

Santa Fe Snyder Corporation

VIA FAX AND CERTIFIED MAIL

(915) 683-0311

February 17, 2000

BTA Oil Producers
104 South Pecos
Midland, Texas 79701

ATTN.: Mr. C. Robert Crawford

Re: Request for Term Assignment
S/2 Section 18, T-23-S, R-34-E
Lea County, New Mexico
PALOMA BLANCO PROSPECT - NM-0415

Gentlemen:

Reference is made to Santa Fe Snyder Corporation's (Santa Fe's) letter dated November 15, 1999 proposing the Paloma Blanco "18" Fed COM #1 well a 13,700 foot Morrow test at a location 660' FSL & 660' FEL of Section 18, T-23-S, R-34-E, Lea County, New Mexico. Reference is also made to our recent conversations regarding a possible working interest unit covering Section 18 along with other lands.

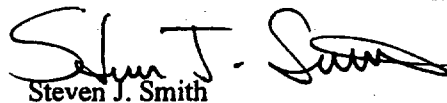
In lieu of BTA's participation in the referenced well and/or working interest unit, Santa Fe hereby requests a Term Assignment covering all of BTA's interest in the S/2 of Section 18, T-23-S, R-34-E, Lea County, New Mexico based upon the following general terms:

1. \$200.00 per net acre bonus;
2. Two year primary term with a 180 day continuous development option; and
3. Prior to an election by Conoco to convert its retained Overriding Royalty Interest (ORRI) to a 33.33% WI pursuant to that certain Farmout Agreement dated October 11, 1979, BTA shall reserve an ORRI equal to the difference by which 25% exceeds lease burdens. Following such an election by Conoco, BTA's reserved ORRI would be equal to the difference by which 20% exceeds lease burdens.

We thank you for your consideration of this proposal and look forward to receiving your reply. If you have any questions, my direct number is (915) 686-6712.

Sincerely,

SANTA FE SNYDER CORPORATION


Steven J. Smith

Senior Staff Landman

BTA001.doc

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

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
SF Snyder	5
CASE NO.	12449

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3; and 4a & b.
- 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):

MIDLAND, ODESSA TX

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

ATTN: C. ROBERT CRAWFORD
BTA OIL PRODUCERS
104 SOUTH PECOS
MIDLAND TX 79701

4a. Article Number

P 101 783 265

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery

Mar 2-22

5. Signature (Addressee)

Shari Huggins

6. Signature (Agent)

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

PS Form 3811, December 1991

U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

P 101 783 265

Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	
BTA Oil Producers	
Street & Number	
104 South Pecos	
Post Office, State, & ZIP Code	
Midland, Texas 79701	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Name, & Addressee's Address	
AL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

Thank you for using Return Receipt Service.

CONFIRMATION REPORT - MEMORY SEND

Time : FEB-17-00 11:24
Fax number: 9156866714
Name : SANTA FE SNYDER CORPORATION

Job : 141
Date : FEB-17 11:22
To : 96830311
Doc. pages : 02
Start time : FEB-17 11:23
End time : FEB-17 11:24
Pages sent : 02
Job:141

*** 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: 2/17/2000
To: Robert Crawford - BTA Producers
Fax: 683-0311
From: Steve Smith
RE: Request for Term Assignment

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 - 686-6627 if all pages not received

Fax Cover Sheet