

January 30, 2004

Oil Conservation Division 1301 W. Grand Ave. Artesia, NM 88210

Attention: Bryan Arrant

Re: Lotsawhiskey Federal #1

660' FSL & 660' FWL, Unit M Section 36, T20S, R29E Eddy County, New Mexico 30-015-33212

Dear Bryan:

We plan to complete the above referenced well in the Morrow formation, which is sweet, and we don't anticipate cutting any formations that contain H2S gas during the drilling of this well. Therefore, we do not believe that an H2S contingency plan is necessary.

If you have questions or need further information, please call.

Sincerely,

Melanie J. Parker Land Department

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