Water Resources Division P.O. Ben 4217 Albuquerque, New Memico 87106 July 15, 1966

MAIN OFFICE OCC

Mr. Salser Base Brothers Enterprises, Inc. 500 First State Bank Building Midland, Texas

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Subject Well: No. 1 North Custer Hountain Unit, 660 FEL and 1980 FEL Sec. 28, Township 23 South, Range 35 Rest, Lee County, New Mexico

Gentlemen:

The New Mexico District. Water Resources Division of the United States Geological Survey, agrees to accept all responsibility incidental to the subject well including the future plugging of the subject well in accordance with the New Mexico Oil Conservation Commission's Regulations, without additional cost to Base Brothers Enterprises, Inc., provided that:

Bees Brothers Enterprises, Inc., agrees, as evidenced by the signature of an authorized representative, to give and transfer all of their rights, title and interest in the subject well, including any rights of ingress and agrees to the subject well which may be owned by Bees Brothers Enterprises, Inc., together with the casing in the subject well, to the New Maxico District, Water Resources Division of the United States Goological Survey, for use as a water-level observation well. Base Brothers Enterprises, Inc., further agrees to plug the subject well bear to 12,840 feet in accordance with the Hew Maxico Oil Conservation Commission's Regulations, thus leaving approximately 500 feet of uncased bole.

Yours truly,

William E. Hale
District Chief
U.S. Geological Survey
Water Resources Division
Albuquerque, Hew Maxico

Approved by:

As authorized agent for Rass Bros. Enterprises, Inc.

oc: Walt Powers Dan Mutter Joe Remey Guyton B. Hays Richard T. Ebur