



Notes

7



Santa Fe Energy Resources, Inc.

March 24, 1997

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

Re: **Gacho Unit #2 Well**
Compulsory Pooling
Order No. R-10764
S/2 Sec. 29, T-22-S, R-34-E
Lea County, New Mexico
SFERI Cont. #NM-30,107-002

Dear Mr. Landreth:

Reference is made to the above captioned Compulsory Pooling Order and your request for an extension of time in which to elect to participate and pay your pro rata share of costs or non-consent the Gacho Unit #2 Well proposal.

Please be advised that Santa Fe hereby grants to Robert E. Landreth, and/or to your successor or assigns, an extension until Friday, March 28th at 5:00 p.m. CST in which to elect under the above captioned order. As you are aware, should you sell/assign your interest in the Gacho Unit #2 Well to a third party, such third party must pay its proportionate share of well costs to Santa Fe by Friday, March 28, 1996 at 5:00 p.m. CST or you (or such party) will automatically be in a non-consent status.

Please indicate your receipt hereof by signing and returning to the undersigned one copy of this letter by **Fax at 686-6714**.

Yours very truly,

R. I. Arnold
Division Exploration Manager

JWH/eñw

RECEIVED this _____ day of March, 1997.

By: _____
Robert E. Landreth

EWOR1725

Central Division
550 W. Texas, Suite 1330
Midland, Texas 79701
915/687-3651

