

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

October 16, 1987

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Denise Lowe 3424 61st Street Lubbock, Texas 79413 CASE NO.

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

Dear Ms. Lowe:

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 3.3484% of a 1/48th mineral interest in the S/2 NW/4 of Section 14-16S-37E, and the same interest in the N/2 NW/4, N/2 SW/4 of Section 14, T16S-R37E and the NE/4, N/2 SE/4 of Section 15-16S-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 and the N/2 NW/4, N/2 SW/4 of Section 14, T16S-R37E and the NE/4, N/2 SE/4 of Section 15-16S-37E to Pennzoil for a bonus consideration of \$100.00 for a one (1) year lease providing for 1/4 royalty and a 180 day continuous drilling program.

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 appeciated. 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 items 1 and 2 when additional seand 4. Put your address in the "RETURN TO" Space on the reverence from being returned to you. The return receipt feedelivered to and the date of delivery. For additional fees the postmaster for fees and check box (es) for additional service 1. Show to whom delivered, date, and addressee's address the complete for the complete formation of the complete form	rse side. Failure to do this will prevent this will provide you the name of the person ne following services are available. Consult s) requested.
3. Article Addressed to: Dehise Lowe 3424 61St Street Lubbock, Texas 79413	4. Article Number P-757-967-749 Type of Service: Registered □ Insured □ Certified □ COD □ Express Mail
	Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature – Addressee X V	8. Addressee's Address (ONLY if requested and fee paid)
10.21.5 PS Form 3811, Mar. 1987 ★ U.S.G.P.O. 1987-178-268	DOMESTIC RETURN RECEIPT

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