

GENERAL OFFICE
Box 2040
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AMERADA PETROLEUM CORPORATION
Box 668
HOBBS, NEW MEXICO 88240

January 5, 1966

New Mexico Oil
Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Gentlemen:

Re: Request for 120-Acre Blinbry
Gas Allowable to Amerada's
J. G. Hare Well No. 5
Located Section 33-21S-37E
Lea County, New Mexico.

On December 21, 1965, we mailed to you our cover letter with attached forms C-102 and C-104 for request for a Blinbry gas allowable of 120 acres for captioned well.

This supplemental letter is to explain that the ownership of leasehold and royalty interest in the 120 acres identified in said forms is owned in common except for the claims of several persons who claim the mineral fee in a one-acre non-drill site tract located on the north side of the 120 acres, or more particularly in the NE/4 of the SW/4 of Section 33. These several claimants are parties to two suits against Amerada, Downes et al vs. Amerada, Nos. 21084 and 21085, now pending in the District Court of Lea County. The parties are negotiating a settlement that will recognize the undivided interests of the plaintiffs in this one-acre tract, subject to a 7/8 leasehold interest in Amerada which thereafter will account to such owners for royalty shares of the oil and gas production from any oil or gas unit in which the one-acre tract is a part in the ratio the one-acre tract bears to the total acreage in the unit.

Our request for the 120-acre allowable is made, therefore, with the understanding that if such allowable is granted, Amerada will account to the owners of royalty in the one-acre tract as determined by judgment for production obtained from the date of judgment, in the manner herein stated.

Yours very truly,

D. C. Capps
D. C. Capps

DCC/HDB/jrr

cc: New Mexico O. C. C.
P. O. Box 1980
Hobbs, New Mexico (2)

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