District Engineer
U. S. Geological Survey

Gentlemen:

Re: Wells	B-1 No	<u>. 5</u>	
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This refers to the attached Form 9-331C, Application to Drill, Deepen or Plugback. The undersigned hereby states that he has personally notified __________, the owner of the surface land on which the work is to be conducted, of the nature and extent of the work to be done including constituction on the well site and pertinent roads thereto. The undersigned further states that the parties have been unable to agree upon the proper compensation for damage to the surface estate and that therefore, it is proposed to proceed with the work and that negotations will continue in an attempt to arrive at a mutually agreeable compensation. In the event the parties are unable to agree the matter will be finally determined by arbitration or litigation.

It has been agreed, subject to change at that time, that upon abandonment of operations the roads shall be (ripped or left intact) and the pad shall be (ripped or left intact).

STATE OF NEW MEXICO COUNTY OF LEA

Subscribed and sworn to before me this 26th day of actuher, 1979

Notary Public

My commission expire: 2 20-8/