

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

The second secon
BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
EXHIBIT NO. 3
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 Land Specialist

GD:jt Enclosure

address in the "RETURN To address in the "RETURN To being returned to you. I to and the date of delivery as to er for fees and check box(es) Sha ow to whom delivered, date, t/Extra charge!	O" Space on he return rec For addition for additions and addresses	the reverse side of the	e. Fallure to do this rovide you the nam owing services are av	will prevent this e of the person railable. Consult
icie in Addressed to: inn R. Bisio 702 Woodlaws 914 Seattle Wa	n ave	Type	rticle Number 757-96 of Service: legistered	nsured
THE SUITE WA	198	シスカ Alwa	eys obtain signature (pent and <u>DATE DEL</u>	52 TO 1
gnature - Addressee gnature - Agent ette of Delivery	PACE OF THE PACE O		ddressee's Address (quested and fee paid	

<u> </u>	-			<i>_</i>				_				
FORM 2	25-117(1)	A	AUTHORIZAT	FOR EXPEN	DITURE			DATE	10/16/87	PAGE 1 OF 2		
• Co. [Dept. Play	No.	AFE No.	WELLS	P	FE Title or Lo	ocation Name (25)					
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2 5	$\frac{1}{4}$ $\frac{6}{4}$	4 0	7 4 3 8 9	DIVISION		M. H. M.	E, D, 1	DISTRI	D,C,&,E,	<u> </u>		
Pe	ennzoil	Company		W	estern				36			
	NAME AND I. Medli				1	HELD OR ARE			UNDEVELOPED L	EASE NO.		
OPERA		n No. 1				COUNTY OR PA			STATE			
	nzoil C			······································	T .	Lea			NM			
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			n 14, T16S			ROPOSED FO	RMATIC	N				
v						Strawn	T					
Sing		Triple	⊑ Xoil □] Gas □ E	Expl.	X Dev.	[X] Nev	w □ Worko	Deepen ver Yes	XI No		
☐ Lan			DATE TO STAR		TE TO COM			TO DRILL	PROPOSED			
☐ Mar	sh [Gulf						36	12,20	0'		
	Gross		Net	Budget Ls./Asso	oc. Prop. No.	Assoc. AF	E No.	Joint Ventu	re Opera	State Code		
	<u> </u>		Ī	Code 1 0 8		1. 1. 1.	 	□ No □ Yes	□ 2-Co.	3-Outsd.		
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Ph. Coc	de Civil Dis	u. □ Yes □	□ No II	l l l l	Costing	L L L L	%,	Air %W	ater % Land - Ot	her and Health		
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NTR Y WC		SFT. AND P	ERFORATING	2 days		,000 /day	490	8,000	10.000	8,000		
8 €	OTHER	CONTRACT	DAY WORK	10 days	<u>@\$ 1</u>	,300 /day	490		13,000	13,000		
COMP	ANY PAYRO	LL.	\$195/day				501	7,020	1,950	8,970		
	OYEE BENE		\$105/day				505	3,780	1,050	4,830		
		NAND HAULI ONSTRUCTIO					545 476	10,000	7,500	17,500		
		S, PITS OR K					472	7,500	6,000	13,500		
	COREHEADS	S, ETC.				.	492	18,000	1,500	19,500		
	NATERIALS NT AND CEA	ENTING SER	RVICES				475 473	21,000	8,000	29,000		
			TCHERS AND N	ON-SALVABLE PAG	CKERS		491	1,000	1,000	2,000		
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	LATION TR						480	16.000	7,500	7,500		
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ORM 25-116(1)		AUTHOR	IZATIO. FOR	EXPENDITURE		(DATE		PAGE		
			EQUIPMENT AN	D/OR OTHER CO	STS			16/87		2 ₀	F 2
Co. Dept. Pla	y No.	AFE N	o.		AFE Title or Loc	cation Name (2	5)				
5 1 6	1. 4. 0.	7.4.3	8 9 3 7	IVISION	M. H. M	$\mathbf{E}, \mathbf{D}, \mathbf{L}, \mathbf{I}, \mathbf{I}$	N # 1	D, C, & E.	1 1	111	<u> </u>
Pennzoil	Company			West	ern		36				
WELL NAME AN					FIELD OR ARE	A		NDEVELOPED	LEASE	NO.	
M.H. Medl	in No. 1				NE Lovi						
OPERATOR	0				COUNTY OR PA	ARISH	SI	ATE NM			
Pennzoil PROJECT DESC		rill co	omplete and	equip a	Lea LEASE NAME A	AND NO.		INCL			
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☐ Dual ☑ Land	☐ Bay	ZOII	☐ Gas	DATE TO CO	X Dev.	DAYS TO DE	Workover	PROPOSE	D DEPT		
🕰 Land 🗔 Marsh	□ Gulf	DATE TO	START	DATE TO CO	WIPLETE	36_	TILL	1	200'	''	
											
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County/ Civil E	Dist. Cor	veyed	Report to	Code Costii	ng Location Mktg	% Air	Environmenta % Water	- 1	ther	% Sat	
Ph. Code	☐ Yes	□ No	1 : 1 : 1	:		70 A I	70 VValei	İ	1	and H	eartn
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COMPANY NAM	E:						ı i A	, , , %			
APPROVAL							DATE				



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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

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BEFOUT EXAMPLE CATANAL I
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EXHIBIT NO.
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CASE NO.
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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.

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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.

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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 Davi's Land Specialist

GO. c

SENDER: Complete Items 1 and 2 was additional control of the complete Items 3 and 4.

Put your address in the "RETERNATIO" Specially reverse side. Failure to do this will prevent this card from being returned to made the case of delivery. For additional fees the following services are kellable. Consult poststasseter for fees and check box less for redightings expliced: requested.

1. Shown to whom delivered date, and oddresses address.

2. Restricted Delivery (Extra charge)?

3. Article Addressed to:

4. Article Number

The Akins on Levallo of Alack

Article Number

Type of Service:

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6. Signature - Addressee

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6. Signature - Agent

X

7. Date of Delivery

PS Form 3811, Mar. 1987

2. U.S. O. 1987-17-288

DOMESTIC RETURN RECEIPT

FOPM 25	5-117(1)	<u></u>		TOD EVENE	ודויייי			(-	DATE		PAG	E	
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 		WALL CORING					478		,000	3,000		29	9,000
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	NAL COATING						485			7 500			7 500
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TUBING	11,800	2-7/8	6.5	N-80		4.49	443			53,000	4	5	3,000
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YNAMY		DIVISION			DISTRICT			
Pennzoil Compa	ny	₩e	estern FIELD OR ARE		36 UN	DEVELOPED	LEASE NO.	
M.H. Medlin No	. 1		NE Lov	ington				
PERATOR Pennzoil Compa	n 17		COUNTY OR P Lea	ARISH	ST	ATE NM		
ROJECT DESCRIPTION	Drill, comple	ete and equip a	LEASE NAME	AND NO.	1			
12,200' Strawn	oil well locat	ed 1980' FNL &	PROPOSED FO	RMATION				
	221011 14, 1100,	, 10, 1	Strawn			·····		
Single 🗆 Trip		☐ Gas ☐ Expl.	X Dev.	□X New	☐ Workover	Deepen Yes	☑ No	
Dual Land Bay	DATE TO STAR		COMPLETE	DAYS TO DR		PROPOSE		
Marsh Gul				36_		12,2	200'	
Gross		Budget Ls./Assoc. Pro	pp. No. Assoc. A	FE No. Jo	int Venture	Oper	ator	S ta
<u> </u>	4	Code 1 0, 8	1 :	+ + +	o 🗆 Yes		3-Outsd.	
ounty/ Civil Dist.	Conveyed	Report to Code C	osting Location Mktg		Environmental % Water	% Land - Q		afety Health
: :	Yes 🗌 No		1 1 1 1 1 1	<u> </u>				
USTIFICATION TO	test a Strawn	lime algal mound	d in the Lovi	ngton NE I	field are	a.		
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