

AGREEMENT
TO PLUG AND ABANDON
BETWEEN
BILLY R. WILSON
AND
AL-TX OPERATING, INC.

WHEREAS, BILLY R. WILSON IS THE LEGAL OPERATOR OF THE GAS WELL KNOWN AS THE:

STATE "A" (LEASE NO. 8-5073) LOCATED IN
EDDY COUNTY, NEW MEXICO IN UNIT LETTER "M"
660' FSL AND 660' FWL OF SECTION 36, TOWNSHIP
19SOUTH, RANGE 28 EAST.

WHEREAS, BILLY R. WILSON DESIRES TO PLUG AND ABANDON AND AL-TX DESIRES TO PLUG AND ABANDON SAID WELL. NOW THEREFORE BILLY R. WILSON AND AL-TX NOW ENTER INTO THIS AGREEMENT TO PLUG AND ABANDON THE ABOVE REFERENCED WELL UNDER THE FOLLOWING TERMS AND CONDITIONS:

- A. AL-TX WILL PAY TO BILLY R. WILSON UPON THE EXECUTION OF THIS CONTRACT THE SUM OF FIVE-THOUSAND DOLLARS (\$5,000.00).
- B. AL-TX, AT THEIR SOLE COST AND LIABILITY WILL PLUG AND ABANDON THE STATE "A" WELL IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE OIL CONSERVATION DIVISION OF THE ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OF THE STATE OF NEW MEXICO.
- C. AL-TX WILL PROVIDE WILSON WITH A COMPLETE AND ACCURATE REPORT OF ALL PLUGGING AND ABANDONING OPERATIONS CONDUCTED AT THE WELLSITE IMMEDIATELY UPON COMPLETION OF SAME.
- D. TITLE TO ALL TUBING, PRODUCTION CASING, SURFACE CASING, PACKERS AND WELLHEAD EQUIPMENT WILL PASS FROM WILSON TO AL-TX UPON COMPLETION OF OPERATIONS. AL-TX HAS THE RIGHT TO SELL OR REMOVE ALL AFOREMENTIONED SALVAGE EQUIPMENT FROM THE WELLSITE AT SUCH TIME AS OPERATIONS ARE COMPLETED AND RETAIN ALL PROCEEDS AS COMPENSATION UNDER THIS CONTRACT.

COPY