

PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762 4001 PENBROOK, SUITE 206 TELEPHONE: 915 337-8611

REAL ESTATE AND INSURANCE

January 30, 1980

Lea 841

United States Geological Survey Box 1157 Hobbs, New Mexico 88240

Gentlemen:

The proposed well site and the proposed new access road for the Phillips Petroleum Company U. S. Minerals No. 5 well are located in Section 30, T-17-S, R-33-E, Lea County, New Mexico. The surface of the above described land is owned by Dallas McCasland, Box 206, Eunice, New Mexico.

We have contacted Mr. McCasland in regard to our proposed operations, and have agreed to the following plan for rehabilitation and restoration of the surface. The pit will be backfilled and levelled as soon as practical to original condition. If the well is productive, the caliche pad will be left intact as a well service pad. If the well is a dry hole, the pad and access road will be ripped up.

Very truly yours,

Ralph R. Smith

RALPH R. SMITH

RRS:vw