

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P. FOR
COMPULSORY POOLING AND AN
UNORTHODOX WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

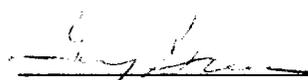
No. 10,629

AFFIDAVIT REGARDING NOTICE

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Gary Green, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18 and have personal knowledge of the matters stated herein.
2. I am the landman for Applicant herein.
3. Applicant has conducted a good faith, diligent effort to find the correct address of interest owners entitled to receive notice of the Application herein.
4. Notice of the Application was provided to the interest owners at their correct addresses by mailing them, by certified mail, a copy of the Application. Copies of the notice letter and certified return receipts are attached hereto.
5. The notice provisions of Rule 1207 have been complied with.



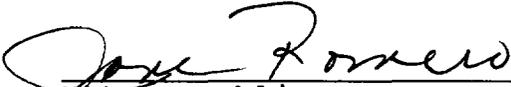
Gary Green

BEFORE ME, Notary Public for the State of New Mexico, on this _____ day of _____, 20____, I have known and examined the above and signed and sworn to the foregoing as true and correct.

Santa Fe, New Mexico

10628/10629

SUBSCRIBED AND SWORN TO before me this 16 day of December, 1992, by Gary Green.



Notary Public

My Commission Expires:

8-15-95



Santa Fe Energy Operating Partners, L.P.

Santa Fe Pacific Exploration Company
Managing General Partner

Certified Mail P 987 116 569

October 30, 1992

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attention: Mr. Robert Bullock

Re: Rocky Top Fed Com 27 No. 1
Section 27, T-21-S, R-24-E
Eddy County, New Mexico

Gentlemen:

As discussed in our telephone conversation, please find enclosed Santa Fe Energy Operating Partners, L.P.'s amended application for Compulsory Pooling and an Unorthodox Gas Well Location for the captioned well.

The hearing date will be December 3, 1992.

Should you have any questions, please feel free to contact me.

Yours very truly,

SANTA FE ENERGY OPERATING PARTNERS, L.P.
By: Santa Fe Pacific Exploration Company,
Managing General Partner

By: Gary Green
Gary Green, Division Landman

GG:pr

Enclosure a/s

pr2474

Permian Basin District
550 W. Texas, Suite 1330
Midland, Texas 79701
913/687-3551

RECEIVED

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

OCT 03 1992

OIL CONSERVATION DIV.
SANTA FE

**APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P. FOR
COMPULSORY POOLING AND AN UN-
ORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.**

No. _____

AMENDED APPLICATION

Santa Fe Energy Operating Partners, L.P. hereby makes application for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying all of Section 27, Township 21 South, Range 24 East, N.M.P.M., Eddy County, New Mexico, and for an unorthodox gas well location, and in support thereof states:

1. Applicant is an interest owner and has the right to drill a well in said Section 27.

2. Applicant proposes to drill its Rocky Top Fed. No. 1 Well at an unorthodox location 500 feet from the South line and 660 feet from the West line of the Section, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:

(a) All of Section 27 for all pools or formations spaced on 640 acres (including the undesignated Indian Basin-Upper Pennsylvanian Gas Pool); and

(b) The W $\frac{1}{4}$ of Section 27 for all pools or formations spaced on 320 acres.

JGB5\92508.d

3. Applicant has in good faith sought to join all other mineral and leasehold interest owners in Section 27 for the purposes set forth herein.

4. Although Applicant attempted to obtain voluntary agreements from all mineral and leasehold interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their acreage. Therefore, Applicant seeks an order pooling all mineral and leasehold interest owners underlying Section 27, as described above, pursuant to N.M. Stat. Ann. § 70-2-17 (1987 Repl.).

5. Applicant requests the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty of 200% for the risk involved in drilling the well.

6. The pooling of all interests underlying Section 27, as described above, and the approval of the unorthodox gas well location, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that the Division grant the relief requested above.

Dated: October 30, 1992.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY



James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Applicant



Santa Fe Energy Operating Partners, L.P.

Santa Fe Pacific Exploration Company
Managing General Partner

CERTIFIED MAIL - RETURN RECEIPT

November 6, 1992

Marathon Oil Company
P.O. Box 552
Midland, Texas 79702

ATTN: Mr. Wayne Ramsbottom

Re: **Rocky Top Fed Com 27 #1**
500' FSL & 660' FWL
Sec. 27, T-21-S, R-24-E, N.M.P.M.
Eddy County, New Mexico

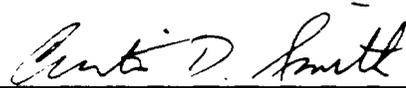
Gentlemen:

Santa Fe Energy Operating Partners, L.P. has staked the Rocky Top Fed Com 27 No. 1 at 500' FSL & 660' FWL Sec. 27, T-21-S, R-24-E, N.M.P.M., Eddy County, New Mexico as a Morrow test.

Santa Fe Energy Operating Partners, L.P. has applied for an unorthodox Gas Well Location with the State of New Mexico Oil Conservation Division. Santa Fe is requesting that Marathon, as the offsetting operator grant a waiver of objection to the unorthodox location by signing both copies of this letter in the space provided on Page 2 and returning one copy to the Santa Fe address at the bottom of the letterhead to the attention of Curtis D. Smith. Attached is a copy of Santa Fe's Amended Application for Compulsory Pooling and Unorthodox Gas Well Location. If you have any questions or comments, please call me at 686-6631.

Yours very truly,

SANTA FE ENERGY OPERATING PARTNERS, L.P.
By: Santa Fe Pacific Exploration Company
Managing General Partner

By: 
Curtis D. Smith, Senior Landman

CDS/efw
1 Encl a/s

Permian Basin District
550 W. Texas, Suite 1330
Midland, Texas 79701
915/687-3551

Page 2
Marathon Oil Company
November 6, 1992

Waiver of objection APPROVED
this _____ day of _____, 1992

MARATHON OIL COMPANY

By: _____
(Typed)

Title: _____

EWP408

P 17 116 659



Receipt for Certified Mail

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

Sent to Marathon Oil Company	
Street and No. P.O. Box 552	
P.O., State and ZIP Code Midland, Texas 79702	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage Fees	\$
Postmark or Date	

PS Form 3800 June 1991

ADDRESS completed on the reverse side

SENDER:

- Complete items 1 and 2 for additional services.
- Complete items 3, 4, 5, 6, 7, 8, and 9.
- 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.

3. Article Addressed to:
ATTN: Mr. Wayne Ramsbottom
Marathon Oil Company
P.O. Box 552
Midland, Texas 79702

4a. Article Number
P 987 116 659

4b. Service Type
 Registered
 Certified
 Insured
 COD
 Express Mail
 Return Receipt for Merchandise

7. Date of Delivery
NOV 09 1991

5. Signature (Addressee)
[Signature]

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

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

2. Restricted Delivery
Consult postmaster for fee.

PS Form 3811, December 1991 * U.S. P.O. : 1992-307-630 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service.

