



OIL CONSERVATION DIV.
MIDLAND PARTNERS

CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL
BARRY BEAL, JR.
STUART BEAL
ROBERT DAVENPORT, JR.

BTA OIL PRODUCERS

104 SOUTH PECOS
MIDLAND, TEXAS 79701

915-682-3753
FAX 915-683-0311

May 24, 1999

ROCKY MOUNTAIN DIVISION

600 17TH STREET
SUITE 2230
SOUTH TOWER

DENVER, CO 80202
303-292-9299
FAX 303-297-0666

Re: Letter of Dismissal
Case No. 12189

STATE OF NEW MEXICO
ENERGY MINERALS & NATURAL RESOURCES DEPT.
OIL CONSERVATION DIVISION
2040 South Pacheco St.
Santa Fe, NM 87505

Attention: Hearing Examiner

Gentlemen:

Please be advised BTA has reached an agreement with Santa Fe Energy Resources, Inc. concerning the above referenced case. We are attaching the original signed "Waiver of Objection" and a copy of the letter agreement.

BTA hereby request dismissal of **Case No. 12189.**

Should further information be required to issue our drilling permit, please give me a call. Thank you.

Sincerely,


DOROTHY HOUGHTON
For BTA Oil Producers

Attachments



OIL CONSERVATION DIV.

59 MAY 26 PM 12:58

BTA OIL PRODUCERS
104 SOUTH PECOS
MIDLAND, TEXAS 79701

915-682-3753
FAX 915-683-0311

May 20, 1999

ROCKY MOUNTAIN DIVISION
600 17TH STREET
SUITE 2230
SOUTH TOWER
DENVER, CO 80202
303-292-9299
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Re: Offset Operator – Waiver of Objection
Unorthodox Location
Case No. 12189
Grama –C-, 8817 JV-P, #1
660' FSL & 660' FWL
Sec. 16, T22S, R34E
Lea County, NM

SANTA FE ENERGY RESOURCES, INC.
550 W. Texas, Suite 1330
Midland, TX 79701

Attention: Steven J. Smith

Gentlemen:

BTA previously notified you of our intention to drill the Grama –C- #1 gas well at the above referenced unorthodox location. This location requires an exception to NMOCD Rule 104.C (2)(b) and BTA has filed an application for administrative approval for geologic conditions.

We have furnished Form C101 and C102 along with the Lea County land map showing this area. If you have no objections to this unorthodox location, please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned.

Sincerely,


DOROTHY HOUGHTON
For BTA Oil Producers

The undersigned hereby waives any objection to the unorthodox location proposed by BTA Oil Producers this 24 day of May, 1999.

Santa Fe Energy Resources, Inc. *

Name:



Title:

Sr. Staff Landman

* Subject to Conditional letter dated May 21, 1999



Santa Fe Snyder Corporation

VIA FAX AND U.S. MAIL

(915) 683-0311

OIL CONSERVATION DIV.
59 MAY 26 PM 12:58

May 21, 1999

BTA Oil Producers
104 South Pecos
Midland, Texas 79701
ATTN: Mr. Robert Crawford

Re: Unorthodox Well Location
BTA's Grama -C-, 8817 JV-P, #1 Well
660' FSL & 660' FWL
Sec. 16, T-22-S, R-34-E
Lea County, New Mexico
SFS's Gaucho Prospect - NM-0415

Gentlemen:

Reference is made to the request by BTA Oil Producers (BTA) for administrative approval of the above referenced unorthodox well location. As you know Santa Fe Snyder Corporation (Santa Fe) filed an objection to the proposed location and this matter has been set for hearing before the NMOCD.

In an effort to reach a mutually acceptable compromise in this matter, Santa Fe hereby agrees to waive its objection to the above referenced unorthodox well location in exchange for a guarantee by BTA that it will (i) grant Santa Fe waivers of mirror unorthodox locations for the drilling of Morrow tests in Sections 17, 20 and 21, T-22-S, R-34-E, Lea County, New Mexico, and (ii) provide Santa Fe with all logs and tests results acquired in connection with drilling the above referenced well as outlined on the attached Exhibit "A". All logs and test results shall be provided to Santa Fe within forty-eight (48) hours of BTA's receipt of same. In addition, Santa Fe shall provide BTA with like well information on any well drilled by Santa Fe at any of the mirror unorthodox locations in Sections 17, 20 and 21.

If you agree to the foregoing, please so indicate by signing both copies of this letter and returning one fully executed copy to the undersigned. My direct phone number is (915) 686-6712 and my fax number is (915) 686-6714.

Sincerely,

SANTA FE SNYDER CORPORATION

Steven J. Smith
Senior Staff Landman

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