



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

GULF COAST DISTRICT
TWO GREENSPPOINT PLAZA
16825 NORTHCHASE DRIVE, STE. 680
HOUSTON, TEXAS 77060
PH. 281-872-5022 FAX 281-872-5054

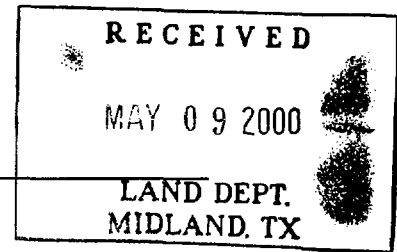
ROCKY MOUNTAIN DISTRICT
600 17TH STREET, STE. 2230 SOUTH
DENVER, CO 80202
PH. 303-534-4404 FAX 303-534-4661

May 8, 2000

Certified Return Receipt

Z 445 245 810

In re: Proposed Santa Fe
Paloma Blanco 18 Federal COM #1
Section 18, T-23-S, R-34-E
Lea County, New Mexico
BTA 7909 JV-P Bell Lake, I



Santa Fe-Snyder Corporation
550 West Texas Avenue, Suite 1330
Midland, Texas 79701-4257

Attn: Steven J. Smith

Gentlemen:

Reference is made to your proposal letters addressed to BTA Oil Producers and to the Partners and Investors of BTA on the captioned well.

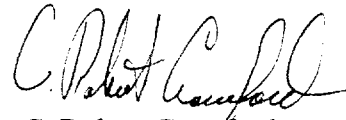
In your April 7, 2000 letter, you point out that BTA had assigned its interest to its partners and investors and that is quite true. And we would also like to point out that said assignment is subject to "(b) terms and provisions of Joint Operating Agreement dated November 22, 1978 between Bernard E. Alpern, et al, as Non-Operators and BTA Oil Producers, as Operator;". Since BTA was named Operator and represents all of the Partners and Investors you have previously notified, this letter is written on their behalf also.

BTA, as Operator, has staked the 7909 JV-P Bell Lake #2 well in the SE/4 of said Section 18 and has it's approved APD, a copy of which we enclose. Our intent is to drill this well on a S/2 proration unit.

With the above in mind, BTA is of course not interested in participating in your proposed well. We have no problem with a N/2 proration unit for your proposed well and certainly would not object to same.

Should you continue to pursue this matter by filing a forced pooling proceeding, as you have indicated, we must inform you that we will vigorously oppose your actions in order to protect our right to drill a well on our leasehold.

Yours truly,

A handwritten signature in black ink, appearing to read "C. Robert Crawford". The signature is stylized with a large, looped "C" and a long, sweeping underline.

C. Robert Crawford
Land/Legal Manager for
BTA Oil Producers, Operator

cc: Mr. Bill Carr
Campbell, Carr, Berge & Sheridan

CRC/mrl
C:\MyFiles\Word Perfect Files\Letters\CRC\Santa Fe- Bell Lake.wpd

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRI-STATE*
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

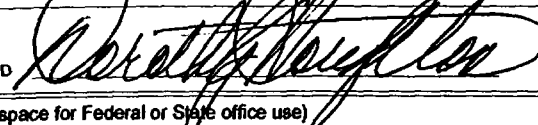
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. LC NMMA 065194
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR BTA OIL PRODUCERS		7. UNIT AGREEMENT NAME
3. ADDRESS AND TELEPHONE NO. 104 South Pecos, Midland, TX 79701 915/682-3753		8. FARM OR LEASE NAME, WELL NO. Bell Lake, 7909 JV-P No. 2
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660 FSL & 1980' FEL SW/SE (U. ltr. O) At proposed prod. zone		9. API WELL NO.
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 26 Miles west of Jal		10. FIELD AND POOL, OR WILDCAT Bell Lake, Morrow Mid
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest dirg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
660	157.81	315.62 (pooled)
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH	20. ROTARY OR CABLE TOOLS
none	13,600	Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3501 GR; 3521 RKB		22. APPROX. DATE WORK WILL START* 02/14/00

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	K55, 13-3/8"	54.5#	700'	800 sx (sufficient to circulate)
12-1/4"	K55 - 9-5/8"	40#	5000'	1500 sx (Sufficient to Circulate)
8-1/2"	P110/S95; 7"	29#	11,800	Above 9-5/8" shoe
6-1/8"	P110; 5" liner	18#	11,400'-TD	Circ. around liner

I hereby certify that BTA OIL PRODUCERS is responsible under the terms and conditions of the lease to conduct lease operations in conjunction with this application. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by BTA 's Statewide Bond #1556199

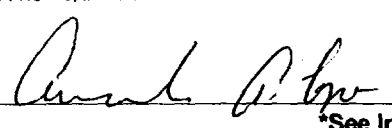
**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED  TITLE Regulatory Administrator DATE 12/07/99
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY  TITLE Acting Assistant Field Office Manager,
Lands and Minerals DATE JAN 03 2000
*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. LC NMNM1065194	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
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4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660 FSL & 1980' FEL SW/SE (U. Nr. O) At proposed prod. zone		9. API WELL NO. 30-025-34827	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 26 Miles west of Jal		10. FIELD AND POOL, OR WILDCAT Bell Lake, Morrow Mid	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest dirg. unit line, if any) 660		11. SEC., T., R., M., OR BLK AND SURVEY OR AREA Sec. 18, T23S, R34E	
16. NO. OF ACRES IN LEASE 157.81		12. COUNTY OR PARISH Lea	
17. NO. OF ACRES ASSIGNED TO THIS WELL 315.62 (pooled)		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. none		19. PROPOSED DEPTH 13,600	
20. ROTARY OR CABLE TOOLS Rotary		21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3501 GR; 3521 RKB	
22. APPROX. DATE WORK WILL START 02/14/00			

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OPER. OGRID NO. 3002
PROPERTY NO. 2296
POOL CODE 72000
EFF. DATE 1-5-2000
API NO. 30-025-34827

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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24. SIGNED [Signature] TITLE Regulatory Administrator DATE 12/07/99

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

(ORIG. SGD.) ARMANDO A. LOPEZ

Assistant Field Office Manager.
Acting Lands and Minerals

APPROVED BY _____ TITLE _____ DATE JAN 03 2000

*See Instructions On Reverse Side

APPROVED FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.