



CITIES SERVICE OIL COMPANY

Box 1919  
Midland, Texas 79701  
Telephone (915) 684-7131

July 30, 1976

RECEIVED  
AUG 20 1976  
U.S. GEOLOGICAL SURVEY  
ARTESIA, NEW MEXICO

Frankie V. Laman  
P. O. Box 791  
Carlsbad, New Mexico 88220

Dear Mrs. Laman:

Cities Service Oil Company is again proposing to drill a gas well on the Simpson Ranch. This is the same location I discussed with you on the telephone several months ago. The legal description is 660' from the south line and 1980' from the west line of Section 20-21S-27E, Eddy County, New Mexico. The well will be called Cities Service Oil Company's Elizondo Federal "A" No. 3. I am attaching a map that shows our present road system to other wells in the area with a dashed red line in red showing the route of our proposed road to the location.

The purpose of this letter is to notify you of our intent to drill the well and to propose a settlement for the damage we will do to your pasture.

I am authorized to offer you the following amount for the damage involved:

\$300.00	- location and pits
50.00	- production equipment
520.00	- for 260 rods of access road at \$2.00/rod.
<u>\$870.00</u>	- TOTAL

If you are willing to accept this settlement of \$870.00, please sign the carbon copy of this letter that is attached and return it to me in the stamped addressed envelope.

Upon your acceptance of this offer, a draft in the amount of \$870.00 will be mailed to you.

If there is anything that is not clear, please call me collect at 915/684-7131 and I will be glad to discuss it with you.

Yours very truly,

DAMAGE SETTLEMENT OFFER APPROVED:

Signed:

Frankie V. Laman

E. Y. Wilder  
Region Operations Manager  
Southwest Region  
E & P Division

Date

8-13-76

EYW/l  
Attachments