

Santa Fe Energy Resources, Inc.

VIA FACSIMILE AND U.S. MAIL

Fax # 505-827-1389

April 22, 1999

Mr. Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: BTA Oil Producer's
Application for Administrative Approval
Unorthodox Gas Well Location
8817 JV-P Grama "C" #1
660' FSL & 660' FWL
Section 16, T-22-S, R-34-E, NMPM
Lea County, New Mexico
SFERI's Gaucho Prospect NM-0415

Dear Mr. Stogner:

Santa Fe Energy Resources, Inc (Santa Fe) owns a significant working interest in the Santa Fe operated Gaucho "21" Fed. #1 and the Gaucho Unit #4 wells offsetting the proposed unorthodox location referenced above. Santa Fe believes the referenced unorthodox location should be denied. Please advise when this application will be scheduled for a formal hearing.

Sincerely,

SANTA FE ENERGY RESOURCES, INC.



Meg Muhlinghaue
Senior Landman

CC: BTA Oil Producers – Dorothy Houghton

H:\worddata\gaucho-nmocc-bta offset

Central Division
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Midland, Texas 79701
915/687-3551