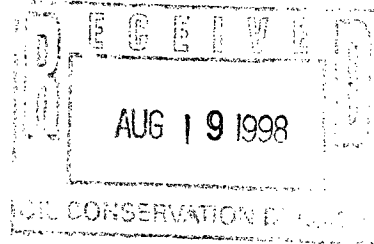




Santa Fe Energy Resources, Inc.

August 17, 1998

~~Mr. Mike Stogner~~
NMOCD
2040 S. Pacheco
Santa Fe, New Mexico 87505-6429



RE: Zia "6" Federal No. 1
(H), Sec. 6, T-24S, R-32E, Lea Co., NM
DHC 1658

Dear Mr. Stogner:

We have been informed by the NMOCD in Hobbs, NM, that our authorization to downhole commingle the Delaware and Bone Spring production, in the subject well, reflects the wrong Bone Spring Pool.

Our application to commingle was erroneously filed for the South, Sand Dunes (Bone Spring) and the Mesa Verde (Delaware). We respectfully request that DHC 1658 be administratively corrected to reflect the Mesa Verde (Bone Spring) Pool No. 96229 and the Mesa Verde (Delaware) Pool No. 96191.

Please feel free to contact me at (915) 686-6612, should any additional information be required.

Sincerely,

Terry McCullough
Sr. Production Clerk

XC: NMOCD – Hobbs, NM
James Moore
Mike Ables
Rod Adams
Well file