

**Santa Fe Snyder Corporation**

VIA FAX AND CERTIFIED MAIL

(915) 683-0311

February 25, 2000

BTA Oil Producers  
104 South Pecos  
Midland, Texas 79701

ATTN.: Mr. C. Robert Crawford

Re: Revised Well Proposal  
Paloma Blanco "18" Fed COM #1  
1,980' FNL & 660' FEL  
Section 18, T-23-S, R-34-E  
Lea County, New Mexico  
PALOMA BLANCO PROSPECT  
Contract # NM-0415

Gentlemen:

Reference is made to Santa Fe Snyder Corporation's letter dated November 15, 1999 proposing the Paloma Blanco "18" Fed COM #1 well as 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.

This letter is to advise that Santa Fe Snyder Corporation ("Santa Fe") has decided to move the location of the proposed well. Accordingly, Santa Fe hereby re-proposes said well at a location 1,980' FNL & 660' FEL of Section 18, T-23-S, R-34-E, Lea County, New Mexico. Attached are duplicate AFE Well Cost Estimates for the proposed well.

We anticipate establishing a proration unit covering the E/2 of said Section 18 if the well is successfully completed in the Morrow formation. BTA Oil Producers ("BTA") appears to own 100.0% of the working interest in the SE/4 of said Section 18 subject to the terms of that certain Farmout Agreement dated October 11, 1979 between Conoco Inc., as Farmor, and BTA, as Farmee. Please advise if this is incorrect.

You will be provided with an Operating Agreement covering the E/2 of said Section 18 within the next few days. Should you choose to participate in the proposed well, please execute and return one copy of this letter, one AFE Well Cost Estimate and one original Operating Agreement. Please also provide your geological information requirements and the names of personnel to receive reports. In the alternative, should you choose not to participate, Santa Fe will consider a Term Assignment covering all of BTA's interest in the SE/4 of Section 18 based upon mutually acceptable terms.

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

BEFORE EXAMINER CATANACH	
OIL CONVEYANCE DIVISION	
SF Snyder	6
CASE NO.	12449

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

Sincerely,

**SANTA FE SNYDER CORPORATION**



Steven J. Smith  
Senior Staff Landman

BTA Oil Producers hereby elects to **PARTICIPATE** in the Paloma Blanco "18" Fed COM #1 Well as hereinabove re-proposed.

**BTA OIL PRODUCERS**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

CONFIRMATION REPORT - MEMORY SEND

Time : FEB-25-00 16:55  
Fax number: 9156866714  
Name : SANTA FE SNYDER CORPORATION

Job : 264  
Date : FEB-25 16:53  
To : 96830311  
Doc. pages : 04  
Start time : FEB-25 16:53  
End time : FEB-25 16:55  
Pages sent : 04  
Job:264 \*\*\* 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: 2/25/2000  
To: Bob Crawford - BTA  
Fax: 683-0311  
From: Steve Smith  
RE: Paloma Blanco 18" ZC #1 Well

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 4 (including cover sheet)

Please call Edith (686-6632) if all pages not received

Fax Cover Sheet

**Is your RETURN ADDRESS completed on the reverse side?**

**SENDER:**

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

1. ☐ Addressee's Address  
2. ☐ Restricted Delivery  
Consult postmaster for fee.

**3. Article Addressed to:**  
ATTN: MR. BOB CRAWFORD  
BTA OIL PRODUCERS  
104 SOUTH PECOS  
MIDLAND TX 79701

**4a. Article Number**  
Z 558 008 504

**4b. Service Type**

<input type="checkbox"/> Registered	<input checked="" type="checkbox"/> Certified
<input type="checkbox"/> Express Mail	<input type="checkbox"/> Insured
<input checked="" type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> COD

**7. Date of Delivery** FEB 28 2000

**5. Received By: (Print Name)**  
*[Signature]*

**6. Signature: (Addressee or Agent)**  
X *[Signature]*

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

PS Form 3811, December 1994 102595-98-8-0229 Domestic Return Receipt

Z 558 008 504

U.S. Postal Service

# Receipt for Certified Mail

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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	
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TOTAL Postage & Fees	\$
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PS Form 3800, April 1995

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