

FASKEN OIL AND RANCH, LTD.

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Jimmy D. Carlile
Regulatory Affairs Coordinator

February 11, 2004

Mr. Bryan Arrant
New Mexico Oil Conservation Division
1301 West Grand Avenue
Artesia, NM 88210

Dear Mr. Arrant,

Re: Fasken Oil and Ranch, Ltd.
Hydrogen Sulfide Contingency Plan, Rule 118
Lake Shore "10" Federal SC No. 5
Section 10, T21S, R26E
Eddy County, New Mexico
API No. 30-015-33234

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Please be advised that we do not anticipate encountering a Potentially Hazardous Volume of Hydrogen Sulfide Gas as defined in Rule 118 while drilling the subject well.

However, Fasken will conduct the drilling of this well with the knowledge that H₂S may be encountered, and will utilize the Hydrogen Sulfide Drilling Operations Plan found in the federal application to drill dated December 2, 2003 should any H₂S gas be found.

Yours truly,



Jimmy D. Carlile
Regulatory Affairs Coordinator