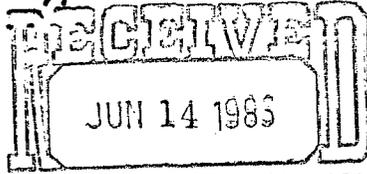


Release July 4, 1985

By DRC



OIL CONSERVATION DIVISION
SANTA FE

CITIES SERVICE OIL AND GAS CORPORATION
P. O. BOX 1919 MIDLAND, TEXAS 79702

(915) 685-5600

June 12, 1985

*NSL-2077
RULE-104 F(I)*

Mr. R. L. Stamets, Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Wildcat Morrow

RE: Request for Administrative Approval for an
Unorthodox Location for Cities Service Oil
and Gas Corporation's Federal AC Well No. 1,
Located 1797'FSL & 1525'FWL of Sec. 35-T23S-
R23E, Eddy County, New Mexico

Dear Mr. Stamets:

*320 Acre dedication
W/2 Sec 35*

Cities Service Oil and Gas Corporation respectfully requests Administrative Approval for an unorthodox location for the above captioned well. The subject drilling location is not an orthodox location as per State requirements for the dedicated tract, the W/2 of Sec. 35-T23S-R23E, Eddy County, New Mexico. The location was staked at this location, 1797'FSL & 1525'FWL of Sec. 35, because of the extremely rugged and mountainous terrain at the orthodox location, 1980'FSL & 1980'FWL of Sec. 35, and to minimize surface disturbance. Topography would not allow the well to be drilled at the orthodox location. Also, please be advised that complete sets of this filing have been mailed to the offset operators, as shown on the attached lease plat, by certified mail.

Thank you for your consideration of our request.

Sincerely,

CITIES SERVICE OIL AND GAS CORPORATION

Elmer W. Startz

Elmer W. Startz
Region Operations Manager - Production
Southwest Region
E & P Division

EWS:JME:jme
attachments

cc: New Mexico Oil Conservation Division
District 2 Office
P.O. Drawer DD
Artesia, New Mexico 88210

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Cities Service Oil and Gas Corporation

3. ADDRESS OF OPERATOR
 P.O. Box 1919 - Midland, Texas 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 1797'FSL & 1525'FWL
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 11 miles Northwest from White City, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 1525'

16. NO. OF ACRES IN LEASE
 320

17. NO. OF ACRES ASSIGNED TO THIS WELL
 320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 N/A

19. PROPOSED DEPTH
 11,000'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 4416'GR

22. APPROX. DATE WORK WILL START*
 After permit approval

5. LEASE DESIGNATION AND SERIAL NO.
 NM 57221

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Federal AC

9. WELL NO.
 1

10. FIELD AND POOL, OR WILDCAT
 Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 35-T23S-R23E

12. COUNTY OR PARISH
 Eddy

13. STATE
 New Mexico

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------------|
| 17-1/2" | 13-3/8" | 48# | 350' | 500 sacks (Circulated) |
| 12-1/4" | 8-5/8" | 24# | 2500' | 1150 sacks (Circulated) |
| 7-7/8" | 5-1/2" | 17# | 11000' | 1500 sacks (TOC @ 2000') |

It is proposed to drill this well to a T.D. of 11,000' and test the Morrow Formation. The blowout prevention program is as follows:

1. One set of blind rams.
2. One set of drill pipe rams.
3. One Hydril.

The acreage dedicated to this well has not been assigned to any gas purchaser.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Elmer Stutz TITLE Reg. Opr. Mgr. - Prod. DATE 4-12-85

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED Charles S. Dadd TITLE CARISBAD RESOURCE AREA DATE 5-6-85

Subject to
Like Approval
by State

Unorthodox location

*See Instructions On Reverse Side

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

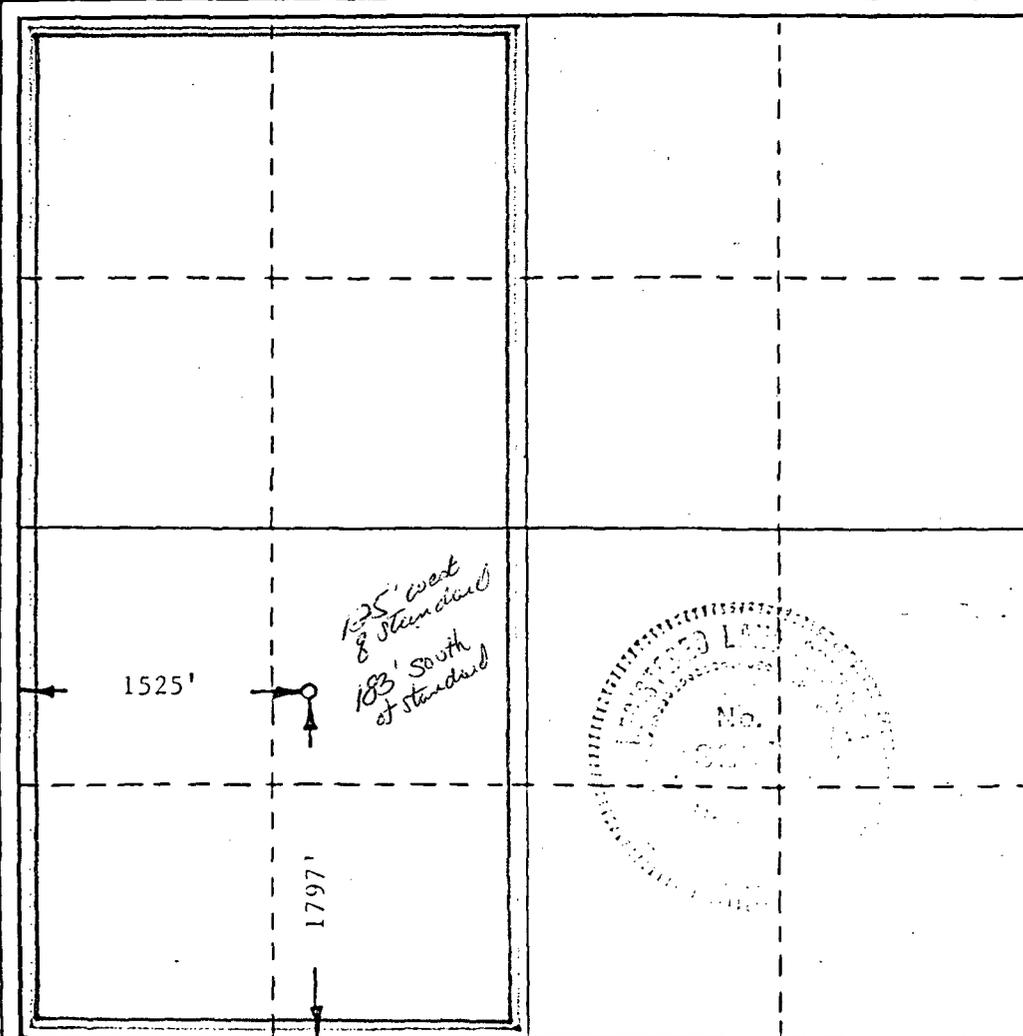
| | | | | | |
|--|-------------------------------|----------------------|---------------------------------|----------------|---------------|
| Operator Cities Service Oil & Gas Corp. | | Lease Federal AC | | | Well No. 1 |
| Unit Letter K | Section 35 | Township 23-South | Range 23-East | County Eddy | |
| Actual Footage Location of Well: 1797 feet from the South line and 1525 feet from the West line | | | | | |
| Ground Level Elev. 4415.7' | Producing Formation Morrow | Pool Wildcat | Dedicated Acreage: 320 Acres | | |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
Elmer Startz
Position
Reg. Opr. Mgr. - Prod.

Company
Cities Service O&G Corp.

Date
April 12, 1985

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
April 11, 1985

Registered Professional Engineer and/or Surveyor
Ronald J. Eidson

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

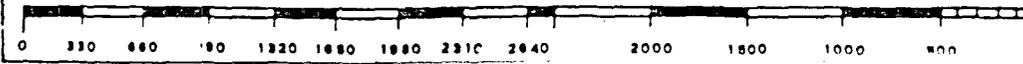
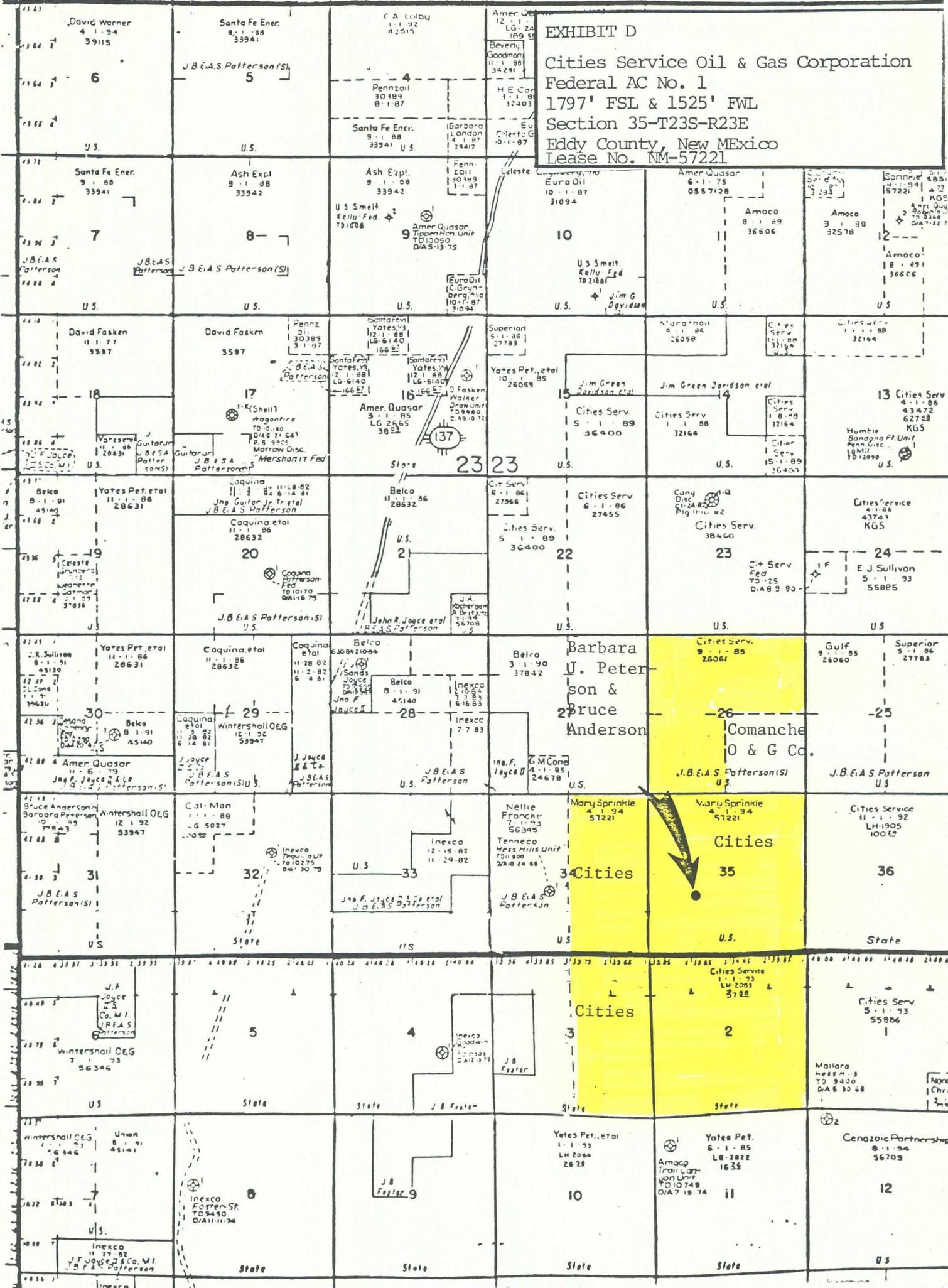


EXHIBIT D

Cities Service Oil & Gas Corporation
Federal AC No. 1
1797' FSL & 1525' FWL
Section 35-T23S-R23E
Eddy County, New Mexico
Lease No. NM-57221



David Warner
4-1-94
39115
6
U.S.

Santa Fe Ener.
9-1-88
33941
J.B.E.A.S. Patterson (S)
5
U.S.

C.A. Gribby
1-1-92
43515
4
Pennzoil
30189
8-1-87
Santa Fe Ener.
9-1-88
33941 U.S.

Amer. Quasar
12-1-87
LG-24
169-24
Beverly Goodson
11-1-88
34241
H.E. Carr
3-1-88
32403
Euro Oil
10-1-87
31094

Amer. Quasar
6-1-75
0557128
Amoco
8-1-89
36606
Amoco
3-1-89
32578
Amoco
8-1-89
36606
12
U.S.

Samuel
4-1-84
157221
1 KGS
4-1-84
157221
275340
047-1227
Amoco
8-1-89
36606
U.S.

Santa Fe Ener.
9-1-88
33941
7
J.B.E.A.S. Patterson
U.S.

Ash Expl
9-1-88
33942
8
J.B.E.A.S. Patterson (S)
U.S.

Ash Expl
9-1-88
33942
9
U.S. Smelt
Kelly Fgd
10/08
Amer. Quasar
Tippencan Unit
T01000
D/A 5-13-75
Euro Oil
C. Grynberg
110-1-87
31094

Euro Oil
10-1-87
31094
U.S. Smelt
Kelly Fgd
10/288
Jim G. Davidson
U.S.

Amer. Quasar
6-1-75
0557128
Amoco
8-1-89
36606
Amoco
3-1-89
32578
Amoco
8-1-89
36606
12
U.S.

Samuel
4-1-84
157221
1 KGS
4-1-84
157221
275340
047-1227
Amoco
8-1-89
36606
U.S.

David Fasken
11-1-77
3587
18
U.S.

David Fasken
3587
17
K. Shell
Wagontire
TD 5-88
D/A 6-21-84
P. B. 9-85
Morrow Disc.
Wershon 17 Fed
J.B.E.A.S. Patterson (S)
U.S.

Pennz
31
30389
3-1-87
Yates Pet. et al
12-1-88
121-6140
166-2-1
Yates Pet. et al
12-1-88
121-6140
166-2-1
Walker
Dra Unit
7-9-80
0-19-10-11
137
U.S.

Superior
5-1-85
27783
Yates Pet. et al
10-26059
Jim Green
Davidson et al
Cities Serv.
5-1-89
36400
U.S.

Alarmon
9-1-85
26058
Cities Serv.
1-1-88
32164
Cities Serv.
1-1-88
32164
Cities Serv.
15-1-89
36400
U.S.

Cities Serv.
1-1-88
32164
Cities Serv.
1-1-88
32164
Humble
Barnaga Pl Unit
Penn Disc.
18 Mil
10-10-90
U.S.

Yates Pet. et al
11-1-86
28631
Belco
8-1-91
45140
19
U.S.

Yates Pet. et al
11-1-86
28631
Jing Guitar Jr. et al
J.B.E.A.S. Patterson
Coquina et al
11-1-86
28632
Coquina
Patterson
Fed
T01070
0416-75
J.B.E.A.S. Patterson (S)
U.S.

Belco
11-1-86
28632
Belco
11-28-82
6-4-81
Belco
8-1-91
45140
Mexico
7-1-83
6-16-83
Inexco
7-7-83
U.S.

Cities Serv.
6-1-86
27566
Cities Serv.
6-1-86
27455
Cities Serv.
5-1-89
36400
Cities Serv.
1-1-88
32164
Cities Serv.
15-1-89
36400
U.S.

Cities Serv.
1-1-88
32164
Cities Serv.
1-1-88
32164
Cities Serv.
15-1-89
36400
U.S.

Cities Serv.
4-1-86
43747
KGS
E.J. Sullivan
5-1-93
55885
U.S.

Yates Pet. et al
11-1-86
28631
Belco
8-1-91
45140
29
U.S.

Yates Pet. et al
11-1-86
28631
Belco
8-1-91
45140
29
Wintershall OEG
12-1-92
53947
J. Joyce
J.B.E.A.S. Patterson (S)
U.S.

Belco
11-28-82
6-4-81
Belco
8-1-91
45140
Mexico
7-1-83
6-16-83
Inexco
7-7-83
U.S.

Barbara U. Peterson & Bruce Anderson
27
Inexco
7-7-83
J.B.E.A.S. Patterson
U.S.

Cities Serv.
9-1-85
26061
Comanche
O & G Co.
J.B.E.A.S. Patterson (S)
U.S.

Gulf
9-1-85
26060
Superior
5-1-86
27783
J.B.E.A.S. Patterson
U.S.

Amer. Quasar
11-1-86
28631
Belco
8-1-91
45140
31
J.B.E.A.S. Patterson (S)
U.S.

Amer. Quasar
11-1-86
28631
Belco
8-1-91
45140
31
Wintershall OEG
12-1-92
53947
J. Joyce
J.B.E.A.S. Patterson (S)
U.S.

Belco
11-28-82
6-4-81
Belco
8-1-91
45140
Mexico
7-1-83
6-16-83
Inexco
7-7-83
U.S.

Nellie Franck
7-1-85
56345
Mary Sprinkle
4-1-94
57221
Tenneco
Hess Mills Unit
T011800
2/10-24-88
J.B.E.A.S. Patterson
U.S.

Cities
7-1-85
56345
Mary Sprinkle
4-1-94
57221
Tenneco
Hess Mills Unit
T011800
2/10-24-88
J.B.E.A.S. Patterson
U.S.

Cities Service
11-1-92
141905
10025
J.B.E.A.S. Patterson
U.S.

J.F. Joyce
Co. M.I.
J.B.E.A.S. Patterson
Wintershall OEG
7-1-93
56346
U.S.

J.F. Joyce
Co. M.I.
J.B.E.A.S. Patterson
Wintershall OEG
7-1-93
56346
U.S.

Inexco
12-15-82
11-29-82
J.F. Joyce et al
J.B.E.A.S. Patterson
U.S.

Nellie Franck
7-1-85
56345
Mary Sprinkle
4-1-94
57221
Tenneco
Hess Mills Unit
T011800
2/10-24-88
J.B.E.A.S. Patterson
U.S.

Cities
7-1-85
56345
Mary Sprinkle
4-1-94
57221
Tenneco
Hess Mills Unit
T011800
2/10-24-88
J.B.E.A.S. Patterson
U.S.

Cities Service
11-1-92
141905
10025
J.B.E.A.S. Patterson
U.S.

Wintershall OEG
7-1-93
56346
U.S.

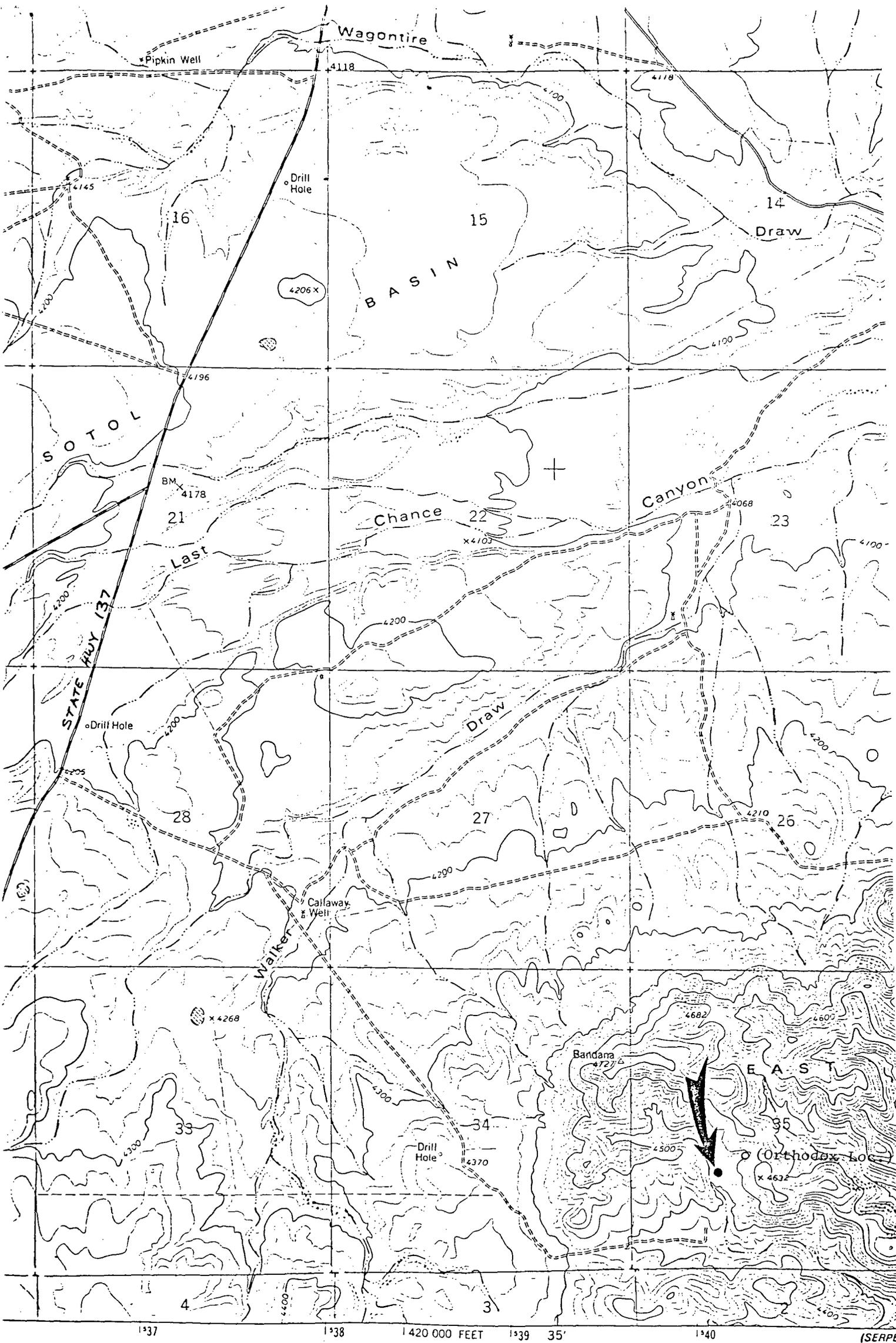
Wintershall OEG
7-1-93
56346
U.S.

Inexco
12-15-82
11-29-82
J.F. Joyce et al
J.B.E.A.S. Patterson
U.S.

Yates Pet. et al
1-1-93
141905
2628
Yates Pet.
6-1-85
16-35
Amacq
Trail Corp
Unit
T010748
D/A 7-18-74

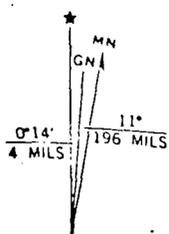
Yates Pet. et al
1-1-93
141905
2628
Yates Pet.
6-1-85
16-35
Amacq
Trail Corp
Unit
T010748
D/A 7-18-74

Cenozoic Partnership
8-1-94
56709
U.S.



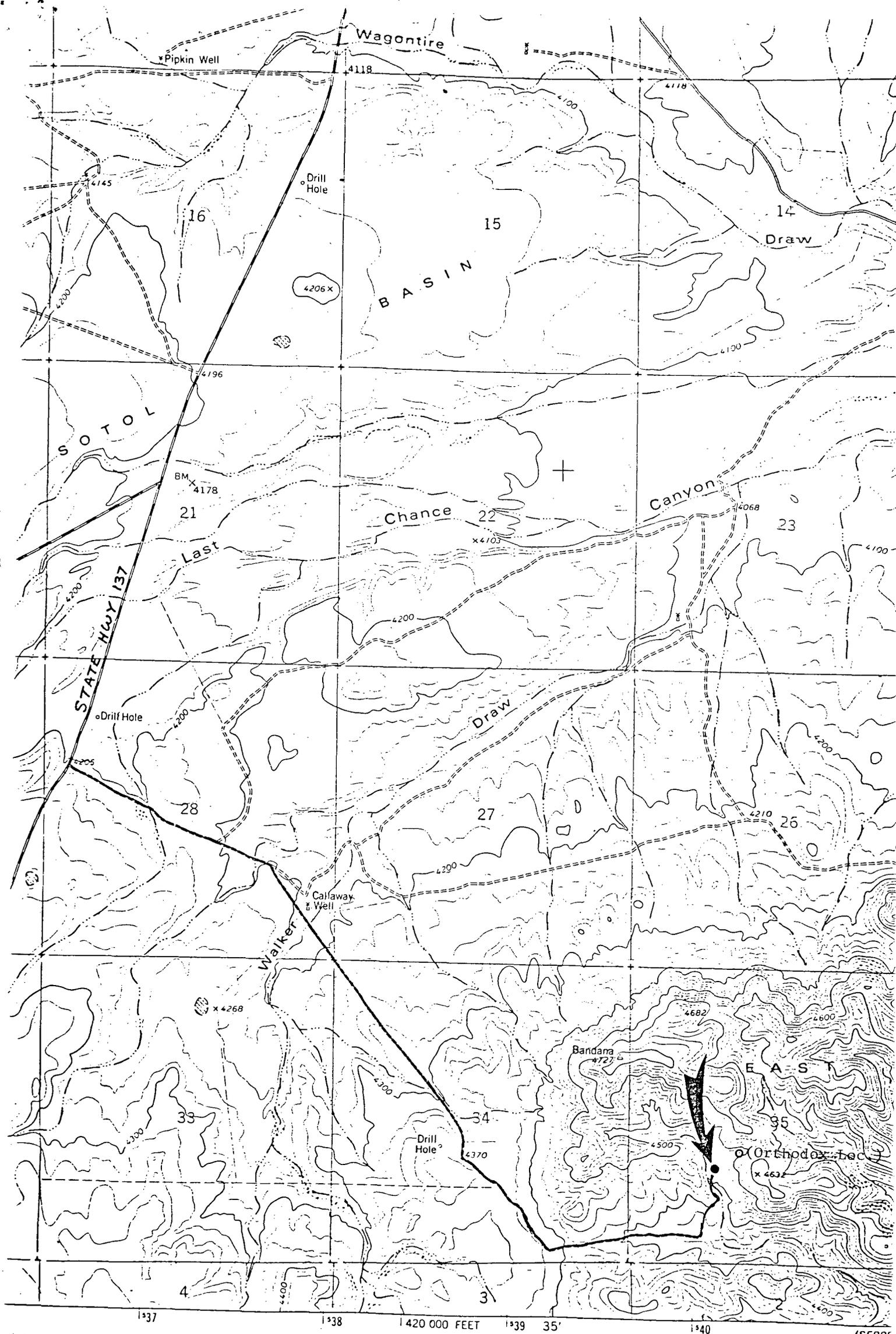
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 North American datum
 selected fence lines



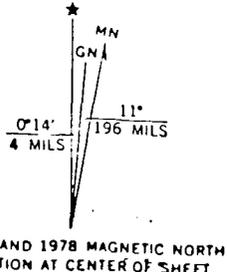
UTM GRID AND 1978 MAGNETIC NORTH DECLINATION AT CENTER OF SHEET

EXHIBIT B
 Cities Service Oil & Gas Corporation
 Federal AC No. 1
 Section 35-T23S-R23E
 Eddy County, New Mexico
 Lease No. NM-57221



Published by the Geological Survey

1:250,000 scale
 Contours from aerial
 photography checked 1974. Map edited 1978
 Section numbers: New Mexico
 (transverse Mercator)
 Township and Range: North American datum
 Dashed lines: selected fence lines



UTM GRID AND 1978 MAGNETIC NORTH DECLINATION AT CENTER OF SHEET

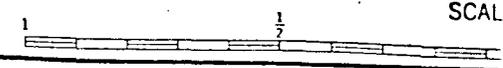


EXHIBIT C
 Cities Service Oil & Gas Corporation
 Federal AC No. 1
 1797' FSL & 1525' FWL
 Section 35-T23S-R23E
 Eddy County, New Mexico
 Lease No. NM-57221

cog COMANCHE

COMANCHE OIL & GAS COMPANY WESTERN BLDG. - SUITE 101 1031 ANDREWS HWY. MIDLAND, TX 79701 915 699-5104



June 14, 1985

Mr. R. L. Stamets, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Request for Administrative Approval
for an Unorthodox Location for Cities
Service Oil and Gas Corporation's
Federal AC Well No. 1, Located
1797' FSL & 1525' FWL of Sec. 35-T23S-
R23E, Eddy County, New Mexico

Dear Mr. Stamets:

Please be advised that Comanche Oil & Gas Company has no objection to the Approval for the Unorthodox Location requested by Cities Service Oil and Gas Corporation for the captioned well.

Yours very truly,

A handwritten signature in black ink, appearing to read "W. H. Gilmore, Jr.", written in a cursive style.

W. H. Gilmore, Jr.
Managing Partner

WHGjr:RB

CC: New Mexico Oil Conservation Division
District 2 Office
P. O. Drawer DD
Artesia, New Mexico 88210