



PENNZOIL PLACE • P. O. BOX 2967 • HOUSTON, TEXAS 77252-2967 • (713) 546-4000

October 16, 1987

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Lynn R. Brown  
5702 Woodlawn Avenue  
North Seattle, Washington 98103

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
EXHIBIT NO.	8
CASE NO.	

Re: #1 M. H. Medlin  
S/2 NW/4 of Section 14,  
T16S - R37E  
Lea County, New Mexico

Dear Mr. Brown:

Pennzoil Company hereby proposes to drill a 12,200' Strawn-Atoka test at a legal location 1980' FNL and 660' FWL of Section 14, T16S-R37E, by January 1, 1988. A copy of our AFE is enclosed for your review.

The Oil and Gas Records of Lea County, New Mexico indicate that you own an undivided and unleased 1/6th of 1/144th mineral interest in the S/2 NW/4 of Section 14-16S-37E.

We hereby request that you either participate in our proposed well or lease your interest in the S/2 NW/4 of Section 14-16S-37E to Pennzoil for a bonus consideration of \$250.00 per net mineral acre, 1/5 royalty and a three (3) year term.

Should you elect to participate, please return an executed copy of the enclosed AFE. Upon our receipt of same, an A.A.P.L. Form 610-1982 Model Form Operating Agreement will be forwarded to you for your review and execution.

Please be advised that due to Pennzoil's lease expirations in January of 1988, we plan to make application to compulsory pool the S/2 NW/4 of Section 14-16S-37E on the next available Commission docket.

Your prompt consideration of our proposal will be appreciated. Should you have any questions, please feel free to contact me at 713/546-6195.

Yours very truly,

PENNZOIL COMPANY

*Greg Davis*  
Greg Davis  
Land Specialist

GD:jt  
Enclosure

DER: Complete Items 1 and 2 when additional services are desired, and complete Items 3	
address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this from being returned to you. The return receipt fee will provide you the name of the person to and the date of delivery. For additional fees the following services are available. Consult us for fees and check box(es) for additional service(s) requested.	
Show to whom delivered, date, and addressee's address.	2. <input type="checkbox"/> Restricted Delivery †(Extra charge)†
1. Addressed to: <i>Lynn R. Brown</i> <i>5702 Woodlawn Avenue</i> <i>North Seattle, Washington</i>	
4. Article Number <i>P-757-967-738</i>	
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	
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Addressee's Address (ONLY if requested and fee paid)	
6. Signature - Agent <i>[Signature]</i>	
7. Date of Delivery <i>[Stamp: OCT 19 1987]</i>	

Co.		Dept.		Play No.				AFE No.		AFE Title or Location Name (25)																
2		5		1		6		7		M. H. MEDLIN # 1 D.C.&E.																
COMPANY Pennzoil Company									DIVISION Western									DISTRICT 36								
WELL NAME AND NO. M.H. Medlin No. 1									FIELD OR AREA NE Lovington									UNDEVELOPED LEASE NO.								
OPERATOR Pennzoil Company									COUNTY OR PARISH Lea									STATE NM								
PROJECT DESCRIPTION Drill, complete and equip. a 12,200' Strawn oil well located 1980' FNL & 660' FWL of section 14, T16S, R37E									LEASE NAME AND NO.									PROPOSED FORMATION Strawn								
<input checked="" type="checkbox"/> Single			<input type="checkbox"/> Triple			<input checked="" type="checkbox"/> Oil			<input type="checkbox"/> Gas			<input type="checkbox"/> Expl.			<input checked="" type="checkbox"/> Dev.			<input checked="" type="checkbox"/> New			<input type="checkbox"/> Workover			Deepen <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<input checked="" type="checkbox"/> Land			<input type="checkbox"/> Bay			DATE TO START			DATE TO COMPLETE			DAYS TO DRILL 36			PROPOSED DEPTH 12,200'											
<input type="checkbox"/> Marsh			<input type="checkbox"/> Gulf																							
Gross			Net			Budget Code 4 1 0 8			Ls./Assoc. Prop. No.			Assoc. AFE No.			Joint Venture <input type="checkbox"/> No <input type="checkbox"/> Yes			Operator <input type="checkbox"/> 2-Co. <input type="checkbox"/> 3-Outsd.			State Code					
County/ Ph. Code		Civil Dist.		Conveyed <input type="checkbox"/> Yes <input type="checkbox"/> No		Report to Code		Costing Location Mktg		Environmental Cost % Air % Water % Land - Other			% Safety and Health													
JUSTIFICATION To test a Strawn lime algal mound in the Lovington NE Field area.																										
INTANGIBLES																										
CONTRACT DRILLING                  12,200                  ft. @ \$         13.00 /ft.      489         158,600                  COMPLETION                  TOTAL                  158,600																										
CONTRACT DAY WORK	DRILLING                                  days @ \$                  /day      490																									
	CORING AND DRILL STEM TEST                  4 days @ \$         4,000 /day      490                  16,000                  16,000																									
	LOGGING, SFT. AND PERFORATING                  2 days @ \$         4,000 /day      490                  8,000                  8,000																									
	OTHER                                  10 days @ \$         1,300 /day      490                  13,000                  13,000																									
	TOTAL CONTRACT DAY WORK                  490																									
COMPANY PAYROLL                  \$195/day                  501                  7,020                  1,950                  8,970																										
EMPLOYEE BENEFITS                  \$105/day                  505                  3,780                  1,050                  4,830																										
TRANSPORTATION AND HAULING                  545                  10,000                  7,500                  17,500																										
ACCESS CANAL CONSTRUCTION                  476																										
LOCATION, ROADS, PITS OR KEYWAY                  472                  7,500                  6,000                  13,500																										
BITS, COREHEADS, ETC.                  492																										
MUD MATERIALS                  475                  18,000                  1,500                  19,500																										
CEMENT AND CEMENTING SERVICES                  473                  21,000                  8,000                  29,000																										
CENTRALIZERS, SHOES, SCRATCHERS AND NON-SALVABLE PACKERS                  491                  1,000                  1,000                  2,000																										
MUD LOGGING                  21 days @ \$350/day                  474                  7,350                  7,350																										
FORMATION TESTING                  one DST                  482                  4,500                  4,500																										
LOGGING AND SIDE WALL CORING                  478                  26,000                  3,000                  29,000																										
PERFORATING                  479                  7,500                  7,500																										
TOOL RENTAL INCLUDING SMALL DIAMETER DRILL PIPE                  488                  5,000                  6,000                  11,000																										
TESTING TUBULAR GOODS                  484                  6,000                  15,000                  21,000																										
INTERNAL COATING                  485																										
STIMULATION TREATMENT                  480                  7,500                  7,500																										
OTHER SPECIAL WELL SERVICES includes 60' core                  494                  16,000                  16,000																										
MISCELLANEOUS COSTS AND CONTINGENCIES 10%                  599                  31,550                  7,900                  39,450																										
TOTAL INTANGIBLES                  347,300                  86,900                  434,200																										
TANGIBLES																										
CASING	ft.		in.		lb.		Gr.		@ \$		440															
	425		13-3/8		48.0		H-40		21.39		440		9,100				9,100									
	4,400		8-5/8		28.0		S-80		16.60		440		73,000				73,000									
	12,200		5-1/2		17		N-80		9.48		440				115,700		115,700									
TUBING	11,800		2-7/8		6.5		N-80		4.49		443															
											443		53,000		53,000											
											443															
CASING HEADS                  444                  4,000                  9,500                  13,500																										
CHRISTMAS TREE                  445                  8,000                  8,000																										
RETRIEVABLE PACKERS                  448                  6,000                  6,000																										
OTHER WELL EQUIPMENT                  469																										
TOTAL TANGIBLES                  86,100                  192,200                  278,300																										
TOTAL WELL COST                  100.00000 %																										
PRODUCTION EQUIPMENT (Detail Attached)                  100.00000 %                  104,800                  104,800																										
OTHER COSTS - NET (Detail Attached)                  100.00000 %																										
TOTAL COST                  100.00000 %                  433,400                  383,900                  817,300																										
CO. OWNERSHIP                  6 1 6 7 0 4 % COMPANY COST                  6 1 6 7 0 4 %                  267,280                  236,753                  504,03																										
APPROVAL DATE APPROVAL DATE AUTHORIZATION DATE																										
JOINT INTEREST APPROVAL																										
COMPANY NAME:																										
APPROVAL DATE																										

JUSTIFICATION To test a Strawn lime algal mound in the Lovington NE Field area.

[illegible]

ATR CD		SUMMARY OF ESTIMATED COST			
1	PROPERTY ADDITIONS				
6	REMOVAL COST				
5	SALVAGE				
		TOTAL COST		100.00000 %	104,800
CO. OWNERSHIP		616704 %	COMPANY COST		6166667 %
APPROVAL		DATE	APPROVAL		DATE
			AUTHORIZATION		DATE
JOINT INTEREST APPROVAL					
COMPANY NAME:					
APPROVAL				DATE	



PENNZOIL PLACE • P. O. BOX 2967 • HOUSTON, TEXAS 77252-2967 • (713) 546-4000

October 16, 1987

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

The Heirs or Devisees of  
Alice G. Brown Huntington, Deceased  
c/o Lee Huntington  
12651 High Bluff Drive #200  
San Diego, California 92130

BEFORE EXAMINED BY CATALAN  
OIL COLLECTING DIVISION  
EXHIBIT NO. 9  
CASE NO. \_\_\_\_\_

Re: #1 M. H. Medlin  
S/2 NW/4 of Section 14,  
T16S - R37E  
Lea County, New Mexico

Dear Mr. Huntington:

Pennzoil Company hereby proposes to drill a 12,200' Strawn-Atoka test at a legal location 1980' FNL and 660' FWL of Section 14, T16S-R37E, by January 1, 1988. A copy of our AFE is enclosed for your review.

The Oil and Gas Records of Lea County, New Mexico indicate that the Estate of Alice G. Brown Huntington, Deceased, owns an undivided and unleased 1/6th of 1/144th mineral interest in the S/2 NW/4 of Section 14-16S-37E.

We hereby request that the estate either participate in our proposed well or lease its interest in the S/2 NW/4 of Section 14-16S-37E to Pennzoil for a bonus consideration of \$250.00 per net mineral acre, 1/5 royalty and a three (3) year term.

Should you elect to participate, please return an executed copy of the enclosed AFE. Upon our receipt of same, an A.A.P.L. Form 610-1982 Model Form Operating Agreement will be forwarded to you for your review and execution.

Please be advised that due to Pennzoil's lease expirations in January of 1988, we plan to make application to compulsory pool the S/2 NW/4 of Section 14-16S-37E on the next available Commission docket.

Your prompt consideration of our proposal will be appreciated. Should you have any questions, please feel free to contact me at 713/546-6195.

Yours very truly,

PENNZOIL COMPANY

*Greg Davis*  
Greg Davis  
Land Specialist

GD:jt

Enclosure

PS Form 3811, Mar. 1987 • U.S.G.P.O. 1987-178-268

DOMESTIC RETURN RECEIPT

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. ☐ Restricted Delivery  
↑(Extra charge)↑

3. Article Addressed to:  
The Heirs or Devisees of Alice  
G. Brown Huntington, Deceased  
c/o Lee Huntington  
12651 High Bluff Drive #200  
San Diego, California 92130

4. Article Number  
P-757-967-737

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 *Cheri Magran*

7. Date of Delivery

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

Co.	Dept.	Play No.	AFE No.	AFE Title or Location Name (25)	
251	6140		7438937	M. H. MEDLIN #1 D.C. & E.	
COMPANY Pennzoil Company			DIVISION Western		DISTRICT 36
WELL NAME AND NO. M.H. Medlin No. 1			FIELD OR AREA NE Lovington		UNDEVELOPED LEASE NO.
OPERATOR Pennzoil Company			COUNTY OR PARISH Lea		STATE NM
PROJECT DESCRIPTION Drill, complete and equip. a 12,200' Strawn oil well located 1980' FNL & 660' FWL of section 14, T16S, R37E			LEASE NAME AND NO.		
			PROPOSED FORMATION Strawn		

<input checked="" type="checkbox"/> Single	<input type="checkbox"/> Triple	<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Gas	<input type="checkbox"/> Expl.	<input checked="" type="checkbox"/> Dev.	<input checked="" type="checkbox"/> New	<input type="checkbox"/> Workover	Deepen
<input type="checkbox"/> Dual								<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input checked="" type="checkbox"/> Land	<input type="checkbox"/> Bay	DATE TO START		DATE TO COMPLETE		DAYS TO DRILL		PROPOSED DEPTH
<input type="checkbox"/> Marsh	<input type="checkbox"/> Gulf					36		12,200'
Gross	Net	Budget Code 4108	Ls./Assoc. Prop. No.	Assoc. AFE No.	Joint Venture	Operator		State Code
					<input type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/> 2-Co. <input type="checkbox"/> 3-Outsd.		
County/Ph. Code	Civil Dist.	Conveyed	Report to Code	Costing Location Mktg	Environmental Cost			% Safety and Health
		<input type="checkbox"/> Yes <input type="checkbox"/> No			% Air	% Water	% Land - Other	

JUSTIFICATION To test a Strawn lime algal mound in the Lovington NE Field area.

INTANGIBLES				SUB	DRY HOLE	COMPLETION	TOTAL	
CONTRACT DRILLING 12,200 ft. @\$ 13.00 /ft.				489	158,600		158,600	
CONTRACT DAY WORK	DRILLING days @\$ /day			490				
	CORING AND DRILL STEM TEST 4 days @\$ 4,000 /day			490	16,000		16,000	
	LOGGING, SFT. AND PERFORATING 2 days @\$ 4,000 /day			490	8,000		8,000	
	OTHER 10 days @\$ 1,300 /day			490		13,000	13,000	
	TOTAL CONTRACT DAY WORK			490				
COMPANY PAYROLL \$195/day				501	7,020	1,950	8,970	
EMPLOYEE BENEFITS \$105/day				505	3,780	1,050	4,830	
TRANSPORTATION AND HAULING				545	10,000	7,500	17,500	
ACCESS CANAL CONSTRUCTION				476				
LOCATION, ROADS, PITS OR KEYWAY				472	7,500	6,000	13,500	
BITS, COREHEADS, ETC.				492				
MUD MATERIALS				475	18,000	1,500	19,500	
CEMENT AND CEMENTING SERVICES				473	21,000	8,000	29,000	
CENTRALIZERS, SHOES, SCRATCHERS AND NON-SALVABLE PACKERS				491	1,000	1,000	2,000	
MUD LOGGING 21 days @ \$350/day				474	7,350		7,350	
FORMATION TESTING one DST				482	4,500		4,500	
LOGGING AND SIDE WALL CORING				478	26,000	3,000	29,000	
PERFORATING				479		7,500	7,500	
TOOL RENTAL INCLUDING SMALL DIAMETER DRILL PIPE				488	5,000	6,000	11,000	
TESTING TUBULAR GOODS				484	6,000	15,000	21,000	
INTERNAL COATING				485				
STIMULATION TREATMENT				480		7,500	7,500	
OTHER SPECIAL WELL SERVICES includes 60' core				494	16,000		16,000	
MISCELLANEOUS COSTS AND CONTINGENCIES 10%				599	31,550	7,900	39,450	
TOTAL INTANGIBLES						347,300	86,900	434,200

TANGIBLES								
CASING	ft.	in.	lb.	Gr.	@ \$	440		
	425	13-3/8	48.0	H-40	21.39	440	9,100	9,100
	4,400	8-5/8	28.0	S-80	16.60	440	73,000	73,000
	12,200	5-1/2	17	N-80	9.48	440	115,700	115,700
TUBING						443		
	11,800	2-7/8	6.5	N-80	4.49	443	53,000	53,000
						443		
CASING HEADS						444	4,000	9,500
CHRISTMAS TREE						445	8,000	8,000
RETRIEVABLE PACKERS						448	6,000	6,000
OTHER WELL EQUIPMENT						469		
TOTAL TANGIBLES							86,100	192,200
TOTAL WELL COST						100.00000	%	
PRODUCTION EQUIPMENT (Detail Attached)						100.00000	%	104,800
OTHER COSTS - NET (Detail Attached)						100.00000	%	
TOTAL COST						100.00000	%	433,400
CO. OWNERSHIP		6,167,04	%	COMPANY COST		6,167,04	%	267,280
APPROVAL		DATE		APPROVAL		DATE		AUTHORIZATION
[Signature]		10-16-87						
JOINT INTEREST APPROVAL								
COMPANY NAME:							%	
APPROVAL						DATE		

JUSTIFICATION To test a Strawn lime algal mound in the Lovington NE Field area.

[illegible]

ATR CD		SUMMARY OF ESTIMATED COST			
1	PROPERTY ADDITIONS				
6	REMOVAL COST				
5	SALVAGE				
		TOTAL COST		100.00000 %	104,800
CO. OWNERSHIP		616704	COMPANY COST		6166667 %
APPROVAL		DATE	APPROVAL		DATE
			AUTHORIZATION		DATE
JOINT INTEREST APPROVAL					
COMPANY NAME:					%
APPROVAL				DATE	