

RANDY V. WATTSINDEPENDENT LANDMAN
OIL & GAS PROPERTIES110 East 10th, Suite 3
Post Office Box 2367
Roswell, New Mexico 88202

February 18, 1991

BUS (505) 622 5300
RER. (505) 622 1826
FAX (505) 623 5558

(a) 9.8 663 7579
(b) 9.8 742 0154
Mr. Morris Mizel
Mr. Sam Mizel
6560 East 41st Street
Tulsa, Oklahoma 74105

Re: Oil & Gas Lease Proposal
Township 19 South, Range 36 East, N.M.P.M.
Section 19: E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$
Containing 120.00 acres, more or less
Lea County, New Mexico

Dear Gentlemen:

In line with our conversation with Morris Mizel, we are acquiring Oil & Gas Leases on behalf of Nearburg Exploration Company and the above described lands fall with our area of interest. A review of the Lea County Records indicated that each of you own an undivided 1/8 mineral interest (15.00 net acres) under this tract.

The Nearburg's have authorized a bonus of \$50.00 per net acre for a one year Oil & Gas Lease, reserving a 3/16 royalty. This would constitute a consideration of \$750.00 to each of your interest.

If satisfactory or should you wish to discuss the foregoing, please call at our cost at the above number. Your prompt and favorable consideration to this matter would be greatly appreciated.

Elliott & Waldron-Lov	
Oil & Gas Properties	
NEARBURG	5
CASE NO.	10257

Respectfully,

Randy V. Watts

RVW/me

3/2 has not considered - call back next week.
3/6 Co check & form pool - call next week.

RANDY V. WATTSINDEPENDENT LANDMAN
OIL & GAS PROPERTIES110 East 10th, Suite 3
Post Office Box 2367
Roswell, New Mexico 88202Rm (505) 622-5300
Res (505) 622-1826
Fax (505) 623-5556

February 18, 1991

*Manager minerals - Bill Oats 392 6145*Mrs. Florence Whitsitt Woods
224 Yucca Drive
Hobbs, New Mexico 88240Re: Oil & Gas Lease Proposal
Township 19 South, Range 36 East, N.M.P.M.
Section 19: A tract of land situated in
Lots 1, 2, 3 & 4
Containing 124.98 acres, more or less
Lea County, New Mexico

Dear Woods:

In line with our conversation with you and Bill Oats, we are acquiring Oil & Gas Leases on behalf of Nearburg Exploration Company and the above described lands fall within our area of interest. A review of the County Records indicated that you are the owner of an undivided 5/28 mineral interest (22.3179 net acres) under this tract.

The Nearburg's have authorized a bonus of \$50.00 per net acre for a one year Oil & Gas Lease, reserving a 3/16 royalty. This would constitute a total consideration of \$1,115.90 attributable to your interest. Inasmuch as the leasing in the area has been for \$100.00 per acre for three year Leases, we feel the above proposal to be very fair and reasonable. (We checked with the office of Nearburg Exploration and ascertained that you leased your interest in the SE 1/4 Section 31, T-19-S. R-36-E for \$100.00 per net acre for a three year term.)

If satisfactory or should you or Mr. Oats wish to discuss the foregoing proposal, please call at our cost at the above number. Your favorable consideration to this matter would be appreciated.

Respectfully,

Randy V. Watts

RVW/me

*2/16 - (1) Oats - under \$100 - 1 yr. 3/16 or \$75 - 1 yr. 1/8
claimed \$100 - 2 yr. 3/16 No!!*