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November 13, 1995

HAND DELIVERED

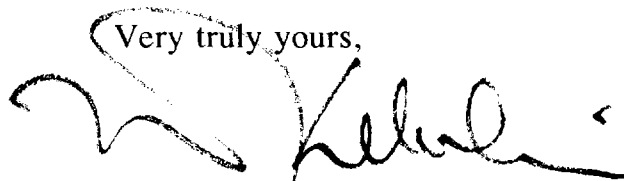
Mr. David R. Catanach
Hearing Examiner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: NMOCD Case 11385 (Reopened)
Application of Santa Fe Energy Resources, Inc.
regarding Texaco Exploration and Production, Inc.'s
Unorthodox Location for its Dow "B-28" Federal Well No. 1
Sec 28, T17S, R31E, East Cedar Lake-Morrow Gas Pool,
Eddy County, New Mexico

Dear Mr. Catanach:

I have been advised that Santa Fe Energy Resources, Inc. and Texaco Exploration and Production, Inc. have reach an agreement with regards to this dispute. Accordingly, on behalf of the applicant, Santa Fe Energy Resources, Inc., I am requesting that the referenced case now pending hearing on the Examiner's docket schedule for November 16, 1995 be **dismissed**.

Very truly yours,



W. Thomas Kellahin

cc: via facsimile to:

Santa Fe Energy Resources, Inc.
attn: Chuck Bianchi
William F. Carr, Esq.
Attorney for Texaco
James Bruce, Esq.