OIL CONSERVATION DIV.

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July 27, 1998

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Hand Delivered

Florene Davidson Oil Conservation Division 2040 South Pacheco Street Santa Fe, New Mexico 87505

Dear Florene:

Enclosed are an original and two copies of a compulsory pooling application, together with a proposed advertisement, filed on behalf of Santa Fe Energy Resources, Inc. Please set this matter for the August 20, 1998 Examiner hearing. Thank you.

Very truly yours,

James Bruce

Attorney for Santa Fe Energy Resources, Inc.