

Santa Fe Snyder Corporation

VIA FAX AND CERTIFIED MAIL

Fax (281) 618-4757

February 8, 2000

Southwestern Energy Production Company
2350 N. Sam Houston Parkway East, Suite 300
Houston, Texas 77032

ATTN: Mr. Samuel Glenn Thompson

Re: Well Proposal
Paloma Blanco "17" Federal #1
1,980' FNL & 660' FWL
Section 17, T-23-S, R-34-E
Lea County, New Mexico
PALOMA PROSPECT - NM-0964

Gentlemen:

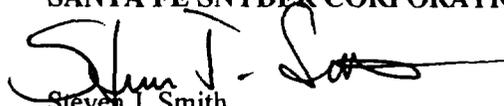
Reference is made to Santa Fe Snyder Corporation's (Santa Fe's) letter dated December 9, 1999 proposing to drill the referenced well as a 13,700' Morrow test at a location 1,980' FNL & 660' FWL of Section 17, T-23-S, R-34-E, Lea County, New Mexico.

As an alternative to your participation in the proposed well, Santa Fe hereby offers to purchase all of Southwestern Energy Production Company's (SWEPCO's) interest in the N/2 of said Section 17 for \$20,000.00 total bonus consideration (\$125.00 per net acre) subject to SWEPCO's reservation of a proportionately reducible Overriding Royalty interest equal to the difference by which 20% exceeds existing lease burdens.

This offer shall remain in effect until 5:00 P.M. CST on February 29, 2000, after which it may be withdrawn at Santa Fe's option without notice. To indicate your acceptance of this proposal, please execute and return to the undersigned one copy of this letter.

Sincerely,

SANTA FE SNYDER CORPORATION



Steven J. Smith
Senior Staff Landman

ACCEPTED AND AGREED TO
this ____ day of February, 2000.

SOUTHWESTERN ENERGY PRODUCTION COMPANY

By: _____

Title: _____

PalomaBlanco17.doc
Central Division
550 W Texas, Suite 1330
Midland, Texas 79701
915/687-3551

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12393 Exhibit No. 6
Submitted By:
Santa Fe Snyder Corporation
Hearing Date: May 18, 2000

P 101 783 254

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	
Southwestern Energy Prod. Co.	
Street & Number	
2350 N. Sam Houston Pkwy. E.	
Post Office, State, & ZIP Code	
Houston, Texas Suite 300 77032	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 if international services.
- Complete items 3, 4a, and 4.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

ATTN: MR. SAMUEL G. THOMPSON
 SOUTHWESTERN ENERGY PROD. CO.
 2350 N. SAM HOUSTON PKWY. EAST
 SUITE 300
 HOUSTON, TEXAS 77032

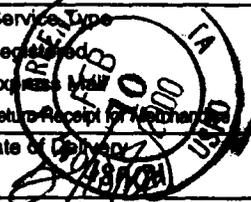
4a. Article Number

P 101 783 254

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Mail
- Certified
- Insured
- COD

7. Date of Delivery



5. Received By: (Print Name)

PA BENSON

6. Signature: (Addressee or Agent)

PA Benson

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

CONFIRMATION REPORT - MEMORY SEND

Time : FEB-08-00 17:30
Fax number: 9156866714
Name : SANTA FE SNYDER CORPORATION

Job : 029
Date : FEB-08 17:29
To : 912816184757
Doc. pages : 02
Start time : FEB-08 17:29
End time : FEB-08 17:30
Pages sent : 02
Job:029

*** SEND SUCCESSFUL ***



Santa Fe Snyder Corporation
550 West Texas Avenue, Suite 1330
Midland, Texas 79701
915-687-3551
FAX 915-686-6714

Fax Cover Sheet

Date: 2/8/2000
To: Sam Thompson - A/E Energy
Fax: (281) 618-4757
From: Steve Smith
RE: Paloma Blanco "17" Fed #1

THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED, AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL, AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone, and return the original message to us at the above address via U.S. Postal Service. Thank you.

Number of Pages Sent 2 (including cover sheet)

Please call Edith (915) 686-6637 if all pages not received