

KELLAHIN, KELLAHIN and AUBREY  
*Attorneys at Law*

W. Thomas Kellahin  
Karen Aubrey

El Patio - 117 North Guadalupe  
Post Office Box 2265

Santa Fé, New Mexico 87504-2265

RECEIVED

Telephone 982-4285  
Area Code 505

Jason Kellahin  
Of Counsel

JAN 26 '89

January 25, 1989

O. C. D.  
ARTESIA, OFFICE

VIA FEDERAL EXPRESS

Mr. D. G. Moore  
Oil Conservation Division  
Post Office Drawer DD  
Artesia, New Mexico 88210

Re: Application for Permit to Drill  
Section 32, T21S, R24E, Eddy County,  
New Mexico

Dear Mr. Moore:

Enclosed is an Application for Permit to Drill on State Lease Nos. V-991-2 and V-993-1, located in Section 32, T21S, R24E, Eddy County, New Mexico. Also enclosed are copies of Forms C-102 and C-104. The operator of the well will be Citation Oil & Gas Corp., South Atrium, Suite 300, 16800 Greenspoint Park Drive, Houston, Texas 77060-2304. Citation has a blanket bond. They are forwarding to you a blowout prevention schematic.

Application for administrative approval of a non-standard location, 1,270' from the south line and 660' feet from the west line, has been made to the OCD in Santa Fe. A copy of our letter is attached.

If you have any questions or need additional information on the application, please contact Mark Hoffman at Petro-Quest Petroleum, 915-683-9841.

The above leases are expiring on March 1, 1989. Citation wishes to spud the well next week, if possible. They certainly would appreciate an expedited approval of their application to drill.

Mr. D. G. Moore  
January 25, 1989  
Page Two

Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in cursive script that reads "Marsha L. Butler".

Marsha L. Butler  
Legal Assistant

Enclosures

cc: Mark Hoffman w/enclosures  
Petro-Quest Exploration  
Post Office Box 10016  
Midland, Texas 79702

Carole Favro w/enclosures  
Production Administrative Manager  
Citation Oil & Gas Corp.  
South Atrium, Suite 300  
16800 Greenspoint Park Drive  
Houston, Texas 77060-2304