

RECEIVED

BILL OF SALE

DEC 24 1974

O. C. C.
ARTESIA, OFFICE

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, Humble Oil & Refining Company, a corporation with offices at Midland, Texas, and Pan American Petroleum Company, a corporation with offices at Lubbock, Texas, hereinafter referred to as Grantors, for and in consideration of the sum of Two Thousand Five Hundred and No/100 Dollars (\$2,500.00), in hand paid by William Hudson of Artesia, New Mexico, hereinafter referred to as Grantee, the receipt whereof is hereby confessed and acknowledged, do hereby sell, transfer, deliver and quitclaim unto the said Grantee all of their right, title and interest in and to all casing in Well No. 20 located 1,650 feet from the South line and 330 feet from the East line of Section 17, Township 15 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, down to a depth of 3,030 feet below the surface.

This instrument is executed with the understanding and upon the condition that Grantee, by his acceptance hereof, agrees:

That in the event Grantee is unable to complete said well as a well capable of producing oil or gas in paying quantities in any formation down to a depth of 3,030 feet below the surface, that said well be plugged and abandoned in accordance with all applicable laws and regulations, and that he will save, hold and protect Grantors harmless from all liability of whatsoever kind, nature or description in connection therewith, and that the approval of Grantors will be obtained as to the method used in plugging and abandoning said well not inconsistent with applicable regulations before the same is plugged and abandoned so that said well, if Grantors later desire, may be used as an injection well or as a salt water disposal well.