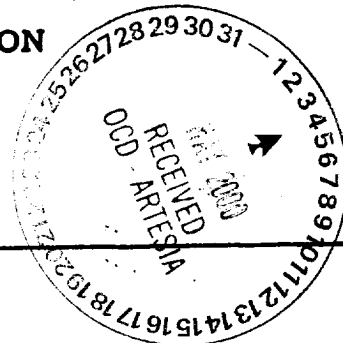


NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

AFFIDAVIT OF RESPONSIBILITY
CONVERSION TO WATER-WELL



STATE OF New Mexico ss.
County of Chaves

N. Dale Nichols, being first duly sworn according to law, upon his oath deposes and says:

1. That he is Owner of N. Dale Nichols
(Title) (Operator)
whose address is P. O. Box 1972 Midland Texas 79702.

2. That N. Dale Nichols is the operator of a well drilled on land be-
(Operator)
longing to Wes Runyan, whose address is HC 12 Box 1219
(Landowner)
Roswell, New Mexico 88201

Wes Runyan, said well being drilled to test for hydrocarbons and/or carbon dioxide gas and described as the Standard-State No. 5, being located 330' feet from the East line and 1500' feet from the North line of Section 5, Township 8 South, Range 27 East, NMPM, Chaves County, New Mexico.

3. That said well was drilled to a total depth of 295' feet, and that casing has been set and cemented as follows:

- 1). Plug back with caliche 295' to 265'
- 2). 7" 26# casing slotted 205' to 255' anset at 265'
- 3). Gravel packed outside 7" with gravel 265'-200' and filled to surface with river gravel

4. That operator and landowner have made an agreement whereby operator (is) (~~is not~~) to back fill pits, level location, and clear it of all junk. The agreement further provides that operator is to plug said well back to a plugged-back total depth of 265' feet and transfer well to landowner for his use as a water-well. Operator will leave casing in the well as follows:

5. That when operator has complied with the provisions of Paragraph 4 above it will so notify the Oil Conservation Commission of the State of New Mexico on Commission Form C-103, together with a signed statement from the landowner that the provisions of Paragraph 4 above have been complied with to his satisfaction.

N. Dale Nichols

(Operator)

Subscribed and sworn to before me this 2nd day of May, A. D. 2000.

Theresa M. Grandjean

Notary Public in and for the County of Chaves

STATE OF New Mexico ss.
County of Chaves

Wes Runyan, being first duly sworn according to law, upon his oath deposes and says that when the provisions of Paragraphs 4 and 5 above have been complied with, he will accept the above-described well for his use as a water-well, and that he will assume all responsibility for the well, the location, and the conversion of the well to a water-well.

(Landowner)

Subscribed and sworn to before me this 2nd day of May, A. D. 2000.

Theresa M. Grandjean

Notary Public in and for the County of Chaves