

C O N T R A C T

THIS AGREEMENT, Made and entered into this 3d day of June, A. D. 1922, by and between J. F. Hinkle, Commissioner of Public Lands of the State of New Mexico, acting herein by and through J. D. Hunter, State Oil and Gas Inspector, of the State of New Mexico, hereinafter called party of the first part, and J. C. Caston, of Artesia, Eddy County, New Mexico, hereinafter called party of the second part, W I T N E S S E T H:

WHEREAS the party of the first part desires to have that certain oil and gas well located upon the Southwest quarter of the Southwest quarter of the Southeast quarter of Section 36, township 20 South, Range 30 East, N.E.P.M., and known as the Pioneer Oil and Gas Company State Well No. 1, plugged, as hereinafter set out, and

WHEREAS the party of the second part desires to obtain the employment in the plugging of said well on the terms and conditions hereinafter set out,

NOW, THEREFORE, THIS CONTRACT, WITNESSETH: That the party of the second part has and does hereby contract and agree to plug the above mentioned well by filling the same with a mud laden fluid to the top of the salt, which, as shown by the log of said well is at the depth of 785 feet, and further agrees to set cement plugs at the top of the salt. The party of the second part further contracts and agrees to set cement plugs wherever necessary above the top of the salt to cement off all water stratas as they may be located in pulling pipe.

The party of the second part further contracts to do all of said work in accordance with rules and regulations of the State Land Office set out in bulletin No. 2 published by the State Geologist.

The party of the second part further contracts and agrees to fill with mud laden fluid between each cement plug placed in said hole and to set regulation markers at the top of the surface.

The party of the second part contracts and agrees to furnish all equipment and material necessary to be used in plugging said well, provided however, that all cement over and above fifteen sacks of cement shall be furnished by the party of the first part.

The party of the first part contracts and agrees to deliver to the party of the second part all pipe located within said well which may be recovered by the party of the second part, the party of the second part to bear all expense of pulling said pipe.

The party of the second part agrees to accept such pipe as may be by him recovered from said hole in full compensation for his services and for all his expense in connection with the plugging of said well.

It is further understood and agreed that the party of the second part will shut down and cease operation after each cement plug is set for a period of twenty-four hours to permit the cement to set, and that no payment of any kind will be made for shut-down time, and it is understood that the party of the second part shall receive no money compensation whatever for plugging of said well but shall receive only such pipe as he may be able to salvage therefrom.

The party of the second part further agrees to plug said well and to deliver the same to the party of the first part in accordance with rules and regulations of State Geologist and to secure the approval of the State Oil and Gas Inspector upon all work and to perform such work in such manner as may be approved by the State Oil and Gas Inspector.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the the day and year above written.

J. C. Caston

STATE OF NEW MEXICO:
COUNTY OF EDDY :ss

On this 3d day of June, 1932 before me personally appeared J. D. Hunter, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

My commission expires;

Notary Public

STATE OF NEW MEXICO:
COUNTY OF _____:ss

On this ____ day of June, 1932 before me personally appeared J. C. Caston, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

My commission expires;

Notary Public