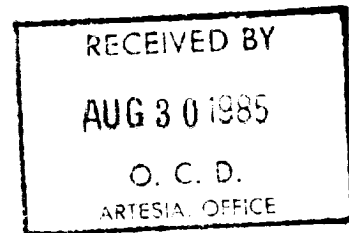




JERRY W. LONG
CONSULTANT

August 28, 1985



STATE OF NEW MEXICO
Energy And Minerals Department
Oil Conservation Division
P. O. Drawer DD
Artesia, New Mexico 88210

Re: SANDERS OIL & GAS COMPANY
No.2 Cannon
Unit L, Sec.27-10S-25E
Chaves County, New Mexico

Gentlemen:

Submitted herewith for your review and approval, are five copies of Form C-101, Application to Drill, for the drilling of the referenced well.

This will be a replacement well for the Sanders Oil & Gas Company No.1-Y Cannon well, located on Unit N, which will eventually be plugged.

Please send an approved copy of the Application to Drill to the operator at the address on Form C-101 and an approved copy of the top sheet to me at the letterhead address.

If you have any questions regarding this Application please call me.

Sincerely yours,

JERRY W. LONG
Agent for:
SANDERS OIL & COMPANY

JWL/b11