March 21, 1996

Plains Petroleum Operating Company 415 West Wall Street, Suite 1000 Midland, Texas 79701

Attn: Mr. Mark A. Nieberding

Re: Waiver of Condition - WFX-641

Dear Mr. Nieberding:

Upon an inquiry from the Hobbs District Office of the Division, and subsequent further review of the condition in the referenced Division Order, the following is hereby waived:

"Prior to commencing injection operations into the well, the operator shall cement squeeze the Carr & Hair Well No.1, located in Unit 'L' of Section 3, Township 24 South, Range 37 East, so as to establish a top of cement at approximately 2974 feet, and to the satisfaction of the supervisor of the Hobbs District Office."

In reviewing the subject file, it became apparent that this requirement would be unnecessary on a well that has been adequately plugged and abandoned.

All other provisions of Division Order WFX-641 shall remain in full force and effect.

Sincerely,

William J. LeM

Director

WJL/BES

cc: Oil Conservation Division - Hobbs

File: WFX-641