

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPL
(Other instructions on re-
verse side)

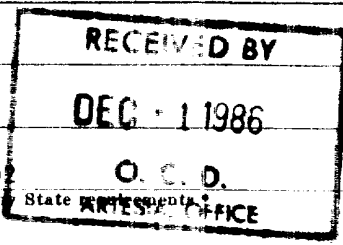
Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

0158

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> Dry Hole		7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR Marshall R. Young Oil Co.		8. FARM OR LEASE NAME Saltys Unit	
3. ADDRESS OF OPERATOR P.O. Box 145 Midland, Texas 79702		9. WELL NO. 1	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 660' FN&EL, Section 33, T-25-S, R-15-W		10. FIELD AND POOL, OR WILDCAT Wildcat- No. 1000000	
14. PERMIT NO.		15. ELEVATIONS (Show whether DF, RT, GR, etc.) 4375' GR	
16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data		12. COUNTY OR PARISH Grant	
		18. STATE NM	



16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data			
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANE <input type="checkbox"/>	(Other) Settlement of Surface Damage	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Re: Settlement of Surface Damages

At the time this well was finished and plugged, the drilling contractor did not have another location for the drilling rig and made an agreement with the surface owner to store the rig at the drillsite. This has precluded the operator of the well from restoring the surface and drillsite. The operator has reached an agreement with the surface owner such that the surface owner has been compensated to restore the surface when the rig is finally moved out. Please refer to copy of "Release of Land Damage". (Also please refer to Mr. Hughes' letter of October 16, 1986 to B.L.M. - copy attached.) Operator is requesting the Bureau of Land Management approve this agreement and to notify operator of this approval.

18. I hereby certify that the foregoing is true and correct

SIGNED <u>W.E. Montgomery</u>	TITLE <u>District Manager</u>	DATE <u>October 14, 1986</u>
(This space for Federal or State office use)		

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY:

TITLE

APPROVED
PETER W. CHESTER

NOV 20 1986

*See Instructions on Reverse Side

BUREAU OF LAND MANAGEMENT
ROSWELL RESOURCE AREA

October 16, 1986

Bureau of Land Management
1717 West 2nd
Roswell, NM

Attention: Armando Lopez


Re: Bobbie D. Hughes - Marshall R. Young
Oil Company

Dear Mr. Lopez:

I am writing this letter to you pursuant to the instructions of Joe Torres of your Las Cruces office.

This is to advise BLM that I have made satisfactory arrangements with Marshall R. Young Oil Company in connection with the surface damage that occurred in Section 33, T. 25S., R. 15W., Grant County, New Mexico and I have executed a Release for Land Damage in favor of Marshall R. Young Oil Company a photocopy of which is enclosed. I have no objection to BLM issuing a release to Marshall R. Young Oil Company.

Sincerely,


Bobbie D. Hughes
Route 9, Box 172
Silver City, NM 88061

xc: Joe Torres, BLM
Marshall R. Young Oil Company
(hand delivered to Mr. Boles and mailed
to Midland Office)



RELEASE FOR LAND DAMAGE

STATE OF NEW MEXICO §
COUNTY OF GRANT §

KNOW ALL MEN BY THESE PRESENTS, THAT:

I, BOBBIED. Hughes, whose address is Route 9, Box 192, Silver City, New Mexico 88061, the undersigned claimant, for and in consideration of the sum of TWENTY-FIVE THOUSAND THREE HUNDRED FORTY-SEVEN and NO/100 DOLLARS (\$25,347.00), cash in hand paid by MARSHALL R. YOUNG OIL CO., a corporation, with mailing address at 750 West Fifth Street, Fort Worth, Texas 76102, the receipt and sufficiency of which is hereby acknowledged and confessed, do hereby fully, finally and forever release and discharge MARSHALL R. YOUNG OIL CO., its agents, employees, successors, and assigns, and all other persons, firms or corporations who are or might be liable for any and all claims, controversies, demands, actions or causes of action, on account of damages, losses or injuries to my property and surface damage, whether known or unknown, whether developed or undeveloped, resulting from or on account of the drilling of an oil or gas well (otherwise identified as MARSHALL R. YOUNG OIL CO.-Saltys Unit No. 1 Well) located 660 feet from the North line and 660 feet from the East line of Section 33, Township 25 South, Range 15 West, Grant County, New Mexico.

It is expressly understood and agreed that the above mentioned sum is the sole consideration for this release and that the consideration stated herein is contractual and not a mere recital; that all agreements and understandings between the parties are embodied and expressed herein; that this is a full, final and complete release of any and all damage done to me and to my property, whether real, personal or mixed, by reason of the drilling of such well on the said land hereinabove described; and that I expressly assume any and all liability for filling the slush pits or other pits, levelling the surface and restoring the land to as near as normal condition as possible, including reseeding with native grasses, account the drilling by MARSHALL R. YOUNG OIL CO. of the above mentioned well, and that the said MARSHALL R. YOUNG OIL CO. shall have no responsibility, past or future, for any damage done to the surface estate account the drilling of the said well. *** See Page 2 ***

WITNESS my signature on this the 15th day of October, A.D. 1986.

WITNESSES:

Bobbed D. Hughes
BOBBIE D. HUGHES

STATE OF NEW MEXICO §
COUNTY OF Sant §

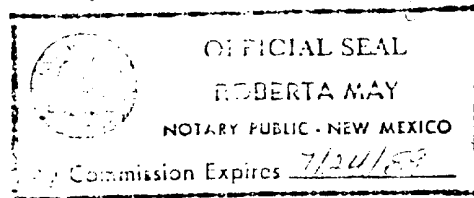
BEFORE ME, the undersigned authority, on this day personally appeared BOBBIED. HUGHES, known to me to be the identical person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 15th day of October, 1980.

Roberta May
Notary Public, State of New Mexico

My Commission Expires:

July 24, 1989



*** Provided, however, this release shall not extend to any damages that might be caused in the future if releasee reenters the property.

Further provided, this does not release Dual Drilling Company Rig #33 from its obligation to pay Bobby D. Hughes \$200.00 per month for as long as the drill rig remains on the premises.

COPY
Bobby D. Hughes
BOBBIE D. HUGHES