

Union Oil and Gas Division: Central Region

Union Oil Company of California
500 North Marienfeld, Midland, Texas 79701
P.O. Box 671, Midland, Texas 79702
Telephone (915) 682-9731



Robert V. Lockhart
District Land Manager
Union Oil Company

June 6, 1979

RECEIVED

JUN 7 1979

U. S. GEOLOGICAL SURVEY
HOBBS, NEW MEXICO

Jimmie Hughes
500 N. Marienfeld
Midland, Texas 79701

Dear Jimmie:

Location Damage Settlement
Proposed Union Laguna Deep Unit
Well No. 2
SW/4 Section 26-19S-33E
Lea County, New Mexico
Laguna Prospect (7729)

This is to inform you I have been unsuccessful in negotiating a reasonable damage settlement covering the proposed 2nd unit well on our Laguna Deep Unit area. The surface owner on this tract, Mr. Mark Smith and wife, Annie Lora Smith, have at this time requested settlement terms which we believe to be excessive. If further negotiations fail we will seek a judicial determination of the actual damage incurred as a result of our road and location use. We have a \$150,000 nationwide bond presently filed with the BLM.

I will keep you apprised of our progress in the matter.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Robert V. Lockhart", with a long horizontal flourish extending to the right.

Robert V. Lockhart
District Land Manager

RVL/jr