Dated at Livington Kentry this 36 day of July 1956

No 9639

Full bouns consideration for execution of oil, Sas, + Minusal leave dated july 11,1936 Conening all of leaves possible interest in and to Lat 1. orthe Northcost Questin, See 48

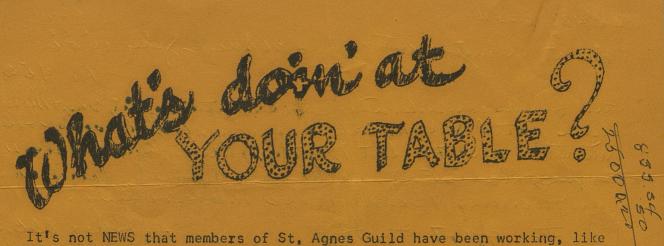
T-17-5, R-15-E terrehouse Portish, Leaves and a containing 130,35 acres more or leave.

Pay to Hart Firster or order 838.34

The following pany.

The Northwood Panth of Commerce of the Market Congression of the Northwood Panth of Commerce of Ments brileans

New Orders, Someona



It's not NEWS that members of St. Agnes Guild have been working, like beavers all summer, to assure the success of this year's Holiday Bazaar. Friends and members of the entire congregation have been lending their support, many contributing finished items to the various tables. The men, too, poor dears, have their innings, even helping with the homework while their womenfolk work for Bazaar. Then too, they always have last minute chores and errands come that fateful DAY.

It's not NEWS that the Baby Table will have beautiful baby clothes, nor that the Plant Table will have thriving plants; that the Candy Table will have the Candy

Please find yourself a comfortable of air, that we can here in a comfort of a comfortable a great alife drinks to calm your veries. Here great —: Last formany (50) we, Sarah Budens, Locy a, Inisiona & Randall - and I, of enuse, were approached by a individuals - me - an indipendent law per the other a representative of Paneral law per the other and to "our" land in the periods of the paneral law the shell -

D- It has been as certained that we are heirs to 130 acres of land on what was forwally Wagnetia plantation- Boy on Black

D- This land is in the heart of the Dil

3- an indefoundant fam yes, and Pau america, and now Shell O'I have afofowed us the to leave this land with rang altis-

(4) - We have held ad vised by Earl Wallace former Ex. View President of Standard Oil former Ex. View President of Standard Oil of Ohis + www gas + vil en sultant for Went Puls - that we are with the fore walking and in a prostum to want te fore walking and in a prostum to want leave to John lapar my profestly under leave to John will give us a very shell give us an ab vaulage - since Shell give us an ab vaulage - since Shell is diagone, a well ig to ft from our profestly line - which is it give us a profestly line - which is it give us a line or which is it give us a

clay Simpson for Formaina who has the largest parties at stake is as handed he case so far - anch as = Itaring family hersand maps made for each him and confering with all perspect interested in doing business with us. Personally, he seems the logical one to act for us all. (since he has more at atalie) clay will unt make a more without 6 -Earl Wallace ad vice-Woulace has auggested a langer u (7) -Lafayette La. The Oil Center where all hisiness is Transacted, to take cone of In interests there-It is important that we have a friisiana (8) fam per since us other state langer is familiar with the Evole Mapolurewhich tode profects our heirs, in ci denly- That is why we have this property now- inspirit of the fact that he forisiona Loud Crupary have paid Taxes for some years on I. we have this property because it was herer described in a died of transfer, end is still in Totias gibans namea shange turn of fati. Sait is absolutely we certary to have on house + about forms ina lawyer-Clay is writing one the hives Janu cerdating ym, addism) en clising the Lineage + makes requesting that we do not do

Intout work in union - freeder obviously are that that is the only way to do his mine to the heat interests of all- Should we sign independently, I fear it might he prejudicialclay toelsed with Jimmy Grban in Washington yesterday, and he will es ofoerate with us as well as wary Preston giben Mc Stan- Ideg are clay
Henry Filds address, + is malking it
his hisiness to find Spaulding giben. 10 - The only him we arent in contact with is Harlan Gebarn- Cousin Montgomery's son- ho in sums to 12 nm anything about him. Rendall says - he + hlary Duncan , (I hope) Here are my anggestions = That - 1 - We as him give Clay Simpson Power of outsmey to Oct for us, with Earl Wallace end-time they will und punction hune in thint Earl's Rumbedge -Here I might add- that we not mentine Earl Wallacis name in connection with this deal for he is dring it because of ons friedship for him. 2. Knowing that his could be very op bus tis w at, presporty in "tark"

along with the advice of an amhority as to when to act - is of the ut mot in portance- for we are all "Bakes in the Words' in regard to O'I production end as you ilum - It is a 'not have" full of intrigue, and high presence outterfige, in any Did Fild center-In regard to paying taxes, and making arrangements we cereany to show our rights". I feel we will have to want on advice from Wallace + his law per frind- Earl is now in Wallas returning this week end -I to have unde this some what I intelligent - Phase ask any quistins which come to reind and I'll make every effort to onsures charly -I ask you not to mention Earl Wallace vame since he is dring this on a basis of frindship - and it reight prove en hour assing should it he tomme parahus currely that he is advising-all of which I'know you will understand. The meather arems to be breaking in my fours - and at a later date will send a bot to you on family drings of a per-sonal rature- until her - you may be sure I will book arely ho! often yours arely ho! addism's intenst! Weroudly - Danstu.

### MEMORANDUM

I have today received some current information about drilling operations in Terrebonne Parish, Louisiana. The news is not too favorable, but I do not believe it necessarily means there is no oil. You will find a sketch enclosed showing the six nearest wells. Probably Shell will make a decision whether or not to drill on the Gibson Property before the July option rental date.

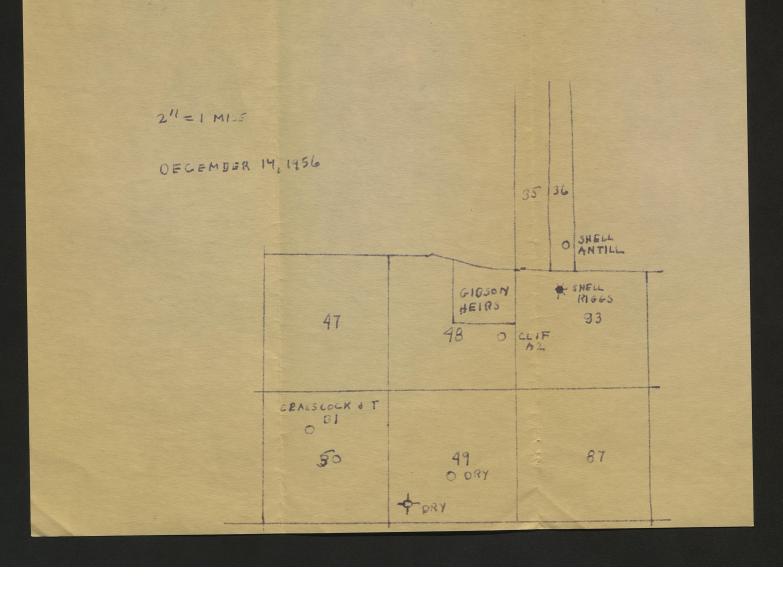
The Riggs well (A-1) in the NW/4 of Section 93 has been completed as a gas-condensate well and is presently shut in pending marketing facilities. This well was drilled to a total depth of 14,500 feet and was plugged back and perforated at the 12,525 - 12,540 interval. It is my understanding that this is considered a good well.

The Antill well in Section 36 which is due North of the Riggs well has now drilled to a depth of 14,250 feet with no deep shows. The same sand which is productive in the Riggs well was not productive in the Antill well; however, there were questionable gas shows at 10,700 feet in the Antill well and it may be that the well can be brought onto production at that depth.

The CL & F (A-2) well in the SE/4 of Section 48 (which incidently is about 300 feet South of the South line of the NE/4 of Section 48) has now been drilled to a depth of 13,000 feet with no shows. Shell geologists are considering deepening this hole to possibly 16,000 or 16,500 feet for a deep test.

The Glasscock-Tidelands (B-1) well in the NW/4 of Section 50 is currently preparing to test and there may be news on this one in the near future.

The other two wells in Section 49 are older dry holes.



# QUINTANA PETROLEUM CORPORATION 500 JEFFERSON BUILDING HOUSTON 2, TEXAS

October 13, 1965

Re: Proposed Oil, Gas and Mineral Lease .. NE/4 of Section 48, Township 17 South, Range 15 East, Terrebonne Parish, Louisiana

Colonel Hart G. Foster P. O. Box 1294
Tryon, North Carolina

Dear Colonel Foster:

Our Mr. J. E. Roussell has, in the past, attempted to lease your undivided  $1/40 \, \mathrm{th}$  interest in the above captioned land, comprising 3.2575 net acres.

I would appreciate your advising whether you may now be interested in leasing your interest on the basis of \$35.00 per net mineral acre bonus and rental, 1/6 royalty and five year term.

Your cooperation in this matter will be sincerely appreciated.

Yours very truly,

QUINTANA PETROLEUM CORPORATION

Cecil C. Chester

CCC:k

cc - Mr. H. Foster Pettit Attorney-at-Law 156 Market Street Lexington, Kentucky Dear Foster:

Hhere is the Check signed by Mr. Mussell for a lease of five years on a lease contract in which the rental will be paid for two. This lease made out to Corbin J. Robertson. No reference is made to the fact that the Quintana Petroleum Corporation might or might not drill, or has any connection with this lease.

After all what is the connection Mr. Rousell has

with the said company.

Mr. Robertson from my information is a director and Vice President of the Quintana. He married Wilhelmina Cullen who is one of the heirs of H.R.Cullen who founded and owned most of the Company.

Now as this lease is not made with the Company, I am assuming that it is merely a protection method in case oil is obtained from a drilling and there is no intention

on the part of the co pany of drilling at all.

Also if they strike oil, this lease can be sold to the company at a handsome profit. Not that I care how much he would make on the sale, I just do not want to be tied up for that period of time and I figure that should oil be developed the two hundred dollar gamble would not be at too great odds in view of the fact that another lease would have to be obtained from me which will have to be a lot greater than the two hundred at hand. However, as you said this lease will to a great extent help cure the title to the property mineral rights over the Louisiana Exploration Co.

when you get the time would appreciate your

comment as to me reaction.

Hope that the operation on Noble Gregory was successful and that he is getting along as well as can be expected. Give our love to all the family. Life does have its complications.

Affectionately,

13 November 1965.

Re: Proposed Oil, Gas and Mineral Lease. NE/4 of Section 48, Township 17 South, Range 15 East, Terrebonne Parish, Louisiana.

Quintana Petroleum Corporation, 500 Jefferson Building, Houston, Texas.

Attn: Mr. Cecil C. Chester

Dear Mr. Chester:

Have delayed answering your letter, awaiting word from heirs in Kentu cky.

There are some questions which I would like to have you answer prior to signing a lease.

1st. Should the term not be four years instead of five to make it coincident with those who have already signed in order to make them all terminate

at the same time? 2nd. The rental according to my figures would be \$ 123.90 per year in advance until the termination of the lease for my 1/40 interest?

3rd. Is this lease to be used as a protective measure rather than to be drilled upon inthe very near future?

Not having any access to the Louisiana oil or gas situation, am necessarily relying upon you to enlighten me.

Will be pleased to hear from you in re the above,

Yours very truly,

13 NOvember 1965.

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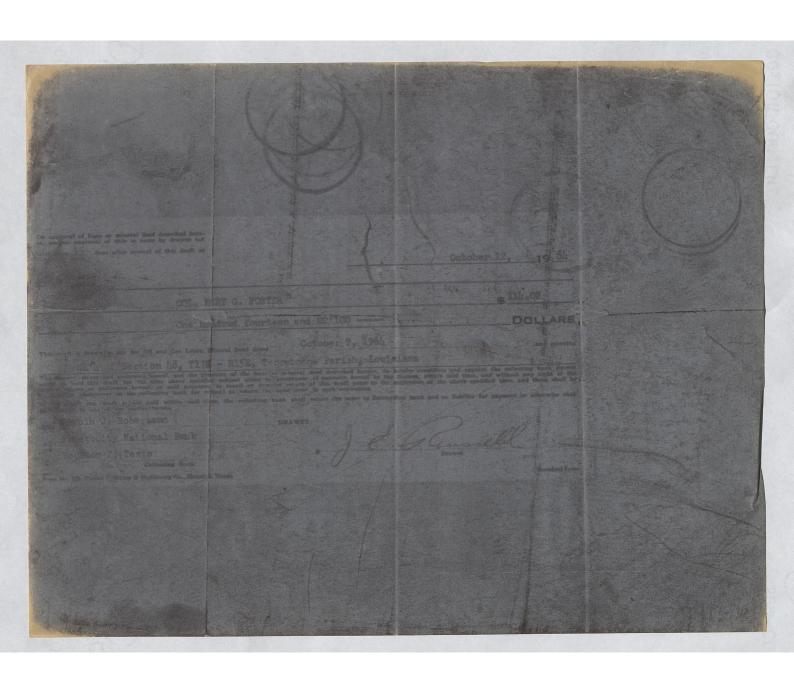
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Yours very truly,

LAW OFFICES OF McDonald, Alford & Roszell 156 MARKET STREET ANGUS MCDONALD W. VAN METER ALFORI LEXINGTON, KENTUCKY 40507 E. L. MCDONALD CALVERT T. ROSZELL PHONE 606-252-3139 October 15, 1965 Mr. Cecil C. Chester Quintana Petroleum Corporation 500 Jefferson Building Houston 2, Texas Re: Proposed Oil, Gas and Mineral Lease NE/4 Section 48, Township 17 South, Range 15 East, Terrebonne Parish, Louisiana Dear Mr. Chester: I thank you very much for your letter of October 13, 1965, in regard to the interest of my mother, Dunster Foster Pettit, in the above lease. I have had a brief opportunity to discuss this matter with her, and it appears that at this time the amount in question, \$35.00 per net mineral acre bonus and rental for a five year lease with a 1/6 royalty, does not appear to be large enough to create much interest for her, since she owns only a 1/40th interest. However, we hope that you will not construe this answer as a closing of the door, but merely an indication that under the present offer, my mother does not feel that she wants to execute a lease at this time. I thank you very much for your interest and your courtesy in writing to me. Yours very truly, H. Foster Pettit HFP:fm cc.: Colonel Hart G. Foster P. O. Box 1294 Tryon, North Carolina B. P. S. Dear Uncle Hart: I talked with Earl Wallace by telephone this morning, and he, as you know, is the good friend and oil and gas expert who has been counseling us from the beginning, and he recommended that we continue to hold out unless we just have to have the money, which totals only about \$114.00 a year. Mr. Wallace feels that this company dislikes very much having an unleased interest outstanding at the time they drill, and it appears that they are about to drill at this.

October 15, 1965 Colonel Hart G. Foster Page 2. time. They will either come back with a more substantial offer to buy our interest or go ahead and drill without buying our interest and take a chance on trading with us later, which will be more expensive for them if they should hit oil. It is strictly a gamble and one which Mother feels she wants to take. Much Love, HFP:fm



Dear Poster:

Thanks for your letter with explanation and reaction to the offer in the letter of the Quintana Petroleum Corp. I was just sending a letter to you as to your or I should say mothers reaction. So have now started all over again.

An enclosure of their letter to me was sent to you. From their letter I am assuming that this \$ 35.00 per acre and bonus is not per year but the total and final payment for five years. Correct me if I am wrong

A retired friend of mine who lives here is from that area in Louisiana and his wife has been renting her family property on the basis of ten and fifteen dolars per acre yearly for the last twenty-five years. However, he said that their property was not is quite as active location as ours.

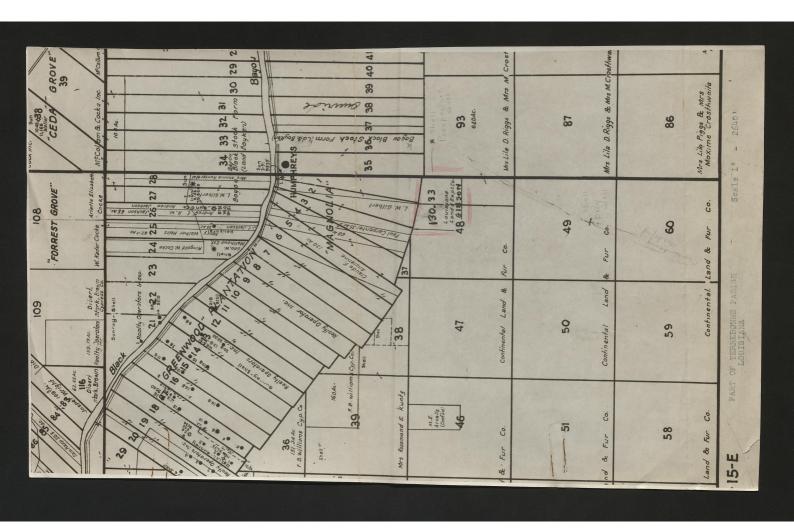
Personally I would like to know how many of the heirs have signed leases? If they have all signed except your mother and I and that the fact that we have not signed would interefer with drilling on the property, Then I would sign in order to interrupt any plans they have and cause

a stoppage. I wil write to this effect upon a letter from you on the above questions.

In my letter of last year gives reasons for not sigging a lease with Mr. Rousell and this is the first apparant offer from the Quintana itself. Six years ago the dealing was with Shell direct and not through and intermediary and the payments were considerably above the present ones.

I hope this letter is sufficiently clear for you to unravel the scramble.

Saturday, Col. Hugh Avent phone me from Washington that his wife had died a Walter Reed Hospital. She hasb been sick for some time. Your Nother will remember her heresome years ago. She was Lillie Blackburn of Louisville. Will be Buried at Arlington Cemetery.



H. FOSTER PETTIT
ATTORNEY AT LAW
156 MARKET STREET
LEXINGTON, KENTUCKY
TELEPHONE 252-3139
October 2, 1964

Mr. J. E. Roussell Quintana Petroleum Corporation 500 Jefferson Houston 2, Texas

Dear Mr. Roussell:

This is to confirm our recent telephone conversation in regard to the leasing of one hundred and thirty acres in Terrebonne Parish, Louisiana, from the Gibson heirs.

Your inquiry was directed to me specifically in regard to my mother, Dunster Foster Pettit, and my two uncles, Addison G. Foster and Hart G. Foster. I am happy to relate that all three will be happy to consider the execution of a lease of their interests in this property to your company based upon the general terms which you stated to me. I will be happy to circulate the lease among the three of them and return it to you.

The addresses which you would be interested in are as follows:

Mr. Addison G. Foster 1125 Palma Sola Boulevard Palma Sola Park Bradenton, Florida

Addison G. Foster's wife is Sara T. Foster of the same address.

Col. Hart G. Foster Box 1294 Tryon, North Carolina

Col. Foster's wife is Florence J. Foster of the same address.

Mrs. William Pettit Hanover Towers 111 South Hanover Avenue Lexington, Kentucky

Mrs. Pettit is a widow.

Mr. J. E. Roussell Page 2 October 2, 1964

If you will advise me as to the need or purpose in supplying to you a depository bank for each party, I will be happy to collect this information and pass it on to you.

I will be happy to assist you in any way in locating and inspiring the Gibson heirs to take an interest in this matter.

Yours very truly,

H. forter to the

H. Poster Pettit

HFP:mje cc: Mr. Addison G. Foster 1125 Palma Sola Boulevard Palma Sola Park Bradenton, Florida

> Col. Hart G. Foster Box 1294 Tryon, North Carolina

Mrs. William Pettit Hanover Towers 111 South Hanover Avenue Lexington, Kentucky

P.S. It was good to hear form voice recently. Come bank to see us! THE MILE BATH COMPANIES
SHIPPOTT - SHAPING-LIST COMMES
BATH THE GRAM

SHAPE SHAPE IS A STATE OFF.

FORM 42 CPM—NEW SOUTH
JISIAN A REVISED SIX (6)—POOLING
JISIAN A REVISED SIX (6)—POOLING

## OIL, GAS AND MINERAL LEASE

| Inis AC  | AGREEMENT, entered into effective as of October 2,   | 19 64                                      |
|--|--|--|
| by and between.  | COL. HART G. FOSTER, husband of Florence J. Foster, Box 1294, Tryon, Nort  | h  |
| Carolina   |  |  |
|  | many of the common property of the first of the property of the contract of th |  |
| Contract Digital Co.   | end the service of th | Table in                                   |
| The state of the   |  | CU 5 200                                   |
|  | Lessor" (whether one or more) and Corbin J Robertson, married but once and then to   |  |
|  | elmina Cullen, with whom he is now abiding,  |  |
| Lessor, in<br>hereby leases and<br>gas, sulphur and<br>ship, possession,<br>with the right of<br>and/or canals the<br>any property pla | no consideration of the sum of One hundred fourteen and 02/100 Dollars (8, 114.0) and lets unto Lessee, the exclusive right to enter upon and use the land hereinafter described for the exploration for, and production at lother minerals, together with the use of the surface of the land for all purposes incident to the exploration for and production, storage and transportation of said minerals (either from said land or acreage pooled therewith), and the right to dispose of sa fingress and greess to and from said lands at all times for such purposes, including the right to construct, maintain and use roads, hereon for operations hereunder or in connection with similar operations on adjoining land, and including the right to remove from laced by Lessee thereon and to draw and remove casing from wells drilled by Lessee on said land; the land to which this lease ap and the remove from the remo           | on of oi                                   |
|  | Township Seventeen (17) South, Range Fifteen (15) East   |  |
|  | Lot One (1) or the Northeast Quarter (NE社) of Section Forty-Eight (48)   |  |
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| All land ow<br>lluvion attaching<br>a rentals shall hav<br>nd interests in th<br>ssigns.   | wined by the Lessor in the above mentioned Section or Sections or Surveys, all property acquired by prescription and all accre<br>g to and forming a part of said land are included herein, whether properly or specifically described or not. Whether or not any re<br>ave previously been made, this lease, without further evidence thereof, shall immediately attach to and affect any and all rights<br>the above described land, including reversionary mineral rights, hereafter acquired by or inuring to Lessor and Lessor's success  | tion or<br>duction<br>, titles,<br>ors and |
| cres, whether it a   | urpose of calculating the rental payments hereinafter provided for, the above described land is estimated to comprise. 130, 30 actually comprises more or less.  |  |
| This lease s<br>primary term") a<br>creage pooled the  | shall be for a term of Five (5) years and No months from the date hereof and so long thereafter as oil, gas or some other mineral is being produced or drilling operations are conducted either on this lan hereinafter provided for; all subject to the following conditions and agreements:  | (called                                    |
| 1. This leaded date the Less earch of oil, gas or  | lease shall terminate on 1965, unless on or see either (1) commences operations for the drilling of a well on the land, or on acreage pooled therewith (or with any part there or other minerals and thereafter continues such operations and drilling to completion or the product with any part there or other minerals and thereafter continues such operations and drilling to completion or the product with any part there.  | before<br>eof), in                         |
| er acre for all or to<br>nd without drilling<br>perations for successions<br>one hundred<br>or acre for all or to                      | that part of the land which Lessee elects to continue to hold hereunder, which payment shall maintain Lessee's rights in effect as ling operations for one year from the date last above mentioned; and Lessee may continue to maintain the rights granted without tecessive twelve months' periods (during the primary term) by paying Lessor, on or before the beginning of such respective to the date of the land held hereunder. Payments may be made to the Lessor or may be mailed or delivered for deposit to Lessor's   | to such drilling periods                   |
|  | Bank of  | - wait                                     |

death or incapacity of Lessor shall not terminate or affect Lessee's right to continue to deposit all payments in said depository bank or its successor. The mailing of the check or draft of Lessee or Lessee's successors to Lessor at the address set forth above or to the said Bank on or before the rental paying date shall be considered as payment of rental and operate to maintain Lessee's rights in force and effect. Should said Bank fail or liquidate, or if it should for any reason fail or refuse to accept Lessee's check or draft, the attempted payment in the manner above provided shall not be thereby rendered ineffective and Lessee shall not be in default for failure to pay said rental until thirty (30) days after Lessor shall have furnished Lessee with a recordable instrument naming a new depository; and this provision shall apply to all such new and subsequently named depositories. Wherever used in this lease, "operations for drilling", "drilling operations" and "operations" shall be deemed to have been commenced when work is commenced or materials placed on the ground at or near the well site preparatory to the drilling of a well.

- tions for drilling, "drilling operations" and "operations" shall be deemed to have been commenced when work is commenced or materials placed on the ground at or near the well site preparatory to the drilling of a well.

  2. Lessee, at its option, is hereby given the right and power without any further approval from Lessor, at any time and from time to time, to pool or combine the land or mineral interest covered by this lease, or any portion thereof, with other land, lease or leases and mineral interests in the immediate vicinity thereof, when, in Lessee's judgment, it is necessary or advisable to do so in order to properly explore or develop or operate said premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises or to prevent waste or to avoid the drilling of unecessary wells or to comply with the spacing or unitization order of any Requistry Body of the State of Louisiana or the United States having jurisdiction. The term "Regulatory Body" shall include any governmental officer, tribunal or group (civil or military) issuing orders governing the drilling of wells or the production of minerals. Such pooling shall be of adjacent tracts which will form a reasonably compact (but not necessarily contiguous) body of land for each unit, and the unit or units so created shall not exceed substantially forty (40) acres each for each well for oil exploration or production and substantially one hundred sixty (160) acres each for each well for gas and gas-condensate exploration or production unless a larger spacing pattern or larger drilling or production units (including a field or pool unit) shall have been fixed and established by an order of a Regulatory Body of the State of Louisiana or of the United States, in which event the unit or units shall be tended by said order. Lessee shall execute and file for record in the Conveyance Records of the Parish in which the land herein leased is situated a declaration describing the pooling shall be effecti
- 3. Lessee, may, at any time prior to or after the discovery and production of minerals on the land, execute and deliver to Lessor or file for record a release or releases of any portion or portions of the lands or any stratum or strata and be relieved of all requirements hereof as to the land, stratum or strata so released; and, in the event of a release of all strata under a portion of the land during the primary term, the rental shall be reduced proportionately, according to acreage. In the event of the forfeiture of this lease for any cause, Lessee shall have the right to retain around each well then producing oil, gas or other minerals or being drilled or worked on the number of acres fixed and located by or in accordance with the spacing or unit or proration allowable order of any Regulatory Body of the State of Louisiana or of the United States under which said well is being drilled or produced, or if said well has been or is being drilled on a unit pooled by Lessee as provided herein, then Lessee may retain all of the acreage comprising said pooled unit and if no spacing or proration allowable order has been issued nor any pooled unit established, then Lessee shall have the right to retain forty (40) acres surrounding each oil well then producing or being drilled or worked on or shut in under Paragraph 6 hereof, each of such tracts to be in as near a square form as is practicable. Lessee shall have such rights of way or servitudes affecting the acreage released or forfeited as are necessary for Lessee's operations on the land retained hereunder.
- 4. Prior to the time that oil, gas or some other mineral is being produced from the leased land or land pooled therewith (or with any part thereof), Lessee may maintain the rights granted during and after the primary term by carrying on operations on said lands or land pooled therewith (or with any part thereof) without the lapse of more than ninety (90) days between abandonment of work on one well and the commencement of operations for drilling or reworking another; and during the primary term such operations may be discontinued and the rights granted maintained by commencing or resuming rental paying thin ninety (90) days from the discontinuance of operations (regardless of the fixed rental paying date) the proportion of the fixed yearly rental that the number of days between the end of said ninety (90) days and the next ensuing rental paying date or the expiration of the primary term bears to the twelve months' period; but, if said ninety (90) days should expire prior to the initial rental paying date or during any year for which rental or other payment has been made, no rental shall be due until the next fixed rental paying date, or, as the case may be, for the balance of the last year of the primary term.
- 5. If, prior to or after the discovery of oil or gas on the lands held hereunder, a well producing oil or gas in paying quantities for 30 consecutive days should be brought in on adjacent lands not owned by Lessor and not included in a pooled unit containing all or a portion of the lands herein described, Lessee shall drill such offset well to protect the land held hereunder from drainage as and within the time that a reasonable and prudent operator would drill under the same or similar circumstances; it being provided, however, that Lessee shall not be required to drill any such offset well unless the well on adjacent land is within 330 feet of any line of the lands held hereunder, nor shall such offset well be necessary when said lands are being reasonably protected by a well on the leased premises or land pooled therewith (or with any part thereof).
- 6. After the production of oil, gas or any other mineral in paying quantities, either on the leased premises or on lands pooled therewith (or with any part thereof), the rights granted shall be maintained in effect during and after the primary term and without the payment of the rentals hereinabove provided for so long as oil, gas, or some other mineral is being produced in paying quantities. It is provided, however, that if, after the production of oil, gas or other mineral is paying quantities, the production thereof should cease from any cause, and Lessee is not then engaged in drilling or reworking operations, this lease shall terminate unless Lessee resumes or restores such production, or commences additional drilling, reworking or mining operations within ninety (90) days thereafter and continues such operations without the lapse of more than ninety (90) days between abandonment of work on one well and commencement of reworking operations or operations for the drilling of another, in an effort to restore production of oil, gas or other minerals, or (if during the primary term) commences or resumes the payment of rentals in the manner hereinabove provided for in connection with the abandonment of wells drilled. Lessee shall not be required to produce more than one mineral, the production of any one mineral in paying quantities and with any part thereof), is capable of producing gas or gaseous substances in paying quantities but such minerals are not being produced, then Lessee's rights may be maintained, in the absence of production or drilling operations, by commencing or resuming rental payments as hereinabove provided for in connection with the abandonment of wells drilled. Should such conditions occur or exist at the end of or after the primary term, or within ninety (90) days prior to the expiration thereof. Lessee's rights may be extended beyond and after the primary term by the commencement, resumption or continuance of such payments at the rate and in the manner herein provided for rental payments mineral for more than five consecutive years.
- 7. Subject to the provisions of Paragraphs 2 and 10 hereof the royalties to be paid by Lessee are: (a) on oil (which includes condensate and other liquid hydrocarbons when separated by lease separator units), one Sixtu (1/5) of that produced and saved from the land and not used for fuel in conducting operations on the property (or on acreage pooled therewith or with any part thereof), or in treating such liquids to make them marketable; (b) on gas, one Sixtu (1/5) of the market value at the well of the gas used by Lessee in operations not connected with the land leased or any pooled unit containing all or a part of said land; the royalty on gas sold by Lessee to be one Sixtu (1/5) of the amount realized at the well from such sales; (c) one sixtu (1/5) of the market value at the mouth of the well of gas used by Lessee in manufacturing gasoline or other by-products, except that in computing such value, there shall be excluded all gas or components thereof used in lease or unit operations, or injected into subsurface strata as hereinafter provided; (d) One Dollar (31.00) for each ton of 2240 pounds of sulphur, payable when marketed; and (e) one Sixtu (1/5) of the market value at the well or minerals produced and saved or mined and marketed. Oil royalties shall be delivered to Lessor free of expense at Lessor's option in tanks furnished by Lesser at the well or to Lessor's credit in any pipe line connected therewith. In the event Lessor does not furnish tanks for such royalty oil and no pipe line is connected with the well, Lessee may sell Lessor's such oil at the best market price obtainable and pay Lessor the price received foo. the leased property, less any severance or production tax imposed thereon. Lessee shall have the right to inject gas, water, brine or other fluids into subsurface strata, and no royalties shall be due or computed on any gas or component thereof produced by Lessee and injected into subsurface stratum or strata through a well or wells located either on the land or on a pooled unit containin
  - 8. The Lessee shall be responsible for all damages to timber and growing crops of Lessor caused by Lessee's operations.
- 9. All provisions hereof shall inure to the benefit of and bind the successors and assigns (in whole or in part) of Lessor and Lessee, (whether by sale, inheritance, assignment, sub-lease or otherwise), but regardless of any actual or constructive notice thereof, no change in the ownership of the land or any interest therein or change in the capacity or status of Lessor or any other owner of rights hereunder, whether resulting from sale or other transfer, inheritance, interdiction, emancipation, attainment of majority or otherwise, shall impose any additional burden on Lessee, or be binding on Lessee for making any payments hereunder unless, at least forty-five (45) days before any such payment is due, the record owner of this lease shall have been furnished with certified copy of recorded instrument or judgment evidencing such sale, transfer or inheritance, or with evidence of such change in status or capacity of Lessor or other party owning rights hereunder. The furnishing of such evidence shall not affect the validity of payments theretofore made in

advance. A sublessee may, as to the Lessor, exercise the rights and discharge the obligations of the Lessee, without joinder of any sublessor. In the event of an assignment of the lease as to a segregated portion of the land, delay rentals shall be apportioned among the several leasehold owners according to the surface area of each, and default in payment by one shall not affect the rights of others. Any owner of rights under this lease may pay the entire rental payable hereunder and such payment shall be for the benefit of those holding leasehold rights hereunder. If at any time two or more persons are entitled to participate in the rental payable hereunder, Lessee may pay or tender said rental jointly to such persons or to their joint credit in the depository named herein; or, at Lessee's election, the proportionate part of said rental to which each participant is entitled may be paid or tendered to him separately or to his separate credit in said depository and payment or tender to any participant of his portion of the rentals hereunder shall maintain this lease as to construct the construction of the rentals hereunder shall maintain this lease as

- 10. Lessor hereby wereants and agrees to defend the title to said land and agrees that Lessee may, at its option, discharge any tax, mortgage or other lien upon the land and be subrogated thereto and have the right to apply to the repayment of Lessee any rentals and/or royalties accruing hereunder. If Lessor owns less than the entire undivided interest in all or any portion of the lands or mineral rights relating thereto (whether such interest is herein specified or not) rentals and royalties as to the land in which an interest is on there shall be reduced proportionately to the interest of the Lessor therein, but the failure of Lessee to reduce rentals shall not affect Lessee's rights to reduce royalties; and all outstanding royalty rights shall be deducted from the royalties herein provided for. Lessee shall have the right to purchase a lease or leases from others to protect its leasehold rights and shall not thereby be held to have disputed Lessor's title; and in the event Lessor's title or an interest therein is claimed by others, Lessee shall have the right to withhold payment of royalties or to deposit such royalties in the registry of the Court until final determination of Lessor's rights.
- 11. In the event the Lessor at any time considers that operations are not being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee shall have sixty (60) days after receipt of such notice in which to commence any operations that are then legally necessary to comply with the requirements hereof. The service of said notice and the lapse of sixty (60) days without Lessee meeting or commencing to meet the alleged breaches shall be a condition precedent to any action by Lessor for any cause hereunder. It is provided, however, that after production of oil, gas, sulphur, or other mineral has been obtained from the land covered hereby or land pooled therewith (or with any part thereof), this lease shall not be subject to forfeiture or loss, either in whole or in part, for failure to comply with the express or implied obligations of this contract except after final judicial ascertainment to prevent such loss or forfeiture by complying with and discharging the obligations as to which Lessee has been judicially determined to be in default.
- 12. If the land herein described is owned in divided or undivided portions by more than one party, this instrument may be signed in any number of counterparts, each of which shall be binding on the party or parties so signing regardless of whether all of the owners join in the granting of this lease; and the failure of any party named herein as Lessor to sign this lease shall not affect its validity as to those whose signatures appear hereon or on a counterpart hereof.
- 13. The requirements hereof shall be subject to any State and/or Federal law or order regulating operations on the land. It is further agreed that should Lessee be prevented from complying with any expressed or implied covenants of this lease, from conducting drilling or reworking operations thereon, or from producing oil, gas or other mineral therefrom by reason of scarcity or inability, after effort made in good faith, to obtain equipment or material or authority to use same, or by failure of carriers to transport or furnish facilities for transportation, or by operation of force majeure, any Federal or State law, or any order, rule or regulation of governmental authority, or other cause beyond Lessee's control, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil, gas or other mineral from the leased premises and the time while Lessee is so prevented shall not be counted against Lessee.

The consideration paid by Lessee to Lessor is accepted as full and adequate consideration for all rights, options and privileges herein granted.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written. WITNESSES: COL. HART G. FOSTER

| PARISH (OR COUNTY) OF  | 19 hefore me personalli  |           |
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| to me known to be the person described in and who executed the foregoing in  |  | Z appear  |
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| STATE OF LOUISIANA   |  |           |
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| who, being by me duly sworn, stated under oath thatwas o   | appearedone of the subscribing witnesses to the foregoing instrument and tha   | t the sar |
| was signed by  |  |           |
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| Lessor, as above mentioned) inpresence ar  | nd in the presence of the other subscribing witness(es).   |           |
| SWORN TO AND SUBSCRIBED before me  |  | , 19      |
|  |  |           |
|  | Notary Public in and for Parish,   | Louisian  |
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| who, being by me duly sworn, stated under oath thatwas o   |  |           |
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| of the   | Today of that said instrument was signed in behalf of said corporate acknowledged said inst  Notary I  | rument 1  |
| The the Lorentz and deed of Said Corporation.    Mineral Lease   Mineral Lease   Continuous   Co | Today of that said instrument was signed in behalf of said corporate acknowledged said inst  Notary I  | rument t  |
| The the  | ment was filed for record on the   | rument t  |
| The first Board of Directors and said on the free act and deed of said corporation.  The first Board of Directors and said on the free act and deed of said corporation.   | and that said instrument was signed in behalf of said corporate acknowledged said inst  Notary  Notary  Deputy  The former of the records of this office.  | Public.   |

Dear Clay:

Thanks very much for the enclosed checque in your letter of 8 August.

The letter of the Shell Oil Co. to the heirs contains several names which I wish you could clear up for me. Robert Converse- is he one of Preston's sons through the Spaulding side? and is Randall Gibson the son of Harlan Gibson as distinguished from Randall Lee Gibson the son of Richardson and Mary Gibson? And lastly who is Zean C. Deacon? This may be just idle curosity, but if you have time let me know.

You stated the Glasscock Well was adry hole. It would appear to make that the fishing job became an impossible one and they had to abandon it.

Is the oil in that district of the asphaltum base type or the Sommerset type? As you know the Wastern Ky oil comes from the Berea and Pencil Cave sands and produces the high grade Pensylvania oil whereas the Western Ky comes from another sand and has the asphaltum base thus being a lot less in value.

In the early part of September we expect the children and grand children down from Alexandria for a week and some time after that I want to take a run to Lexington a least for a few days. Particularly in view of the situation in regard to Dunster which has just been received. I hope to be able to see you and Louisians.

Sincerely

Hart G. Foster.

Box 1294. Tryon, N.C. 16 July 1956.

Dearest Dunster:

The lease and Agreement have just been received from Clay. These will be notarized today and forwarded to you as Clay suggests.

In view of the lack of a final decision in re title, the LLAE get an over ride. This of course, is between them and Shell.

Have you any idea of the amount ( approximate) of back

toxes which would have to be paid should the title be cleared? Of course, it is necessary to employ a lawyer to handle our interests in Louisiana and to check the title. The question enters my mind is whether he will be obtained on a contingent fee basis or on

a lump sum basis?

The question of title can not be determined unless a suit has been filed and the court has made its decision. Then as is usual the litigants appeal ad infinatum until all the money is used up, or one or the other see fit to make a settlement to clear. Therefore, with this lease in effect, and me suits to be made during its tenure. Then no oil or gas or minerals extracted, of what profit would it be to us to seek to have title and for a consideration, we could well afford to clear it for them. I am just thinking out aculd but being away from any meetings it is assumed that these same ideas have already been promulgated.

My assumption is that these wells will have to come in at around five hundred barrells, then tail off as time goes on. The cost of drilling at fifteen thousand feet more or less will not admit of any smell return in barells as the quick depreciation allowed on the property be the government, would further add to the necessity of get it and get out" method.

If you have any information on the type of oil and its

sale per bbl, would appreciate letting me know.

You will note inthe instruments that I have added the G in the middle of my name as it is and has been my official signature for many years. It is a small thing, but that is one of the things that lawyers dote on.

Will try to get a line off to you later with the personal

life in Caro ina etc.

Love to all

sall of oil rights form a solpalte hasel. Purchase of lease. 1/8 to 1/4 interest to owners. Brequeix ment to dull beettie a specifie d'éine. Better low purchase + larger neterest than High purchase and Dudler pierchase. lots af companies prevelouse and hald. and thee from Anething partieularly if the subsurface streeture puts their property means the synceeline pout of the streeture, Thes waveld permit the the aftention of air rother thour languagest Fackers aut in the keneral posetion

JA Humphries horda som. I A Humphries fr. mo issue. Addeliser Foster Las Genelmer Hært Foster hars Getson B. Gibson munt love Leen our infourt son. Cenut Seval, Unale take or Grand father mener mentioned such a person. stud Lu æ, mote book thes sentence Leads a page the Center of which is Painted the Parage word Magnotia 2561 acres. the. "Took peasession of Mægmolia in partnerslep with Roundall (Le) Jan 1st. 1861. The hand writing is

June 25, 1956

## MEMORANDUM

I have received a letter from Louisiana dated June 12th, stating that the Glasscock well's drill pipe was stuck at 11,770 feet. I understand this entails a fishing job which as a rule doesn't last too long.

The Shell well is progressing slowly, as of this same date, at 11,729 feet in shale. It is reported they are increasing the weight of the mud so as to be more protected against heavy pressure that might be encountered ahead.

June 27, 1956

## MEMORANDUM

I have received a report from Louisiana dated June 21st.

The Shell Oil Company well is drilling in shale at 12,430 feet. An electric log has been run to 12,311 feet.

The Glasscock well is still fishing at 10,268 feet. I understand some salt water was encountered at 11,776 feet.

Simpson Realty Company 149 MARKET STREET LEXINGTON, KY. ORGANIZED 1932 PHONE 2-6580 July 16, 1956 Col. Hart Foster P. O. Box 1294 Tryon, North Carolina Dear Hart: I am very glad to have had a chance to talk with you and to have your letter of the 10th. I do not think a power of attorney will be necessary and you have no doubt by this time received the papers for signature. The Glasscock well is a little over a mile south of the Gibson property and is drilling very close to a dry well put in by Shell at 11,000 feet, as yet I have not received information that they have completed their drilling. After we have received a title opinion on the 130 acres, I believe your suggestion is a good one to look into the possibility of some of the other property being subject to a claim. However, I feel this possibility is not too great as all of this property has been abstracted by the oil companies who have it under lease. Very sincerely yours, CS:g

July 17, 1956

# MEMORANDUM

I have a report from Louisiana stating the Shell well is drilling at 13,479 feet. There is no information available as to what oil sand has been encountered.

The Glasscock well is drilling at 12,601 feet in shale. No show of oil.

July 23, 1956

### MEMORANDUM

I have received a report today from the oil scout who has been advising me from Louisiana, that the Shell well is drilling at 14,141 feet. He can get no report of what has been encountered.

The Glasscock well is drilling at 13,050 feet with no show of oil.

I understand that in this territory there is a "Wilcox sand" at about 15,000 feet which is sometimes quite productive.

July 26, 1956

## MEMORANDUM

Enclosed is a copy of a letter from Shell which our attorney, Mr. Hussey, believed should be considered part of our lease agreement.

Mr. Selph, the Shell Oil Company representative, will be in Lexington, Friday, July 27th, and I hope to conclude the lease agreement for all of the heirs who have sent signed leases to this office.

SHELL OIL COMPANY

P.O. Box 193 New Orleans 3, Louisiana

July 25, 1956

Re: Terrebonne Parish, Louisiana Humphreys Area Fractional NE/4 of Section 48 Township 17 South, Range 15 East

The Heirs of Tobias Gibson, Sr. c/o Mr. Clay Simpson Simpson Realty Company Lexington, Kentucky

Dear Mesdames and Messieurs:

This is in reference to our efforts to obtain oil, gas and mineral leases from the individual heirs of Tobias Gibson, Sr., namely, Louisiana W. Simpson, Sarah C. Buckner, Dunster F. Pettit, Sarah Carter Stanfill, Randall Lee Gibson, Hart G. Foster, Mary G. McLean, J. M. Gibson, Mary C. Hartmann, Joe Carter, Addison G. Foster, Henry Field, Robert Converse, Randall Gibson, Jean G. Deacon, as lessors, in favor of Shell Oil Company, as lessee, covering and affecting Lot One or the Northeast Quarter (NE/4) of Section 48, Township 17 South, Range 15 East, in Terrebonne Parish, Louisiana.

This letter will evidence the fact that Shell Oil Company takes cognizance of that certain agreement dated July 11, 1956, by and between the heirs of Tobias Gibson, Sr., on the one hand, and The Louisiana Land and Exploration Company, on the other hand, concerning their conflicting title claims to the above described land. Further, this will confirm our understanding that Shell Oil Company will not withhold or reduce the amount of any rentals, royalties or other monies which otherwise may be payable under the provisions of any leases executed by any of said heirs of Tobias Gibson, Sr., in favor of Shell Oil Company covering said land, solely as a result of or on account of the adverse title claim held or asserted by The Louisiana Land and Exploration Company. It is distinctly understood, however, that this understanding with Shell Oil Company is limited to the adverse title claim held by The Louisiana Land and Exploration Company as against those heirs of Tobias Gibson, Sr., who execute such leases in favor of Shell Oil Company and who enter into the above mentioned agreement with The Louisiana Land and Exploration Company.

Very truly yours, SHELL OIL COMPANY

By\_ W. M. Johnson

## MEMORANDUM

Bad news first. The Glasscock well has been abandoned as a dry hole.

The Shell well has drilled through 40 feet of producing "sand", from 12,625 feet to 12,665 feet. My source of information was not able to learn whether the sand was gas, oil, or distillate. If it should be oil, a common estimate in this area is 800 barrels of oil per foot of sand per acre. This would run into a very substantial amount of money on 130 acres.

The Shell Oil Company has accepted the signed leases and are holding them in escrow until L.L.& E. signs the contract agreeing not to contest the Gibson title. L.L.& E. has an appointment to sign on August 1st and the contract should be recorded at Houma by the last of the week if the schedule is carried out. Checks for the first year's rental will be mailed at once when the L.L.& E. contract is recorded.

Simpson Realty Company LEXINGTON, KY. ORGANIZED 1932 -August 3, 1956 PHONE 2-6580 Col. Hart G. Foster Box 1294 Tryon, North Carolina Dear Hart: I am pleased to enclose Shell Oil Company check #9539, in the amount of \$833.34, to cover your 1/30 share of one year's rent beginning July 11th, on the property claimed by the heirs of Tobias Gibson, Sr., located in Terrebonne Parish, Louisiana. I am advised the lease and the contract with L.L.& E. have been recorded in the courthouse at Houma, Louisiana. Within a short time you will receive certified copies of both of these documents for your files. Nearly all of the heirs have signed under the same terms and conditions. It will further our chances of getting Shell to drill a well if all of the heirs sign. This property may very well contain a substantial amount of production and I am hopeful that we all may receive royalties much in excess of the rental. Very sincerely, Clay Simpson CS:g enc.chk.

Grævedfæthro Grksoud. The mext pæge to this læs Leen entant. Treen wood plantation Line Oak. Mirador Cou Sovert

July 5, 1958

## MEMORANDUM

I have received a letter from Louisiana dated June 28th. The Shell Oil Company well was at 13,021 feet. The company has clamped a lid of secrecy on their operations and any information received is either a leak or probably incorrect. I strongly suspect that the Shell Oil Company has discovered a good producing well on this location, about .4 of a mile east of the property claimed by the Gibson heirs.

Mr. William Selph, the Shell Oil Company representative from the land department, has been in Lexington, leaving July 4th. They appear very anxious to make a contract with us and have made the following offer.

- 1. A lease for a period of 2 years.
- 2. Money rental to be \$25,000. the first year, \$12,500. the second year. (based on 100% interest)
- 3. Royalty of 1/6 in addition to the money rental.
- 4. The Shell Oil Company would agree to neutralize the adverse claim of the Louisiana Land & Exploration Company during the period of their lease.
- 5. Lease to be made on the Shell Oil Company's standard lease form.

This offer is considerably higher than anything we have yet received and I believe it merits thoughtful consideration.

Regarding the protection of title, I understand that this protection in no way guarantees the Gibson heirs a fee simple title, it only holds the question in deference during the life of the Shell lease, thereafter, we would be right back where we started as regards the claim of the Louisiana Land & Exploration Company. In any event, since the property appears to have considerable value, I strongly recommend that we employ a competent attorney to make an abstract of title and guide us in taking what steps may be necessary to protect our interest. You are no doubt familiar with the standard lease forms of the oil companies regarding termination of the lease agreement. The oil company has the option of canceling the lease at the end of any year and the lease would be continued indefinitely when drilling operations are in progress or any oil or gas is being produced.

I would like to have an expression of opinion from you, by telegram if possible, as to your opinion of the present Shell Oil Company offer as outlined above.

Post Office Box 1294 Tryon, North Carolina.

10 July 1956.

Dear Clay:

Thanks for your memorands with r ference to the wells near the Gibson property, Terrebonne Parish, Louisians.

Charles A, Foster, a representive of the Shell Oil Compnay, and has been with them for many years is Dunster's first Cousin. I believe that he is at present in Albany New York.

The Royalty of 1/6 is better than most leases as they are for

In view of the fact that the old Magnelia Plantation consisted of 2650 acres more of less, there might be discrepancies or errors in the deeds of the whole property which have not been brought out. This property was managed by Mart Gibson and Randal Gibson jointly from 1 January 1861. Therefore, in getting an attorney, it would seem advisable that in abstracting the deeds of the property that consideration be made on the whole boundry. Also that a guarantye title be made.

I am in accord with the proposition as stated in your last memo. Thatever, Dunster agrees to, I will agree to. If a power of atty will be necessary to sid in this matter, that too I will make out. However, I have found that the power of attorney in many cases does not suffice beyond the signing period. It would have to be recorded and be very exact in terms. Hence, it this is desired please find out the particulars that will make it good and sufficient.

it good and sufficient.

What is the relation of the Glasscock well to the property.

Fishing in an oil well is comparable to real fishing. It may take a longt time to catch snything, especially at 11 thousand feet.

Trust hat this is a satisfactory reply and expresses matters more clearly than by phone.

Sincerely,

Hart G. Foster.

Box 1294 Tryon, N.C. 10 July 1956.

Dearest Dunster:

The enclosed is a reply to a memorandum from Boone so that he could take action.

In reference to the third paragraph, I will quote the sentence in a paper backed Studbook of Grandfather's as follows:

"Took possession of Magnolia in partnership with Randall Jan.1st,1861."

"MAGNOLIA 2650 acres "

As suggested in having the title abstracted, it might indicated that Tobias Gibson deeded to property to them or that he had them manage it. Consider that at that time war was about to start and things were in a state of confusion.

For your information in 1866 around the first of the year Uncle Lee and Grandfather went to New Orleans on the Boat Carter. They were shipping mules. The ship blew up. Grandfather was given up for dead and was laid outin the rows of those who were dead. However, Uncle Lee found him and they got him back to life. The loss was all the mules and six thousand dollars in cash. Grandfather was severely burned and was an anxiety for some time. At that time the Greenwood Plantation, Oak Forest, Live Oak and Ridgeland on the Hack. This may seem unrelated to our present situation about Magnolia, but I give it for what it is worth and to present briefly the conditions at that time. At They lost most of their slaves and had to scratch like hell to keep property and meet notes and keep alive. Grandmother told me about it when she was alive. Besides there are letters to that effect.

Now let us go to the family tree situation. I have never heard of there ever being a Robert B. Gibson. Never in the talking of Aunt Sarah, Uncle Tobe or Grandfather. It would seem in the years that I saw them they might have brought this out. (as to the Duncan family I Have known of Emily and amelia who died whom young girls.)

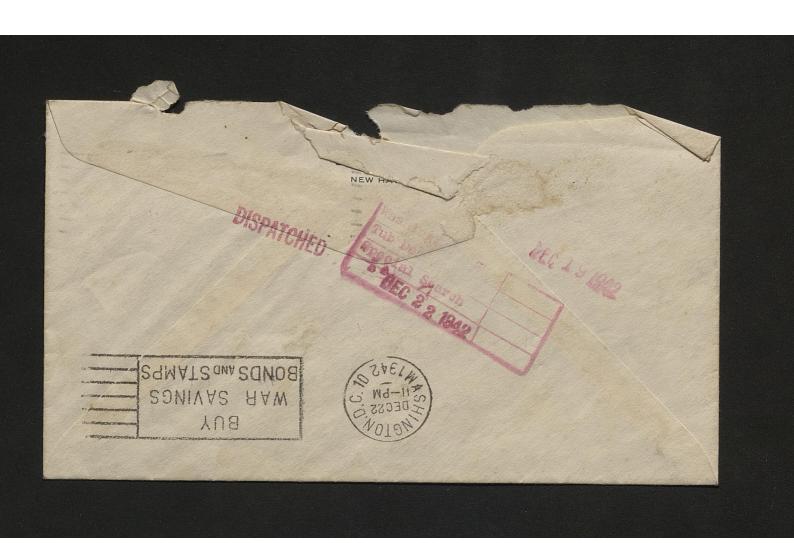
Joseph A. Humphries had a son Joseph A. Humphries Jr. who died some fifteen years or so ago. I knew him and we played as kids tog ether. Both Addison and I have G in our names. You too have a D unless you have dropped that. We had an Uncle who was known a\*\*\*\*\* Hartie and died before Uncle hart was born. He was named for Grandfather Nathaniel Hart Gibson, but I do not know of Daniel. There was a maniel Duncan.

Also Would Fritz function as an heir to Big Aunty. There was no issue, but that of course is a legal question and I have no Knowledge.

The proposition of lease seems good. I put all my decision in you as you are there and an immediate decision can be made. In order to properly give a power of atty it is necessary to incorporate a discription of the property and just what is to be done in legal terms and even then the attorneys for the buyer nay not choose to use it.even though it is of record. However, it can bind the parties until the final instrument is complete.

I hope that I have not been verbose and if I have please excuse it. Having had a secretary for fifteen years this is a bit out of my ken. Love to you all





Dear Foster:

Upon our return from the Hospital at Ft. Bragg, I found your letter. There was not time to answer prior to this letter.

As to my attitude to the lease, I am of this opinion that the essence of the contract would be to drill and not for the rental. The contract with Shell Oil was for \$ 25,000.00 the first year and \$ 12,000.00 the second. To my mind this reverses the procedure as the longer the drilling is put off the greater the lease rental should be. In other words there should be a penalty for not drilling.

It is true that the cost of drilling will be considerable as they will have to go down between 17,000 to 18,000

feet to strike pay or none at all.

From the letter you wrote Mr. Russell, I gather that he got in communication with you only in reference to the three of us. What of the others, for there are fourteen more? Each of us three have 1/30 th of the total.

Am enclosing copies of several communications in re the last negotiations which will shed more light on my thinking. Undoubtedly the oil corporation has or is in the process of acquiring sufficient acreage to protect them in case of a strike. It would seem to me that the centralization action is much better for all of us than to have individual operations. Therefore the power of Attorney for the specific negotiation and conditions which are to be met should satisfy Yes, we are back and the check up proved that

there is a green light. A bit trying, but successful.

Our love to the whole family,

As ever,

