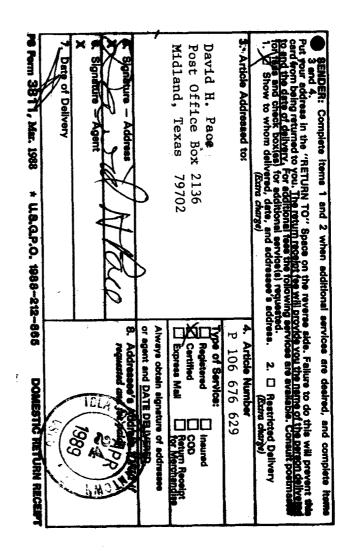
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Vertv truly yo

WILLIAM F CARR ATTORNEY FOR ENRON OIL & GAS COMPANY WFC:mlh Enclosure





JACK M. CAMPBELL BRUCE D. BLACK MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN J. SCOTT HALL JOHN H. BEMIS WILLIAM P. SLATTERY MARTE D. LIGHTSTONE PATRICIA A. MATTHEWS

JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 TELECOPIER: (505) 983-6043

April 20, 1989

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Midland Phoenix Corporation The Hightower Building 600 W. Illinois, Suite 1002 Midland, Texas 79701

Attn: Mr. Tim Dicey, President

Re: Application of Enron Oil & Gas Company for Compulsory Pooling, a Non-Standard Spacing or Proration Unit and an Unorthodox Gas Well Location, Lea County, New Mexico

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ery truly

WILLIAM F. CARR ATTORNEY FOR ENRON OIL & GAS COMPANY WFC:mlh Enclosure

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8. Addressee's Address (ONLY V requested and jee paid)	21 21
Always obtain signature of addressee or agent and DATE DELIVERED.	Attn: Tim Dicey, President
Type of Service: Registered Insured Certified COD Exprese Mell Review Receipt	The Hightower Building 600 W. Illinois, Suite 1002 ***** Midland. Texas 79701
4. Article Number P 106 676 630	<b>5. Article Addressed to:</b> Midland Phoenix Corporation
everse side. Failure to do this will prevent vill provide you the name of the person delive wing services are available. Consult postma userted. sedness. 2. C Restricted Delivery (State charge)	Pageur address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this and from being returned to you. The return receipt fee will provide you the name of the person delivered that the date of delivery. For additional fees the following services are available. Consult postmaster to service(s) requested. 1. Brow to whom delivered, detarge) (Extra charge) (Extra charge) (Extra charge)

## P-106 676 630

RECEIPT FOR CERTIFIED MAIL

See Reverse! Sentio Attn: Tim Dicey, Midland Phoenix Corp. Street and No 600 W. Illinois, Suite 1002 P.O. State and ZIP Code Midland, Texas 79701 S Postage .yS Certified Fee ۶3, Special Delivery Fee Restricted Delivery Fee Return Receipt showing to whom and Date Delivered ,90 Heturn Receipt showing to whom Date and Address of Delivery IOTAL Postage and Fees 2.20 Postmark or Date April 20, 1989

PS Form 3800, June 1985

LAWYERS

JACK M. CAMPBELL BRUCE D. BLACK MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN J. SCOTT HALL JOHN H. BEMIS MARTE D. LIGHTSTONE PATRICIA A. MATTHEWS JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 TELECOPIER: (505) 983-6043

April 20, 1989

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Parker Drilling Company 8 East Third Street Tulsa, Oklahoma 74101

> Re: Application of Enron Oil & Gas Company for Compulsory Pooling, a Non-Standard Spacing or Proration Unit and an Unorthodox Gas Well Location, Lea County, New Mexico

Gentlemen:

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Very truly yours,

WILLIAM F. CARR ATTORNEY FOR ENRON OIL & GAS COMPANY WFC:mlh Enclosure

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P-106 676 6 RECEIPT FOR CERTIFIE NUMBER OF THE POINT (CAL AND SEE REVENSE)	D MAIL	<b>•6 Form 3811,</b> Mar. 1988	7. Date of Delivery	K. Sighapure - Agent	5. Signature - Addree X		Tulsa, Oklahoma	B East Third Street		5. Article Addressed t	A your address in the earthom being returned the date of delive and check boxt
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PS Form 3800, June 1985

#### CAMPBELL & BLACK, P.A. LAWYERS

JACK M. CAMPBELL BRUCE D. BLACK MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN J. SCOTT HALL JOHN H. BEMIS MARTE D. LIGHTSTONE PATRICIA A. MATTHEWS

JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 TELECOPIER: (505) 983-6043

April 20, 1989

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Enserch Exploration, Inc. 4849 Greenville Avenue Suite 1200 Dallas, Texas 75206

Attn: Mr. David N. Leaverton

Re: Application of Enron Oil & Gas Company for Compulsory Pooling, a Non-Standard Spacing or Proration Unit and an Unorthodox Gas Well Location, Lea County, New Mexico

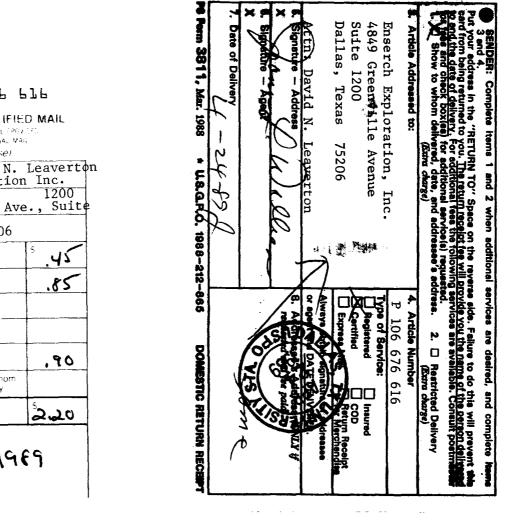
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Very truly yours,

WILLIAM F. CARR ATTORNEY FOR ENRON OIL & GAS COMPANY WFC:mlh Enclosure



### P-106 676 616

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PS Form 3800, June 1985	Postmark or Date	` <b>`</b>
"or m	April 20, 198	<b>``</b>
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# CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL BRUCE D. BLACK MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN J. SCOTT HALL JOHN M. BEMIS MARTE D. LIGHTSTONE PATRICIA A. MATTHEWS JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 TELECOPIER: (505) 983-6043

April 20, 1989

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Samedan Oil Corporation 10 Desta Drive, Suite 240 East Midland, Texas 79705

Attn: Mr. Jack E. Anderson

Re: Application of Enron Oil & Gas Company for Compulsory Pooling, a Non-Standard Spacing or Proration Unit and an Unorthodox Gas Well Location, Lea County, New Mexico

Gentlemen:

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WILLIAM F. CARR ATTORNEY FOR ENRON OIL & GAS COMPANY WFC:mlh Enclosure

Samedan Oil Corpora	ition
Street and No 10 Desta Drive, Sui	te 240 E
PO. State and ZIP Code Midland, Texas 797	705
Postage	· .45
Certified Fee	,85
Special Delivery Fee	
Restricted Delivery Fee	<u>+</u>
Return: Receipt showing to whom and Date Delivered	.90
Return Receipt showing to whom Date: and Address of Delivery	
IQTAL Postage and Fees	\$2.20
. <u></u>	52.20

	7. Date of Delivery U-25-56
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- <b>-I</b>	Er Signature - Agent
8. Addressee's Address (ONLY V requested and fee paid)	8. Sjondrure - Address
Always obtiln signature of addressee or egent and DATE DELIVERED.	Attn: Mr. Jack E. Anderson
Express Meil COD Return Receipt	Midland, Texas 79705
	10 Desta Drive, Suite 240 East
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4. Article Number	3. Article Addressed to:
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PS Form 3800, June 1985

### CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL BRUCE D. BLACK MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN J. SCOTT HALL JOHN H. BEMIS MARTE D. LIGHTSTONE PATRICIA A. MATTHEWS JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 TELECOPIER: (505) 983-6043

April 20, 1989

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Leon Jeffcoat, Trustee 310 W. Wall, Suite 500 Midland, Texas 79701

> Re: Application of Enron Oil & Gas Company for Compulsory Pooling, a Non-Standard Spacing or Proration Unit and an Unorthodox Gas Well Location, Lea County, New Mexico

Dear Mr. Jeffcoat:

This letter is to advise you that Enron Oil & Gas Company has filed an application with the New Mexico Oil Conservation Division seeking an order for the compulsory pooling of a 320-acre standard spacing or proration unit in the Morrow formation comprised of the S/2 of Section 34, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico and compulsory pooling of a 160-acre nonstandard spacing or proration unit in the Atoka formation to be comprised of the SE/4 of said Section 34. Enron also seeks approval of this non-standard spacing or proration unit in the Atoka and approval of a non-standard well location in the Atoka formation. A copy of Enron's application is enclosed for your information.

This application has been set for hearing before a Division Examiner on May 10, 1989. You are not required to attend this hearing, but as an owner of an interest that may be subject to pooling or otherwise affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later date.

Very truly yours,

WILLIAM F. CARR ATTORNEY FOR ENRON OIL & GAS COMPANY WFC:mlh Enclosure

ow to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Eard charge) (Eard charge) (Eard charge)
4. Article Number
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DOMESTIC RETURN RECEIPT
Article 106 ( Ppe of Se Address Address requestion

### P-106 676 614

RECEIPT FOR CERTIFIED MAIL See Reverse) Sentro Leon Jeffcoat, Trustee Street and No 310 W. Wall, Suite 500 PO State and ZIP Code Midland, TX 79701 Postage 5 45 Certified Fee 85 Special Delivery Fee **Restricted Delivery Fee** Return Receipt showing to whom and Date Delivered ,90 Return Receipt showing to whom Date, and Address of Delivery \*OTAL Postage and Fees 2.20 Postmark or Date April 20, 1989

PS Form 3800, June 1985

# CAMPBELL & BLACK, P.A.

#### LAWYERS

JACK M. CAMPBELL BRUCE D. BLACK MICHAEL B. CAMPBELL WILLIAM F. CARR BRADFORD C. BERGE MARK F. SHERIDAN J. SCOTT HALL JOHN H. BEMIS MARTE D. LIGHTSTONE PATRICIA A. MATTHEWS JEFFERSON PLACE SUITE I - 110 NORTH GUADALUPE POST OFFICE BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE: (505) 988-4421 TELECOPIER: (505) 983-6043

April 20, 1989

#### CERTIFIED MAIL RETURN RECEIPT REQUESTED

Roden Exploration Company Roden Associates, Ltd. and Roden Participants, Ltd. Post Office Box 10909 Midland, Texas 79702

Attn: Mr. John W. Isom

Re: Application of Enron Oil & Gas Company for Compulsory Pooling, a Non-Standard Spacing or Proration Unit and an Unorthodox Gas Well Location, Lea County, New Mexico

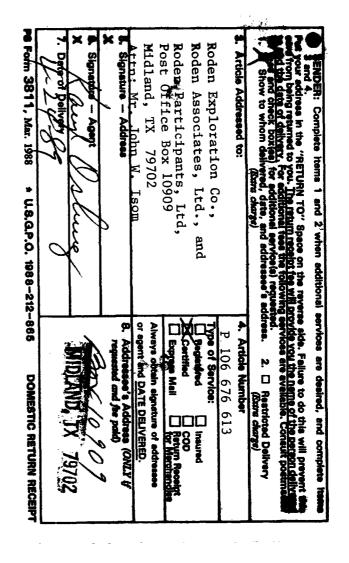
Gentlemen:

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Very truly vours

WILLIAM F. CARR ATTORNEY FOR ENRON OIL & GAS COMPANY WFC:mlh Enclosure



## P-106 676 613

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Bentie Attn: John W. Roden Exploration (	Isom Co., et al
Street and No P. O. Box 10909	
PO State and ZIP Code Midland, TX 79702	
Postage	5.45
Certified Fee	.05
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.90
Return Receipt showing to whom Date, and Address of Delivery	
TOTAL Postage and Fees	2.20
Postmark or Date	

PS Form 3800, June 1985



ClayDesta National Bank Bldg. Suite 5250 6 Desta Drive Midland, Texas 79705 915-682-9756 Leonard Kersh District Production Manager Dane Hendley District Petroleum Engineer George Faigle District Development Geologist Sammy Reed Production Superintendant West Texas/Rocky Mountain District Production Division

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May 9, 1989

Campbell & Black, P.A. P.O. Box 2208 Santa Fe, New Mexico 87504-2208 Attn: William F. Carr

Re: Proposed Pitchfork "34" Federal Com #2 660' FSL & 1980' FEL of Sec. 34, T24S, R34E, NMPM Lea County, New Mexico

Enserch Exploration, Inc., hereby supports Enron's proposed application to drill on a standard 320 acre proration unit comprised of the South-Half (S/2) of said Section 34 for the Morrow formation and on a nonstandard 160 acre proration unit comprised of the Southeast Quarter (SE/4) of said Section 34 for the Atoka formation. It is Enserch's understanding that this location will be a legal location for the Morrow formation and an unorthodox location for the Atoka formation.

Yours Truly, na Leonard Kersh

BEFORE EXAMINER STOGNER OIL CONSERVATION DIVISION
ENEON EXHIBIT NO5
CASE NO. 9669

Managing General Partner of EP Operating Company, a limited partnership

SAMEDAN OIL CORPORATION 10 DESTA DRIVE SUITE 240 EAST MIDLAND, TEXAS 79705 (915) 688-3660

May 9, 1989

Enron Oil & Gas Company P. O. Box 2267 Midland, TX 79702

ATTN: Robert M. McCommon, Jr.

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Re: Proposed Pitchfork "34" Federal Com. #2 660' FSL & 1980' FEL of Section 34, T-24-S, R-34-E, N.M.P.M., Lea County, New Mexico SOC #3-1-152 and #3-1-239 Antelope South Prospect

Gentlemen:

With regard to your letter of April 28, 1989, please be advised that Samedan Oil Corporation (Samedan) will support your proposed test well at the above captioned location subject to the following terms and conditions:

- 1) Under paragraph three of said letter, Enron Oil & Gas Company (Enron) indicates that it recognizes the difference in the working interest in the proposed south-half (\$/2) proration unit verses a southeast quarter (SE/4) proration unit. Samedan's support of the Enron proposal is made subject to the proposed mutually acceptable method of cost distribution with regard to well costs (both drilling and producing).
- 2) It is not the intent of Samedan to waive any rights or remedies it may have under the terms of our January 16, 1984 Operating Agreement covering Section 34, T-24-S, R-34-E, N.M.P.M., Lea County, New Mexico by supporting the proposed test well.

should you have any questions concerning this letter, please feel free to contact me at 684-8491.

Jack E. Anderson Landman