

# United Gas Search, Inc.

P.O. Box 131  
Tulsa, OK 74101-0131

Terry M. Smith  
President

TELEPHONE 363-2060  
FAX 363-241-4752

**ILLEGIBLE**

February 12, 1991

Bettis, Boyle & Stovall  
P. O. Box 140  
Granam, TX 76041

ATTN: Mr. Paul H. Hester  
and Manager

RE: Leonard Padgett, #1  
SW/4 Sec. 14-26N-37E  
Lea County, New Mexico  
U.S. Lease #NM-7857

Dear Paul:

I am writing to confirm our telephone conversation of February 8, 1991, regarding the captioned lands and lease. It is my understanding that Bettis, Boyle & Stovall agree to the 160 acre unit proposed on the SW/4 of Section 14-26N-37E be dedicated to the Leonard Padgett #1 well. I am enclosing copies of the Sundry Notice and Report filed by United Gas Search on said well, along with our review on the recompletion of the Stiles Yates Seven (7) acre unit. I will also be enclosing you with a detailed log of the work incurred by United Gas Search on said operation. Upon completion of the same, you expect that Bettis, Boyle & Stovall will participate for its 25% interest in the unit, although a formal agreement will be made after review. I am also enclosing a copy of the proposed Joint Operating Agreement for your review.

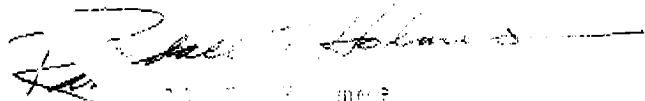
Kevin Andrews has been in contact with Terry Sexton at the Oil Company's office in Hobbs about this unit. I am sending him a copy of this letter to confirm that we will have a 160 acre unit here with your probable participation for our 25% interest so that the necessary parts can be filed.

LETTER CONT'L 07/22/80  
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Thank you very much for your time and cooperation in the past week. Please let me know if there are any costs to you for the past week. Please let me know if there is anything else.

Very truly yours,

UNITED STATES DEPARTMENT OF JUSTICE

  
Randa

RTH:gt  
Enclosures

cc: J. Edgar Hoover, Director  
Herbert Gold, Jr., M. O. C. D.  
C. R. Rix, Jr.  
Henderson, N. C. 882-1-1080

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