

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
Geological Survey  
Water Resources Division  
P.O. Box 4217  
Albuquerque, New Mexico 87106  
July 10, 1967

J. M. Huber Corporation  
Vaughn Building  
Midland, Texas 79701

Attention: Mr. G. S. Cromwell, District Manager

Pierce and Davis  
Midland National Bank Building  
Midland, Texas 79701

Attention: Mr. James L. Pierce

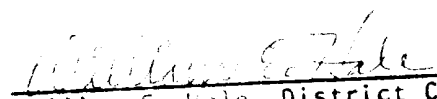
Subject Well: No. 1 Humble-State, 660' FSL, 660' FWL of Section 23,  
Township 21 South, Range 27 East, Eddy County, New Mexico.  
New Mexico Oil and Gas Lease No. OG 1420

Gentlemen:

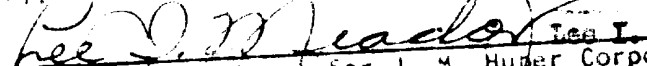
The New Mexico District, Water Resources Division of the United States Geological Survey, agrees to accept all future responsibility incidental to the subject well including the necessary cleaning of the immediate well site and pit area and agrees to restore the same to the original surface contour, in addition to the future plugging of the subject well in accordance with the New Mexico Oil Conservation Commission's Rules and Regulations, without additional cost to the J. M. Huber Corporation and Pierce and Davis, provided that:

J. M. Huber Corporation and Pierce and Davis agree as evidenced by the signatures of authorized representatives to give and transfer all of their rights, title and interest in the subject well, including any rights of ingress and egress to the subject well which may be owned by the J. M. Huber Corporation and Pierce and Davis, together with the casing in the subject well, to the New Mexico District, Water Resources Division of the United States Geological Survey, for use as a water-level observation well. The J. M. Huber Corporation and Pierce and Davis further agree to plug the subject well back to within the base of the intermediate casing, in accordance with the New Mexico Oil Conservation Commission's Rules and Regulations, prior to acceptance of this agreement by the New Mexico District, Water Resources Division of the United States Geological Survey.

The New Mexico District, Water Resources Division of the United States Geological Survey recognizes the right of the J. M. Huber Corporation and Pierce and Davis to recover as property of the J. M. Huber Corporation and Pierce and Davis, a cattle guard, casing spool, oil valve and casing head.

  
William E. Hale, District Chief  
U. S. Geological Survey, WRD  
Albuquerque, New Mexico

Approved by:

  
Lee I. Henderson  
As Authorized Agent for J. M. Huber Corporation

As Authorized Agent for Pierce and Davis

Distribution - See attached page

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OCT 6 1967

Copy to:

Mr. Donald M. Ritter  
Chief Engineer  
New Mexico Oil Conservation Commission  
P.O. Box 2080  
Santa Fe, New Mexico 87501

Mr. Gordon L. Hays  
Commissioner of Public Lands  
P.O. Box 1465  
Santa Fe, New Mexico 87501

Mr. W. A. Grosssett  
Supervisory Oil and Gas Inspector  
New Mexico Oil Conservation Commission  
909 W. Dallas Avenue  
Artesia, New Mexico 88210

Mr. James A. Knaut  
District Engineer  
U.S. Geological Survey  
Oil and Gas Division  
(Drawer U)  
Artesia, New Mexico 88210

Mr. Carl C. Graywick  
Acting Supervisor  
U.S. Geological Survey  
Branch of Oil and Gas Operations  
P.O. Box 1857  
Roswell, New Mexico 88201

Mr. George Maddox  
U.S. Geological Survey  
Water Resources Division  
P.O. Box 1804  
Roswell, New Mexico 88201

Mr. John Brown  
U.S. Geological Survey  
Water Resources Division  
Room 106 National Building  
Carlsbad, New Mexico 88220

J. M. Huber Corporation  
2401 East Second Avenue  
Denver, Colorado 80206

GENERAL OFFICE  
OIL AND GAS DIVISION

388-5781

August 31, 1967

U. S. Department of the Interior  
Geological Survey  
Water Resources Division  
P. O. Box 4267  
Albuquerque, New Mexico 87106

Attention: Mr. William E. Hale  
District Chief

Re: New Mexico Oil and Gas  
Lease No. OG 1420  
No. 1 Humble-State Well  
Eddy County, New Mexico  
Huber's 14-N-74-A File

Gentlemen:

Reference is made to your proposed Agreement dated July 10, 1967, with J. M. Huber Corporation (Huber) and Pierce & Davis (Pierce & Davis) concerning transfer of the above-described well to the United States Geological Survey (Survey).

to the base of the intermediate  
Survey hereby agrees that the said well has been plugged/in accordance with New Mexico Oil Conservation Commission Rules and Regulations, and, further, Survey specifically agrees that Huber and Pierce & Davis are released from all further liability of whatsoever kind in connection with said well, as of the date of plugging of such well.

Acceptance of the aforesaid July 10, 1967, Agreement is conditioned upon Survey's acceptance of this letter agreement.

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O. C. C.  
ARTESIA, OFFICE