

SOUTHERN UNION GAS COMPANY

FIDELITY UNION TOWER • DALLAS, TEXAS • 75201

July 10, 1975

United States Geological Survey
P. O. Box 1800
Durango, Colorado 81301

Attn: Mr. Jerry Lane

Dear Sir:

Southern Union Gas Company desires to drill the San Ysidro #1-17, Las Milpas gas storage well. This well is to be located 300' FEL and 300' FNL of Section 13, T15N, R1E, N.M.P.M., Sandoval County, New Mexico.

The proposed well site is located approximately Northwest of an existing well (King #1-13).

An access road will be constructed from the existing well (King #1-13) Northwest to the proposed well site. No tank batteries are to be built. This well is to be drilled for observation purposes only at this time, therefore, no immediate connection to the existing system is planned or requested.

Waste will be disposed of by placing it in a reserve or dump pit constructed according to the attached specifications. This reserve pit will, when dry, be smoothed, lined and used as an emergency splash pit to handle excess water produced during subsequent development and testing.

A small trailer house will be placed on location for personnel use while drilling operations are in progress.

No air strip or permanent buildings are to be constructed at the proposed location. An attached sheet illustrates the rig and location layout.

Upon completion of drilling operations the wellhead and related equipment will be painted a color to conform with the surroundings. The location will be cleaned, graded and re-seeded so as to have the area in an acceptable natural state.

Should additional information be desired, please advise.

Very truly yours,
SOUTHERN UNION GAS COMPANY

James G. Ellis
James G. Ellis
Chief Petroleum Engineer

JGE:hjc
Att.