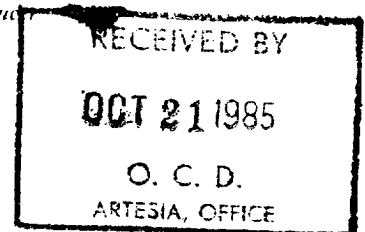


2-17-85

LORENZ & CROUCH, INC.
Marketing and Regulatory Services for the Oil and Gas Production Industry

October 18, 1985



State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Costa Resources, Inc.
Application for NGPA Determination
Two Forks State No. 2
Empire South Morrow
Eddy Co., New Mexico
NGPA Section 103
Internal Control No.: G#2

Gentlemen:

Enclosed in duplicate is an application for NGPA Determination for referenced well.

A copy of this letter, the Division Form C-132, and FERC Form-121 will be sent to the working interest owners. A copy of this letter and the Division Form C-132 will be sent to the Oil Conservation District office. This application will be updated with contract information as soon as negotiations are finalized.

Also enclosed is a duplicate of this cover letter along with a self-addressed stamped envelope. Please date stamp and return to the letterhead address.

Any questions should be directed to Bettie Watson at (214) 660-2301. Correspondence should be sent to Lorenz & Crouch, Inc., authorized agent for Costa Resources, Inc., at the letterhead address.

Yours very truly,

A handwritten signature in cursive script that reads "Bettie Watson".

Bettie Watson, Authorized
Agent for Costa Resources, Inc.

BCW:me
Enclosures

cc: Working Interest Owners
(See Affidavit of Mailing)
✓ State of New Mexico
Energy and Minerals Dept.
Oil Conservation Division
Artesia, New Mexico 88210
P.O. Box 110539 • Arlington, Texas 76007 • Telephone (214) 660-2301

LTR



Job separation sheet