340%



May 12, 1995

Mr. David Catanach Oil Conservation Division 2040 S. Pacheco Santa Fe, NM 875050

Re:

E. C. Hill 'B' Federal #13

Township 23 South, Range 37 East

Section 34: SW/4

Lea County, New Mexico

Dear Mr. Catanach:

This letter is written to advise you why Plains Petroleum Operating Company submitted an application for directional drilling and an unorthodox bottom hole location for the subject well. As shown on the attached survey plat, a 6" high pressure gas pipeline owned and operated by Sid Richardson is approximately 51 feet north of the bottom hole location. This bottom hole location was the original surface hole location. Therefore, the location was relocated as shown for safety to eliminate the risk of rupturing the high pressure gas line.

Should you require any additional information in this respect, please advise.

Very truly yours,

PLAINS PETROLEUM OPERATING COMPANY

Dominic J. Bazile Area Engineer PLAT SHOWING PROPOSED
WELL LOCATION AND LEASE ROAD IN
SECTION 34, T-23-S, R-37-E, N.M.P.M.
LEA COUNTY, NEW MEXICO

