



Troy L. Early
Right of Way Agent
Right of Way and Claims

Conoco Inc.
Suite 430E
10 Desta Drive East
Midland, Texas 79705
(915) 686-5579

December 3, 1996

Bureau of Land Management
620 East Greene
Carlsbad, New Mexico 88220

Attn: Mr. Barry Hunt

Re: Tentative Settlement Negotiations
for Well Location and Appurtenances
Barber Federal Well #1, Section 7,
T-20-S, R-37-E, Lea County, New Mexico

Dear Mr. Hunt:

Tentative negotiations are on going with the Private Surface Owner and/or Grazing Lessee to reach settlement for the referenced location and appurtenances.

In the event an agreement can not be reached between parties; then Conoco Inc., if necessary, shall rely on its nationwide security bond to compensate the surface owner for actual damages.

If you have any questions, please contact me at 915-686-5579.

Sincerely,

A handwritten signature in cursive script that reads "Troy L. Early".

Troy L. Early
Right of Way Agent
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