

BILL SELTZER
214 WEST TEXAS, SUITE 507
MIDLAND, TEXAS 79701

August 17, 1987

Re: T-16-S, R-37-E
Section 27: W/2 SW/4
Lea County, New Mexico

Mr. Douglas Cone 1/480 = .1666 acre
P.O. Box 13612
Albuquerque, N.M. 87123

Mr. Clifford Cone 1/480 = .1666 acre
P.O. Box 1509
Lovington, New Mexico 88260

Mr. Kenneth Cone 1/480 = .1666 acre
P.O. Box 11310
Midland, Texas 79702

Gentlemen:

Please refer to my letter dated July 16, 1987 forwarded certified mail to each of you (copy of letter attached).

We invite you to join in the drilling of the test well or farmout your interest as outlined in the attached letter.

If you desire to join, please execute the enclosed AFE and Operating Agreement and return to the undersigned.

If you have any questions, please call.

Yours very truly,

Bill Seltzer
Bill Seltzer

BS/kp
Enclosures

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION
AMERIND EXHIBIT NO. 4
CASE NO. 9209

P-519 404 252

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

U.S.G.P.O. 153-506

PS Form 3800, June 1985

Service to Mr. Kenneth Cone	
Street P.O. Box 11310	
Midland, Texas 79702	
P.O., State and ZIP Code	
Postage	1.33
Certification	.75
Special Delivery Fee	
Postage Insurance	
Return Receipt (with or without to Agent and Date Delivered)	.70
Return Receipt showing to whom Date, and Address of Delivery	
TOTAL Postage and Fees	2.78
Postmark or Date 8/17/87	

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to:

Mr. Kenneth Cone
P.O. Box 11310
Midland, Texas 79702

4. Article Number

P-519 404 252

Type of Service:

☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED**.

5. Signature - Addressee

X *Kenneth G. Cone*

6. Signature - Agent

X

7. Date of Delivery

8/18/87

8. Addressee's Address (ONLY if requested and fee paid)

P-519 404 251

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

U.S.G.P.O. 153-506

PS Form 3800, June 1953

Sent to Mr. Clifford Cone	
Street P.O. Box 1509	
Lovington, N.M. 88260	
P.O., State and ZIP Code	
Postage	1.33
Certified Fee	.75
Special Delivery, Fee	
Restricted Delivery, Fee	
Return Receipt showing to whom and Date Delivered	.70
Return Receipt showing to whom Date, and Address of Delivery	
TOTAL Postage and Fees	2.78
Postmark or Date 8/17/87	

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

Article Addressed to: Mr. Clifford Cone P.O. Box 1509 Lovington, N.M. 88260		4. Article Number P-519 404 251
		Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail
Signature — Addressee		Always obtain signature of addressee or agent and DATE DELIVERED.
Signature — Agent <i>Clifford Cone by [Signature]</i>		8. Addressee's Address (ONLY if requested and fee paid)
Date of Delivery 8-18-87		

Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

P-519 404 249

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

U.S.G.P.O. 153-506

PS Form 3800, June 1985

Sent to	
Douglas Cone	
P.O. Box 13612	
Albuquerque, N.M.	
P.O., State and ZIP Code	87123
Postage	1.33
Certified Fee	.75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.70
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	2.78
Postmark or Date	
8/17/87	

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to:

Mr. Douglas Cone
P.O. Box 13612
Albuquerque, N.M. 87123

4. Article Number

P-519 404 249

Type of Service:

- ☒ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED**.

5. Signature — Addressee

X

6. Signature — Agent

X

7. Date of Delivery

18-87

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Feb 1986

DOMESTIC RETURN RECEIPT

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

July 16, 1987

Re: T-16-S, R-37-E
Section 27: W/2 SW/4
Lea County, New Mexico

Mr. Douglas Cone 1/480 = .1666 acre
P.O. Box 13612
Albuquerque, New Mexico 87123

✓ Mr. Clifford Cone 1/480 = .1666 acre
P.O. Box 1509
Lovington, New Mexico 88160

Mr. Kenneth Cone 1/480 = .1666 acre
P.O. Box 11310
Midland, Texas 79702

Gentlemen:

According to my information each of you are the owners of the interest set opposite your name in the above lands.

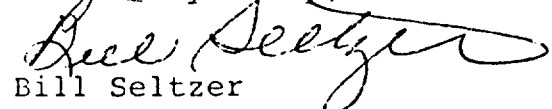
Amerind Oil Co. proposes to drill a 11,500' Strawn test at a legal location in the NW/4 SW/4 of Section 27. We will dedicate the W/2 of SW/4 of Section 27 to the proration unit.

We invite you to join us in the drilling of the test well or farmout your interest by delivering an Oil and Gas Lease with a 3/16ths royalty with the option to convert 1/16th of the above royalty to a 25% working interest at payout.

If you desire to join, please execute the attached AFE and return.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp
Attachment

P-519 404 231

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

U.S.G.P.O. 153-506

PS Form 3800, June 1985

Sent to	
Douglas Cone	
Street or P.O. Box 13612	
Albuquerque, N.M.	
P.O. State and Zip 87123	
Postage	\$.22
Certified Fee	.75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.20
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 1.67
Postmark or Date	
7/16/87	

at line over to

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to:

Douglas Cone
P.O. Box 13612
Albuquerque, N.M. 87123

4. Article Number

P 519 404 231

Type of Service:

☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee

X

6. Signature — Agent

X Beth Cymr

7. Date of Delivery

7-20-87

8. Addressee's Address (ONLY if requested and fee paid)

Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

P-519 404 234

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

U.S.G.P.O. 153-506

Sent to	
Kenneth Cone	
Street and P.O. Box 11310	
Midland, Tx. 79702	
P.O., State and ZIP Code	
Postage	.22
Certified Fee	.75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.70
Return Receipt showing to whom Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 1.67
Postmark or Date	
7/16/87	

PS Form 3800, June 1985

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this mail from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult the master for fees and check box(es) for additional service(s) requested.

☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

Article Addressed to:

Mr. Kenneth Cone
P.O. Box 11310
Midland, Texas 79702

4. Article Number

P 519 404 242

Type of Service:

☒ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED.**

Signature — Addressee

Signature — Agent

Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

07/25/87

Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

P-519 404 233

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

U.S.G.P.O. 153-506

PS Form 3800, June 1935

Sent to Clifford Cone	
P.O. Box 1509	
Street and No. Lovington, N.M.	
P.O., State and 88260	
Postage	.22
Certified Fee	.75
Special Delivery Fee	
Registered Mail Fee	
Return Receipt Fee (with or without Date and Address of Delivery)	.70
TOTAL Postage and Fees	1.67
Postmark or Date 7/16/87	

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to:
Clifford Cone
P.O. Box 1509
Lovington, N.M. 88260

4. Article Number
P 519 404 233

Type of Service:

- ☐ Registered ☐ Insured
☒ Certified Mail ☐ COD
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee

X

6. Signature — Agent

X

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)



BILL SELTZER
214 WEST TEXAS, SUITE 507
MIDLAND, TEXAS 79701

August 17, 1987

Re: T-16-S, R-37-E
Section 27: W/2 SW/4
Lea County, New Mexico
.1666 ac. leasehold

Standard Oil Production Company
9401 Southwest Freeway
Suite 1200
Houston, Texas 77074

Attn: Mr. Art Ensley

Dear Mr. Ensley:

Please refer to my letter dated July 16, 1987 forwarded
certified mail (copy attached).

We invite you to join in the drilling of the test well or
farmout your interest as outlined in the attached letter.

If you desire to join please execute the enclosed AFE and
Operating Agreement and return to the undersigned.

Yours very truly,


Bill Seltzer

BS/kp
Enclosures

P-519 404 253

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

U.S.G.P.O. 153-506

PS Form 3800, June 1985

Art Ensley	
Standard Oil Pro. Co.	
9401 Southwest Freeway	
Suite 1200	
Houston, Tx. 77074	
Postage	1.33
Certified Fee	.75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt fee (to whom and date of delivery)	.70
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	2.78
Postmark or Date	
8/17/87	

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to:

Standard Oil Production Co.
9401 Southwest Freeway
Suite 1200
Houston, Texas 77074

Attn: Mr. Art Ensley

5. Signature - Addressee

X

6. Signature - Agent

X

7. Date of Delivery

AUG 20 1987

4. Article Number

P519404253

Type of Service:

☐ Registered☐ Insured☒ Certified☐ COD☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

July 16, 1987

Re: T-16-S, R-37-E
Section 27: W/2 SW/4
Lea County, New Mexico
.1666 ac. Leasehold

Standard Oil Production Co.
Two Lincoln Centre
5420 LBJ Freeway
Suite 1000/LB 03
Dallas, Texas 75240-6222

Attn: Mr. Art Ensley

Dear Mr. Ensley:

I am representing Amerind Oil Co. and we propose to drill a 11,500' Strawn test well at a legal location in the NW/4 SW/4 of Section 27. We will dedicate the W/2 of SW/4 of Section 27 to the proration unit.

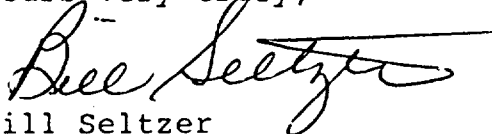
We invite you to join us in drilling the test well or farmout your interest retaining a 1/16th OR (deliver 75%) until payout convertible at your option to a 25% working interest.

If you desire to join, please execute the attached AFE and return.

We will forward an Operating Agreement at a later date.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp
Attachment

P-519 404 230

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE - MESSAGE PROVIDED
NOT FOR RETURN TO SENDER

Art Ensley

Standard Oil Pro. Co.

Two Lincoln Centre

5420 LBJ Freeway

Suite 1000/LB 03

Dallas, Tx. 75240-6222

U.S.G.P.O. 153-506

Postage .22

Postage and Fees .75

Postage and Fees .70

Postage and Fees .70

Postage and Fees .70

Postage and Fees .70

TOTAL Postage and Fees 1.67

Postmark or Date

7/16/87

PS Form 3800, June 1985

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to:

Art Ensley.
Standard Oil Production Co.
5420 LBJ Freeway
Suite 1000/LB 03
Dallas, Tx. 75240-6222

4. Article Number

P 519 404 230

Type of Service:

☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee

X

6. Signature - Agent

X

7. Date of Delivery

7-20-87

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

BILL SELTZER
214 WEST TEXAS, SUITE 507
MIDLAND, TEXAS 79701

August 26, 1987

Re: T-16-S, R-37-E
Section 27: W/2 SW/4
Lea County, New Mexico

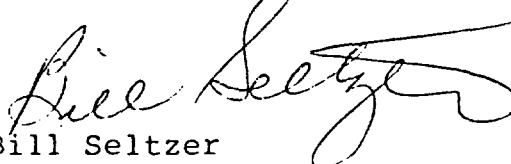
Mr. Curtis Smith
Texaco Inc.
P.O. Box 3109
Midland, Texas 79702

Dear Mr. Smith:

Please find enclosed the following revised pages to be inserted in the Operating Agreement that was forwarded to you on August 17, 1987, covering the above:

1. Cover Page
2. Page 2
3. Page 9
4. Exhibit "A"
5. Page 3 of Exhibit "C"

Yours very truly,


Bill Seltzer

BS/kp
Enclosures



Texaco USA
Production Department

PO Box 3109
Midland TX 79702

August 24, 1987

192925 - B. E. SHIPP LEASE
LEA COUNTY, NEW MEXICO
W/2SW/4 Section 27,
T-16-S, R-37-E

Amerind Oil Company
c/o Mr. Bill Seltzer
507 Petroleum Building
Midland, Texas 79701

Dear Bill:

We are in receipt of Amerind's Operating Agreement dated August 1, 1987 for the drilling and operations of the Latham Well No. 1 to be located in the captioned proration unit.

Please be advised that Texaco desires to see the following changes implemented:

1. Article III, Paragraph B, Line 19 and 20, Page 2; strike out "which will be borne by the Joint Account".
2. Article IV, Paragraph B, Page 2 and 3; Loss of Title provisions have been taken completely out. Texaco recommends leaving these provision intact.
3. Article VII, Paragraph E, Line 43, Page 9; change "its share of any royalty" to "any royalty on the interests contributed by such party and".
4. Article XIII, Line 4 and 11, Page 14; change from 120 and 180 days to 60 days. This will coincide with the provisions of leases contributed to the contract.

5. Article XV, add Paragraph C, e.g...

(c) It is recognized that certain mineral interests and/or leasehold interests are owned by parties not joining in this agreement and that any of the parties hereto may acquire such interests or obtain contributions from the outstanding owners. By way of example and not limitation, such acquisitions or contributions may be dry hole money contributions, bottom hole money contributions, oil and gas leases, assignments or farmout agreements. Such acquisitions shall be shared jointly by all the parties hereto in the proportions set out in Exhibit "A"; provided however, that in the event any party hereto purchases such an interest for cash or other similar consideration, a non-purchasing party to this operating agreement shall not share in such purchased interest unless it reimburses the purchasing party in accordance with the terms of this paragraph. Upon receipt of any purchased interest, the purchasing party shall immediately notify each non-purchasing party to this agreement. Such notification shall include all relevant terms of the acquisition including the price, acreage description, term, etc. The non-purchasing party shall have ten days from receipt of such notification in which to elect to participate in the acquisition by paying its proportionate share of the acquisition costs. If any party elects not to participate in a purchase, the purchasing party, immediately after the expiration of the applicable notice period, shall advise the non-purchasing parties of the total interest of the parties electing to participate in such purchase. Each non-purchasing party, within forty-eight (48) hours (exclusive of Saturday, Sunday or legal holidays) after receipt of such notice, shall advise the purchasing party of its desire to (a) limit purchase to such party's interest as shown on Exhibit "A", or (b) purchase its proportionate share of the interest of the parties not electing to participate in such purchase.

6. Exhibit "A"; limit the Contract Area to the base of the Strawn formation. The phrase "These interests may be revised at a later date" implies that a contributing interest is subject to a Farmout. If so, the Interest of the Parties should reflect this. Exhibit "A" will need a complete schedule of the leases contributed before Texaco can execute the Agreement.
7. Exhibit "B" will need to be added for the unleased mineral interests referred to in Exhibit "A".
8. Exhibit "C" - COPAS; Article III, Paragraph 1, Sub-Paragraph ii, Page 3; check "shall not".

Amerind Oil Company


-3-

August 24, 1987

Your consideration to these recommendations will be appreciated and if you have any questions or comments, please contact the undersigned.

Yours very truly,

S. L. Chandler
Land Manager
Texaco Inc.

By 
Curtis D. Smith

CDS-NZ

BILL SELTZER
214 WEST TEXAS, SUITE 507
MIDLAND, TEXAS 79701

August 17, 1987

Re: T-16-S, R-37-E
Section 27: W/2 SW/4
Lea County, Nkw Mexico
#1 Latham

Texaco Inc.
P.O. Box 3109
Midland, Texas 79702

Attn: Mr. Curtis Smith

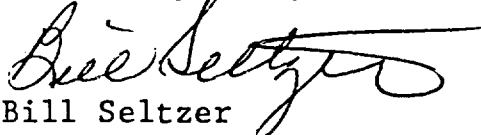
Dear Mr. Smith:

Enclosed please find Operating Agreement covering the above.

If the enclosure meets with your approval, please execute and return to the undersidnged.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp
Enclosure



Texaco USA
Producing Department

PO Box 3109
Midland TX 79702

June 25, 1987

192925 - SHIPP "27" LEASE

LATHAM WELL NO. 1
W/2 SW/4 SECTION 27
T-16-S, R-37-E

Mr. Bill Seltzer
c/o Amerind Oil Company
507 Petroleum Building
Midland, Texas 79701

Dear Bill:

Attached is an approved AFE to drill the subject well(s) on a jointly owned property operated by your company in which Texaco has a working interest. In order to maintain our records on a current basis, please furnish the items listed below to:

TEXACO INC.
P. O. Box 728 and
Hobbs, NM 88240
Attn: Mr. ~~J. E. King~~
W. B. C. H. C.

TEXACO INC.
P. O. Box 3109
Midland, TX 79702
Attn: Mr. J. D. Glenn

- 1) Written copy of drilling report mailed daily to the above.
- 2) Copy of all regulatory reports and forms pertaining to drilling and completion of the well.
- 3) Logs (1 copy), drill stem test reports, and core analyses.

In addition, please furnish a verbal notification of spud on spud day to the District Drilling Manager.

NAME: Mr. W. A. Baker II
PHONE: 505-393-7191

Mr. Bill Seltzer

-2-


June 25, 1987

This AFE is contingent upon Texaco's receipt from Amerind of a mutually acceptable Operating Agreement.

Yours very truly,

S. L. Chandler
Land Manager
Texaco Inc.

By



Curtis D. Smith

CDS:BBH
Attachment

AMERIND OIL Co.

AUTHORIZATION FOR EXPENDITURE

Latham No. 1

At a legal location in NW/4 SW/4
W/2 SW/4 Section 27 - 16S - 37E
Lea County, New Mexico


To drill and complete in the Strawn formation:

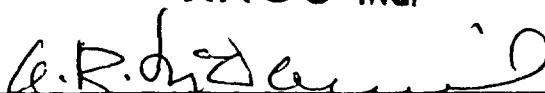
<u>INTANGIBLE</u>	<u>Casing Point</u>	<u>Pumping Completion</u>	<u>Total</u>
Drilling 11,500' @ \$11.00	\$127,000	\$	\$
Daywork - 3 @ \$4,000	12,000		
Drilling mud and water	10,000		
Location and surface damages	15,000		
Drill stem tests (2)	6,000		
Log and perforate	15,000	5,000	
Cementing - surface 400 sx	4,000		
- inter. 1,500 sx	10,000		
- prod. 300 sx		5,000	
Supervision	5,000	5,000	
Geological & mud logging	8,000		
Contract services & equipment rentals	5,000	15,000	
Completion unit		5,000	
Acid treatment - cleanup		5,000	
Drilling and completion overhead	5,000	2,000	
Insurance	3,000		
TOTAL INTANGIBLE	\$225,000	\$ 42,000	\$267,000
<u>TANGIBLE</u>			
Casing			
Surface 400' 13 3/8"	\$ 5,000	\$	\$
Inter. 2,500' 8 5/8" 24.0# J55STC	16,000		
1,700' 8 5/8" 32.0# J55STC	14,000		
Prod. 11,500' 5 1/2" 20.0# N80LTC		60,000	
Tubing 11,300' 2 7/8" 6.5# N80T&C		35,000	
Pumping equipment		60,000	
Wellhead & packer	6,000	7,000	
Tank battery & misc.		35,000	
Electric power installation		5,000	
TOTAL TANGIBLE	\$ 41,000	\$202,000	\$243,000
Contingencies	9,000	26,000	35,000
TOTAL	\$275,000	\$270,000	\$545,000

RECOMMENDED BY:

APPROVED BY:

TEXACO INC.


Robert C. Leibrock



Date: May 5, 1987

Date: 6/24/87

PC, LTD.

P. O. BOX 911
BRECKENRIDGE, TEXAS 76024-0911
817-559-3355

August 20, 1987

Bill Seltzer
214 West Texas, Suite 507
Midland, Texas 79701

#1 Latham
Lea County, New Mexico

Dear Mr. Seltzer:

We approved this AFE on 7-27-87. Apparently it got lost in the mail. Sorry you didn't call before you called a forced pooling hearing.

Attached is a new copy of your AFE and our requirement sheet.

Please keep us advised.

Yours very truly,



O. H. Reaugh

OHR:fef

AMERIND OIL CO.

AUTHORIZATION FOR EXPENDITURE

Latham No. 1
At a legal location in NW/4 SW/4,
Proration Unit W/2 SW/4 Section 27 - 16S - 37E
Lea County, New Mexico

To drill and complete in the Strawn formation:

<u>INTANGIBLE</u>	<u>Casing Point</u>	<u>Pumping Completion</u>	<u>Total</u>
Drilling 11,500' @ \$11.00	\$127,000	\$	\$
Daywork - 3 @ \$4,000	12,000		
Drilling mud and water	10,000		
Location and surface damages	15,000		
Drill stem tests (2)	6,000		
Log and perforate	15,000	5,000	
Cementing - surface 400 sx	4,000		
- inter. 1,500 sx	10,000		
- prod. 300 sx		5,000	
Supervision	5,000	5,000	
Geological & mud logging	8,000		
Contract services & equipment rentals	5,000	15,000	
Completion unit		5,000	
Acid treatment - cleanup		5,000	
Drilling and completion overhead	5,000	2,000	
Insurance	3,000		
TOTAL INTANGIBLE	\$225,000	\$ 42,000	\$267,000
 <u>TANGIBLE</u>			
Casing			
Surface 400' 13 3/8"	\$ 5,000	\$	\$
Inter. 2,500' 8 5/8" 24.0# J55STC	16,000		
1,700' 8 5/8" 32.0# J55STC	14,000		
Prod. 11,500' 5 1/2" 20.0# N80LTC		60,000	
Tubing 11,300' 2 7/8" 6.5# N80T&C		35,000	
Pumping equipment		60,000	
Wellhead & packer	6,000	7,000	
Tank battery & misc.		35,000	
Electric power installation		5,000	
TOTAL TANGIBLE	\$ 41,000	\$202,000	\$243,000
Contingencies	9,000	26,000	35,000
TOTAL	\$275,000	\$270,000	\$545,000

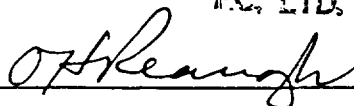
RECOMMENDED BY:

APPROVED BY:



Robert C. Leibrock

PC, LTD.



Date: May 5, 1987

Date: 8-20-87

BILL SELTZER
214 WEST TEXAS, SUITE 507
MIDLAND, TEXAS 79701

August 17, 1987

Re: T-16-S, R-37-E
Section 27: W/2 SW/4
Lea County, New Mexico
Hightower Mineral (3255)
Petco 1.66 minerals

Petco Limited
PC, LTD.
P.O. Box 911
Breckenridge, Texas 76024

Attn: Mrs. Frankie Jenkins

Dear Mrs. Jenkins:

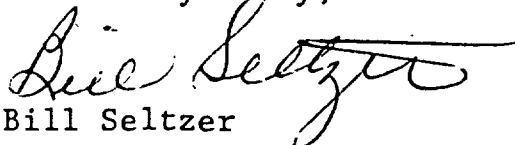
Please refer to my letter dated July 16, 1987 forwarded to you by certified mail (copy of letter attached).

We invite you to join in the drilling of the test well or farmout your interest or lease your interest as outlined in the attached letter.

If you desire to join please execute the enclosed AFE and Operating Agreement and return to the undersigned.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp
Enclosures

P-519 404 254

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

U.S.G.P.O. 153-506

Frankie Jenkins
Pecto Limited
P.O. Box 911
Breckenridge, TX. 76024

Postage	1.33
Certified Fee	.75
Special Delivery	
Registered Mail	
Return Receipt with Restricted Delivery	.70
Return Receipt with Signature Required	
Return Receipt with Signature Required and Restricted Delivery	
TOTAL Postage and Fees	2.78

Postmark or Date

8/17/87

PS Form 3800, June 1985

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to:

Mrs. Frankie Jenkins
Petco Limited
PC, LTD.
P.O. Box 911
Breckenridge, TX 76024

4. Article Number

P-519 404 254

Type of Service:

☒ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee

X

6. Signature — Agent

X *Cecil Blalock*

7. Date of Delivery

8-20-87

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

July 16, 1987

Re: T-16-S, R-37-E
Section 27: W/2 SW/4
Lea County, New Mexico
Hightower Mineral (3255)
Petco 1.66 minerals

Petco Limited
P.O. Box 911
Breckenridge, Texas 76024-0911

Attn: Mrs. Frankie Jenkins

Dear Mrs. Jenkins:

I am representing Amerind Oil Co. of Midland, Texas and according to your letter of 4/27/87 and my information, Petco is the owner of the above interest.

Amerind proposes to drill a 11,500' Strawn test at a legal location in the NW/4 SW/4 of Section 27. We will dedicate the W/2 SW/4 of Section 27 to the proration unit.

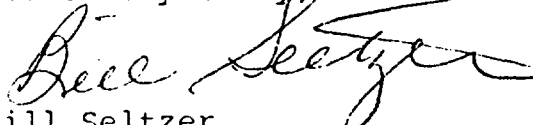
We invite Petco to join us in the drilling of the test well or farmout your interest delivering a six month Lease containing 3/16ths royalty with the option to convert 1/16th of the royalty to a 25% working interest at payout or deliver an Oil and Gas Lease for a term of One (1) year with 1/4th royalty for a bonus of \$100.00 per acre.

If you desire to join us in the drilling of the test well, please execute the attached AFE.

An Operating Agreement will be forwarded at a later date.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp
Enclosure

Percentage of Cost $1.66/80 = .02075$

P-519 404 235

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Mrs. Frankie Jenkins
Petco Limited
P.O. Box 911
Breckenridge, Tx.
P.O. State 76024-0911

Postage	.22
Certified Fee	.75
Insurance Fee	
Registered Fee	
Express Mail Fee	
Postage and Fees	.70
TOTAL Postage and Fees	\$ 1.67

Postmark or Date

7/16/87

U.S.G.P.O. 153-506

PS Form 3800, June 1985

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to:

Mrs. Frankie Jenkins
Petco Limited
P.O. Box 911
Breckenridge, Tx. 76024-0911

4. Article Number

P 519 404 235

Type of Service:

☐ Registered☐ Insured☒ Certified☐ COD☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee

X

6. Signature — Agent

X

7. Date of Delivery

7-20-87

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

BILL SELTZER
214 WEST TEXAS, SUITE 507
MIDLAND, TEXAS 79701

August 17, 1987

Re: T-16-S, R-37-E
Section 27: W/2 SW/4
Lea County, New Mexico
3.01562 acres

Enstar Petroleum Co.
c/o Union Texas Petroleum
1330 Post Oak Blvd.
Houston, Texas 77256

Attn: Ms. Lael Henning

Dear Ms. Henning:

Pursuant to my letter to Union Texas dated July 15, 1987 (letter attached) Amerind Oil Co. proposes to drill a 11,500' Strawn test at a legal location in the NW/4 SW/4 of Section 27 and will dedicate the W/2 SW/4 of Section 27 to the proration unit.

We request that you join us in the drilling of the test well or farmout your interest delivering a 75% Leasehold interest until payout with the option to convert the override to a 25% Working Interest or we will purchase all of your leasehold interest in the above lands at the rate of \$300.00 per acre.

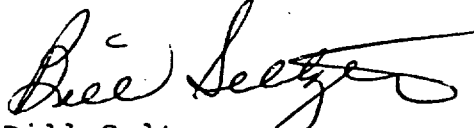
If you desire to join us in the drilling of the test well, please execute the enclosed AFE.

I am enclosing our Operating Agreement dated 8/1/87 covering the drilling of the test well.

I am today making an application to compulsory pool all interest owners.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp
Enclosures

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

July 15, 1987

Re: T-16-S, R-37-E
Section 27: W/2 SW/4
Lea County, New Mexico

Union Texas Petroleum
1330 Post Oak Blvd.
P.O. Box 2120
Houston, Texas 77252

Attn: Mr. Kent Woolley

Dear Mr. Woolley:

I am representing Amerind Oil Co. of Midland, Texas and according to my information Enstar Corp., which I understand is owned 50% Union Texas Petroleum and 50% Ultramar Oil & Gas, are the owners of the leasehold interest set out on the attachment.

Amerind Oil Co. proposes to drill a 11,500' Strawn Test at a legal location in the NW/4 SW/4 of Section 27 and will dedicate the W/2 of SW/4 of Section 27 to the proration unit.

We request that you join us in the drilling of this test well or farmout your interest delivering a 75% Leasehold interest until payout with the option to convert the override to a 25% Working Interest or we will purchase all of your leasehold interest in the above lands at the rate of \$300.00 per acre.

If you desire to join us in drilling this test well, please execute the enclosed AFE.

An Operating Agreement will be forwarded at a later date.

If you have any questions, please call.

Yours very truly,


Bill Seltzer

BS/kp
Enclosure

ATTACHMENT

OIL AND GAS LEASES

<u>Date</u>	<u>Lessor</u>	<u>Lessee</u>	<u>Recorded</u>	<u>Interest</u>	<u>Acres</u>
8/7/74	Petroleum <i>Land Services</i> Corporation, Ltd.	C&K	Vol. 298, Page 466	1/128	.625 ✓
8/6/74	Patricia Penrose Schieffer and J.M. Zachary	C&K	Vol. 289, Page 212	31/5120	.48437 ✓
8/30/74	Jack Markham wife, Mary Boone Markham	C&K	Vol. 289, Page 331	31/2560	.96875 ✓
10/4/74	J. Hiram Moore, Betty Jane Moore, Michael Harrison Moore, Trustee U/Trust Ind. dated 7/1/71	C&K	Vol. 289, Page 499	3/256	.9375 ✓
Total					<hr/> 3.01562
Percentage of Cost		3.01562/80	=	.037695	

BILL SELTZER

214 WEST TEXAS, SUITE 507
MIDLAND, TEXAS 79701

July 31, 1987

Re: T-16-S, R-37-E
Section 27: W/2 SW/4
Lea County, New Mexico
containing 80 acres

Ms. Ann Morris
2865 MacVicor Ave.
Topeka, Kansas 66611

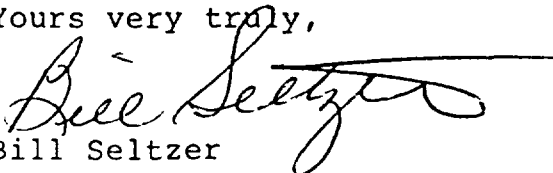
Dear Ms. Morris:

On July 15, 1987 I forwarded to you the attached letter. I am unable to reach you by phone because of your non-published listing.

I respectfully request that you contact me in regard to the offer set forth in my letter at your earliest convenience.

Thank you for your cooperation.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Bill Seltzer", with a horizontal line extending from the end of the signature.

Bill Seltzer

BS/kp

P-519 404 255

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

U.S.G.P.O. 153-506

PS Form 3800, June 1985

Service to Ms. Ann Morris	
Street, P.O. Box, or 2865 MacVicar Ave.	
City, State, and ZIP Code Topeka, KS 66611	
Postage	
Certified Fee	.22
Special Delivery Fee	.75
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.70
Return Receipt showing to whom Date, and Address of Delivery	
TOTAL Postage and Fees	1.67
Postmark or Date 7/31/87	

to the right

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to:

Ms. Ann Morris
2865 MacVicar Ave
Topeka, Kansas 66611

4. Article Number

P-519 404 255

Type of Service:

- ☒ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED**.

5. Signature - Addressee

Ann Morris

6. Signature - Agent

X

7. Date of Delivery
7/31/87

8. Addressee's Address (ONLY if requested and fee paid)

4

BILL SELTZER
507 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

July 15, 1987

Re: T-16-S, R-37-E
Section 27: W/2 SW/4
Lea County, New Mexico
containing 80 acres

Ms. Ann Morris
2865 MacVicor Ave.
Topeka, Kansas 66611

Dear Ms. Morris:

According to my information you are the owner of Oil and Gas Leases as follows covering the above lands:

	<u>Date</u>	<u>Lessor</u>	<u>Lessee</u>	<u>Recorded</u>	<u>Interest</u>	<u>Acres</u>
1.	3/3/65	Eugene Colfelt, et al	J. Norman Morris	Vol. 235, Page 420	3/3840	= .0625
2.	3/3/65	E.L. Cooper, heir and De- visee of E. Leroy Cooper and Edna Ruth Cooper		Vol. 235, Page 422	60% of 1/384	= .125
3.	11/26/65	J.H. Ward Hinkson, a married man dealing in his sole and separate property		Vol. 243, Page 392	1/384	= .02833 .02833
4.	12/30/65	Ella F. Blain/ Ester L. Blain Jane Blain Baker		Vol. 246, Page 99	1/384	= .20833
						<u>.60416</u>

Plus the following mineral interest:

Ann Morris Marshall, Individually and Executrix of the Estate of J. Norman Morris	1/3840	= <u>.02083</u>
---	--------	-----------------

Total .62499 ac.

I am representing Amerind Oil Co. of Midland, Texas and we propose to drill a 11,500' Strawn Formation test at a legal location in the NW/4 of SW/4 of Section 27, T-16-S, R-37-E.

We request that you join us in the drilling of this test well or farmout your interest to us retaining a 1/8th overriding royalty interest on your leasehold interest and delivering an Oil and Gas Lease on your mineral interest retaining a 1/4th royalty or we will purchase all your interest at the rate of \$300.00 per acre.

If you desire to join us in drilling the well, please execute the enclosed AFE and return same in the enclosed envelope.

If you have any questions, please call.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Bill Seltzer", with a long horizontal flourish extending to the right.

Bill Seltzer

BS/kp
Enclosure

Your percentage of Cost is $.62499/80 = .0078124$