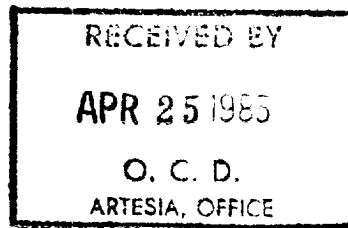




CITIES SERVICE OIL AND GAS CORPORATION
P. O. BOX 1919 MIDLAND, TEXAS 79702

April 19, 1985

(915) 685-5600



New Mexico Oil Conservation Division
Drawer DD
Artesia, New Mexico 88210

Re: Cities Service Oil and Gas Corporation
Federal AC No. 1
Eddy County, New Mexico
Lease No. NM 57221

Gentlemen:

Attached are two (2) copies of our Application for Permit to Drill the above captioned exploratory well. The location is 1797' FSL and 1525' FWL of Section 35-T23S-R23E, Eddy County, New Mexico. It is spotted on the topographic maps included as Exhibits "B" and "C" of the "Thirteen Point Surface Use Plan" attached with the Application for Permit to Drill.

The subject drilling location is not an orthodox location as per State requirements for the dedicated tract. The location was staked at this location because of the extremely rugged and mountainous terrain at the orthodox location for the dedicated tract and to minimize surface disturbance. Topography would not allow the well to be drilled at the orthodox location. Cities Service Oil and Gas Corporation controls all the offsetting acreage to the dedicated tract as shown by the attached lease documents.

NOL-1117
LB.

Sincerely,

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

EWS/dty

Attachments