

**Arrant, Bryan, EMNRD**

**From:** Robert Holder [rholder@dahughes.net]  
**Sent:** Thursday, January 03, 2008 12:36 PM  
**To:** Arrant, Bryan, EMNRD  
**Subject:** Dan A. Hughes Co.,L.P. Hueco South Unit 26 State #1 Confidentiality Agreement  
**Attachments:** Dan A Hughes\_ Confidential Information Agreement.DOC

Bryan,

After conferring with Kristina Martinez, our attorney in Santa Fe and after examining your draft of the "Confidentiality Agreement" as stated in the original communication via email regarding the stipulations for the APD, attached please find a copy of said confidentiality agreement which refers to the well information. It is understood that certain items (tests) can remain confidential only for a certain period of time (90 days after completion of the well as I understand it) by requesting so in writing. Please consider this as a written request for such information to remain confidential for such time as is possible under OCD Rule 19.15.13.1105 par.C, or any other which may pertain. Should you have any questions about this or any other matters pertaining to the Well, do not hesitate to call me.

Robert Holder  
Dan A. Hughes Company, L.P.  
361 358-3752 ext.183  
361 362-2839 fax  
361 362-8424 mobil

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# **CONFIDENTIAL INFORMATION AGREEMENT**

## **PARTIES:**

Dan A. Hughes Company, L.P. having an office located at 208 E. Houston Street in Beeville, Texas (hereinafter "CORPORATION") and New Mexico Oil Conservation Division/Artesia (NMOCD/A) having an office located at 1301 W. Grand in Artesia, New Mexico (hereinafter "RECEIVER").

## **BACKGROUND:**

CORPORATION is in possession of:

HUECO SOUTH UNIT 26 STATE WELL NO. 1  
Sec 26 T32S R17W  
660FSL and 660FWL  
Hidalgo County, New Mexico

That is regarded as intellectual property the CORPORATION considers to be proprietary.

CORPORATION intends to maintain the confidential status of its INFORMATION.

RECEIVER desires the opportunity to review the nature of such INFORMATION and agrees to maintain the proprietary status thereof.

## **THE PARTIES AGREE AS FOLLOWS:**

RECEIVER agrees to receive in confidence the INFORMATION disclosed to it by the CORPORATION. Dissemination of CORPORATION'S INFORMATION by RECEIVER shall be limited to those employees whose duties justify their need to know such INFORMATION and then only on the basis of clear understanding by those employees of their obligation to maintain the proprietary status of such INFORMATION and to restrict the use of such INFORMATION solely to the limited use agreed upon between CORPORATION and RECEIVER.

INFORMATION that is supplied to the RECEIVER will be done so in standard formats including mudlog, electric, sonic, or velocity "wireline" logs. This agreement shall cover any other test data which may be furnished, including but not limited to, standard dipmeter, conventional, sidewall and/or rotary coring, and such data shall be identified as being confidential. Such testing information and/or data which is delivered shall be held as confidential for such period of time as is allowable under State of New Mexico prescribed practices, and only that data which is required to become "public information" shall be made so. Any information that is disclosed in oral form shall be presumed to constitute confidential INFORMATION unless otherwise exempted by the terms of this agreement.

This agreement shall be effective as of the date of signature by an authorized representative of RECEIVER.

CORPORATION  
(DAN A. HUGHES COMPANY, L.P.)

By: Dan A. Hughes Management, L.L.C.  
its general partner

Date: \_\_\_\_\_

By: J. Henry Kremers, Vice President of Land

RECEIVER  
(New Mexico Oil Conservation Division/Artesia)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Bryan Arrant, District II Geologist