



United States Geological Survey P. O. Box 1809
Durango, Colorado 81301

Attn: Mr. Jerry Long

Dear Sir:

Southern Union Gas Company desires to drill the King #1-13, Las Milpas gas storage well. This well is to be located 1300' FSL and 550' FWL of section 17, T15N, RIE N.M.P.M., Sandoval County, New Mexico.

The proposed well site is located approximately Northwest of an existing well (San Ysidro #6).

An access road will be constructed from the existing well (San Ysidro #6) Northwest to the proposed well site. No tank batteries are to be built. However, a temporary water line will be laid from the San Ysidro #6 to the new location for a drilling water supply. Upon completion of drilling operations this line will be removed. It is anticipated that a four-inch flow line will be laid and buried from the proposed well site in a West-Southwest direction and connected to a segment of the master gathering facility (see attached map).

Waste will be disposed of by placing it in a reserve or burn 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 subsurface development and testing.

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

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

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