

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

October 16, 1987

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Ida Louise Brown McDonald 3210 Pauls Drive Wheaton, Maryland 20902

对对关于基本的原理的证明,但是是不是一个基本的证明,但是是一种的证明,但是是一个人的证明,但是是是一种的证明的证明,但是是是一个人的证明,但是是是一个人的证明, "
DEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
_
EXHIBIT NO. / 6
CASE NO.

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

Dear Mrs. McDonald:

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 Davís Land Specialist

GD:jt
Enclosure

SENDER: Complete It				d complete items	3
		ditional servi	ces are desired, an	d complete	. 1
SENDER: Complete it and 4. ut your address in the "Fundamental Person being returned	ems 1 and 2 when a	20101-	Easture to do	this will prevent th	118
SENDER.	Space	on the reverse	side, randide you the	name of the person	带!
and 4.	The return I	eceipt fee Wil	following services	ITO SVALISDIE. CO.I.S.	
SENDER: Complete it and 4. ut your address in the "Fard from being returned and the date."	of delivery. For addit	ional rees (116	equested.	Delivery	325
and 4. ut your address in the "F ard from being returned legivered to and the date losstmaster for fees and ch	ock box(es) for addition	see's address.	2. Restricted	ree)t	or of the
OUTITION OF THE MAIN	ATACK CIBLE, GIVE TO			19 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	35.37
$\uparrow (Ex$	tra charge)†	4 4	. Article Number	・つ つっし	
. Article Addressed to:	\sim \sim \sim	1 1/1	0.757-9	1.120	
Ida Jacuse Ha	Region IIICL	mold -	- Convices	- C.	4.
Was Toluse 101	pull -	1	Type of Service	🔲 Insured 🧳	49
The good	Dave,		☐ Registered	COD A	**
2210 Phula	Luve, :		Certified 3		4
Jaio mas	1 / 1 200	2 1	Express Mail	Carlot Control of the	اليت
della de	surford 20	70 d	Always obtain sign	ature of addressee	
11 maios, 110	7		or agent and DAT	COSTIVERED.	* 5
STATE OF THE STATE		3.0	or agent and DAT	E DEGREE	34 6 30
	/ / / / / / / / / / / / / / / / / / /		A Liverage Ad	dress (Uハレー 共会議	
	12/1/200	11	requested and	(ee pald)	24.
5. Signature 7 Addresse	2 // km	III.	λ		
JAK 11	/ MASSIA	v managara dada	OR PA		3
Amor		100	Ollos S		
6. Signature - Agent		(1) (1)	SY ANT \Z		
V MAN	Charles of Carlot Carlot	and the second second	[/ よしい ふで		
1 Delbery	SA SHITTEN TO THE		TI 201212		M
7. Date of Delivery	Application of the second			LA PETURN	IECE
A CONTRACTOR	Section Sectio	0. 1987-178-266	31\ E46P9**	ETIC RETURN	
PS Form 3811, Mar. 19	A RESIDENCE HER COMMISSION OF THE COMMISSION OF	U. 120/-174 244			

FOSM 25	-117(1)			Capevoer	IDITUBE			DATE		PAGE
AUTHORIZATION OR EXPENDITURE WELLS							`	10/16/87	1 of 2	
Co. De	ept. Play No.	Al	E No.		A	FE Title or Loc	ation N	ame (25)		
	6140	7	4 3 8 9	3 7	N	1. H. M.	E. D.	L. I. N #. 1	. D.C.&.E.	
COMPAN	. 6 1 4 (NY			DIVISION	1		<u> </u>	DISTRIC	D,C,&,E,	. <u> </u>
	ınzoil Coı			W	lestern				36 UNDEVELOPED L	EACE NO
	AME AND NO Medlin	=			'	IELD OR ARE VE Lovingt			ONDEVELOPED (LEASE NO.
OPERAT						OUNTY OR PA			STATE	
	zoil Com					Lea EASE NAME A	NID NO		NM	
				e and equied 1980' FN		EASE NAME A	AND NO	.		
		section I				ROPOSED FO	RMATI	ON		
						Strawn	1			
Single	• □T	,	ı 🗆 (Expl.	☑ Dev.	X Ne	w 🗌 Workov	Deepen Or Yes	⊠ No
Dual X Land	□ в	av DAT	E TO START		TE TO COMP		-	TO DRILL	PROPOSE	
☐ Marsh		-					<u> </u>	36	12,20	0'
:	Gross	Net	Bu	idget Ls / Assi	oc. Prop. No.	Assoc. AF	F No	Joint Ventur	o Oper	ator State
	Gross	Net	C 4 1	ode [53.7338]	oc. 110p. 140.	A330C. A1	L 140.	□ No □ Yes	☐ 2-Co.	☐ 3-Outsd.
0/				<u> </u>		·		Environme	ntal Cost	% Safety
County/ Ph. Code	CIVII DIST.	Conveyed		eport to Code		Location Mktg	/0	Air % Wa	1	ther and Health
UICTIEI		O test a		ime algal n		the Lovi		NE Field a		<u> </u>
1021111	CATION									
INTANG	IBI ES		<u> </u>			· · · · · · · · · · · · · · · · · · ·	SUB	DRY HOLE	COMPLETION	TOTAL
	ACT DRILLING	3	12,20	00 ft.	. 3 \$ 1.	3.00 /ft.	489	158,600		158,600
Η×	DRILLING			days		/day	490	16.000		1.000
129 1		DRILL STEM 1 T. AND PERFO		4 days 2 days		,000 /day	490	16,000 8,000		16,000 8,000
ONT AY	OTHER	II AND I EIGIG	, KATINO	10 days		,300 /day	490	0,000	13,000	13,000
		TRACT DAY					490	7.000	1 050	0.070
	YEE BENEFIT		5/day 5/day				501	7,020 3,780	1,950	8,970 4,830
	PORTATION A		<i>57 day</i>	··· ·· · · · · · · · · · · · · · · · ·			545	10,000	7,500	17,500
	CANAL CON						476	7.500	6 000	13.500
	ION, ROADS, F OREHEADS, E	TC	AY				472 492	7,500	6,000	13,500
	TERIALS						475	18,000	1,500	19,500
		ITING SERVICI					473	21,000	8,000	29,000
MUD LO			days @	I-SALVABLE PA	CKERS		491	1,000 7,350	1,000	2,000 7,350
	TION TESTING		ne DST	4330, 443		 	482	4,500		4,500
		VALL CORING					478	26,000	3,000	29,000
	RATING	UDING SMALL	DIAMETER	DIL DIGE			488	5,000	7,500 6,000	7,500
	IG TUBULAR		DIAMETER D	RILL FIFE			484	6,000	15,000	21,000
	IAL COATING						485		7 500	7.500
	SPECIAL WEI			ncludes 60	' core		480	16,000	7,500	7,500
-		STS AND CON		10%			599	31,550	7,900	39,450
		rangibles .						347,300	86,900	434,200
TANGIE		ft. in		b. Gr.		@ \$	440		T	
CASING	425	13-3/8	48.0	H-40		21.39	440	9,100		9,100
CAS	4,400	8-5/8	28.0	S-80		16.60	440	73,000	115 500	73,000
-	12,200	5-1/2	17	N-80		9.48	440		115,700	115,700
TUBING	11,800	2-778	6.5	N-80		4.49	443		53,000	53,000
							443			
	HEADS						444	4,000	9,500 8,000	
	EVABLE PACI	KERS					448		6,000	
OTHER	WELL EQUIP						469	96 100	102 200	270 200
	TOTAL TA	NGIBLES	T/	OTAL WELL CO	ST 1 /	0.00000	%	86,100	192,200	278,300
-		PRODUCTIO		T (Detail Attache		0.00000			104,800	104,800
	-			T (Detail Attache	ed) 1 (0.00000			703 000	017 ~~
CO 0"	NERSHIP)	6,1,6	7 0, 4 %	COMPANY CO		$\begin{array}{cccccccccccccccccccccccccccccccccccc$	% 4 %		383,900	
APPRO	VAL//	<u> </u>	DATE	APPROVAL	, 0		ATE	AUTHORIZATION		504,03: DATE
1 1	maple	r 10-10	:-87					<u> </u>		
COMPA	NY NAME:			JOI	NT INTERE	ST APPROV	AL , ,%			
APPRO						 		DATE		
1			•							

M 25-116(1)	AUTH	ORIZATION FO	R EXPENDITURE	<u>:</u>	(DATE		PAGE
5 0			AND/OR OTHER CO	STS .AFE Title or Loc	nation No (25	10/16	5/87	2 OF
Co. Dept. Pla	y No.	E No.		AFE Title of Coo	ation ivame (25)		
5 1 6	1, 4, 0	4 3 8 9 3 7		М. Н. М	$\mathbf{E}, \mathbf{D}, \mathbf{L}, \mathbf{I}, \mathbf{N}$	i, #, 1, I), C, &, E,	<u> </u>
MPANY			DIVISION			DISTRICT		
Pennzoil			West			36	NEVEL OBED	I FASE NO
ELL NAME AN M.H. Medl				FIELD OR ARE		UNL	EVELOPED	LEASE NO.
ERATOR	in No. 1			COUNTY OR PA		STA	TE	
Pennzoil				Lea			NM	
OJECT DESCF	RIPTION Drill,	, complete ar	id equip a	LEASE NAME A	AND NO.			
	trawn oil wel of section 14			PROPOSED FOR	RMATION			
	or section 1-	7, 1100, 1071		Strawn				
Single	☐ Triple			-			Deepen	
Duai	[Xoi		☐ Expl.	X Dev.		☐ Workover	Yes	☑ No
Land		E TO START	DATE TO CO	MPLETE	DAYS TO DR	ILL	PROPOSE	D DEPTH 2001
Marsh	Gulf				36			2001
Gross	Net	Budget	Ls./Assoc. Prop. N	lo. Assoc. AF	E No. Jo	int Venture	Оре	rator S
: <u> </u>		4, 1, 0, 8	3		<u> </u>	o 🗆 Yes 📗	☐ Z-Co.	☐ 3-Outsd.
ounty/ Court	Conveyed					Environmental C	·	% Safety
. Code Civil D	ist. Conveyed	Report t		ng Location Mktg		% Water	% Land - O	
CTIFICATION	_1		algal mound i	n the Lovi	ngton NE I	Field area		<u> </u>
STIFICATION	10 0002 0 1	201011111111111111111111111111111111111	<u> </u>				<u> </u>	
······································								
Account		DETAIL O	F PRODUCTION I	EQUIPMENT AN	ID OTHER CO	STS		1
Maj Sub			DESCRIPTION			C	YTITMAU	AMOUNT 100
146 457	Production (tanks (500bb)	1)				3	17,250
146 457	Fiberglass v						1	3,000
146 459							1	12,000
146 458 146 463	Gas separato	or					1	2,800 15,000
146 453	Electrical e	equipment - t	transformers,	control p	anel, etc			5,750
146 467	Vapor recove	ery unit					1	12,000
146 456	Flowlines &							6,000
146 510 146 545	Contract lab							17,000
146 598								9,000
<u> </u>								
	<u></u>							
							 	
	_							
								.
				4				
								
								-
						TOTAL		104,80
គ ប			SUMMARY OF	ESTIMATED CO	ST			
PROPERT	ADDITIONS							
REMOVAL SALVAGE	COST							
JALYAGE							· · · · · · · · · · · · · · · · · · ·	
				T(OTAL COST	10 0.0 0	000 %	104,80
O. OWNERSHIP	6167	0 4 7			PANY COST		6 6 6 7%	
	DA	TE APPRO	VAL	DATE	AUTHORI	ZATION		DATE
PPROVAL		1						
PPROVAL								
PPROVAL			JOINT INTER	REST APPROVAL				