

ROGER C. HANKS

WEST HIGHWAY EIGHTY

(REPLY TO)

P. O. BOX 3148

MIDLAND, TEXAS 79701

April 21, 1976

Mr. Richard D. Cramer
J.M. Huber Corporation
1900 Wilco Bldg.
Midland, TX 79701

Dear Mr. Cramer:

Ref: Well Purchase Request
NE/4 NW/4 Section 9
T20S-R25E, Eddy County, NM

Pursuant to your telephone conversation of this date with Mr. Ken Griffin representing the undersigned, I respectfully request the following:

1. To purchase from your company for the total cash consideration of \$4,000 a previously drilled 9600' well for the purposes described herein below.
2. With proper regulatory body approval from the State of New Mexico and the U. S. G. S. I will reenter the old King Resources-Pubco-Com well and deepen said well to a depth sufficient to test the Devonian formation anticipated at approximately 10,200'. I will drill approximately 50' of the top of the Devonian formation and then run a drill stem test to condemn or affirm the presence of hydrocarbons in that formation. If the results of this drill stem test are negative, I will then proceed to drill the well to a depth sufficient to penetrate the Devonian formation for adequate potential salt water disposal needs. The total depth of this hole will be determined by the amount of Devonian formation or Montoya or Fusselman or whatever. However, heretofore they have not proven capable of production of hydrocarbons. If any potentially commercial hydrocarbons are encountered below the present total depth, I will at the discretion of the J. M. Huber Corporation turn over the operation for your further direction.
3. The intent of this letter is to explore for a zone that will adequately take care of my salt water disposal needs for Cisco Canyon wells I presently own several miles north as well as several miles south.
4. I will indemnify the J. M. Huber Corporation from this date forward as to any contamination or pollution, etc. with respect to salt water disposal in other zones because of casing leakage, commission violations, etc.
5. This well will be reentered with full O. C. C. approval for the above intended purposes and the Commission hearing will be subsequently conducted conforming to the laws of the State of New Mexico.