



Santa Fe Energy Resources, Inc.

CERTIFIED MAIL

February 17, 1997

Mr. Robert E. Landreth
505 N. Big Spring, Ste. 507
Midland, Texas 79701

Mr. Dan Foland
Amerada Hess Corporation
P. O. Box 2040
Houston, Texas 77252-2040

**RE: COMPULSORY POOLING
CASE NO. 11715
ORDER NO. R-10764
T-22-S, R-34-E, Sec. 29: S/2
Lea County, New Mexico**

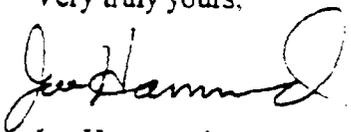
Gentlemen:

Referencing the above captioned acreage, please find enclosed herewith, a copy of Compulsory Pooling Order No. R-10764 and our associated AFE for the drilling of the Gaucho Unit No. 2 well.

Please advise Santa Fe of your election to participate or elect to non-consent under the order within 30 days of receipt hereof.

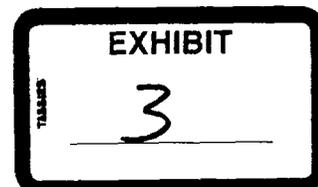
Please do not hesitate to call should you have any questions.

Very truly yours,



Joe Hammond
Sr. Landman

cc: New Mexico Oil Conservation Division
2040 S. Pacheco St.
Santa Fe, NM 87505



Central Division
550 W. Texas, Suite 1330
Midland, Texas 79701
915/687-3551

gaucho2.doc