Santa Fe Snyder Corporation

June 23, 1999

New Mexico Oil Conservation Division 2040 South Pacheco Street Santa Fe, New Mexico 87505 ATTN: Mr. Mark W. Ashley

Re: Case No. 12145

Compulsory Pooling Order No. R-11171 Rio Blanco "4" Fed COM No. 2 Well SFE Contract No. NM-30,256-002 S/2 Section 4, T-23-S, R-34-E Lea County, New Mexico

Rio Blanco Prospect – NM-0965

Ladies and Gentlemen:

Pursuant to the provisions of NMOCD Compulsory Pooling Order #R-11171 issued in connection with the drilling of the Rio Blanco "4" Fed COM No. 2 well, please be advised that a voluntary agreement have been reached between Santa Fe Snyder Corporation (formerly Santa Fe Energy Resources, Inc.) and the parties subject to the compulsory pooling provisions of said Order.

If you have any questions, my direct number is (915) 686-6712.

Sincerely,

SANTA FE SNYDER CORPORATION

Steven' J. Smith

Senior Staff Landman

cc: Mr. Robert E. Landreth 505 N. Big Spring, Suite 507 Midland, TX 79701

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