



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

March 18, 1996

HINKLE, COX, EATON,  
COFFIELD & HENSLEY  
Attorneys at Law  
P. O. Box 2068  
Santa Fe, New Mexico 87501

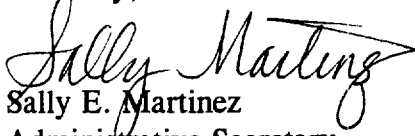
**ATTN: Jim Bruce**

**RE: CASE NO. 11460  
Order No. R-10560**

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

  
Sally E. Martinez  
Administrative Secretary

cc: BLM - Carlsbad  
Pete Martinez - SLO



RAY POWELL, M.S., D.V.M.  
COMMISSIONER

State of New Mexico  
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

March 6, 1996

RECEIVED  
MAR 8 1996  
FAX (505) 827-5766  
TEL (505) 827-5760

Santa Fe Energy Resources, Inc.  
550 West Texas, Suite 130  
Midland, Texas 79701

Attn: Mr. Joe Hammond

Re: Preliminary Approval  
Proposed Tomcat Unit Agreement  
Lea County, New Mexico

Dear Mr. Hammond:

We have reviewed the unexecuted copy of the unit agreement which you have submitted for the proposed Tomcat Unit Area, Lea County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands, who has this date granted preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short-term leases. Also, any well commenced which penetrates its objective horizon prior to the effective date of the agreement will not be construed as the initial test well.

When submitting your agreement for final approval, please provide the following:

1. Application for final approval by the Commissioner setting forth tracts that have been committed and the tracts that have not been committed.
2. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary, and one set must contain original signatures.
3. Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.

Santa Fe Energy Resources, Inc.

March 6, 1996

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4. Certificate of Determination from the Bureau of Land Management. Our approval will be subject to like approval by the Bureau of Land Management.
5. Two copies of the Unit Agreement and one copy of the Unit Operating Agreement.

Please submit a filing fee in the amount of \$240.00.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY:   
LARRY KEHOE, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File  
OCD--Attention: Mr. Michael Stogner  
BLM--Attention: Mr. Armando Lopez  
Commissioner's File



United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
ROSWELL DISTRICT OFFICE  
1717 West Second Street  
Roswell, New Mexico 88202



IN REPLY REFER TO:  
NMNM94487X  
3180 (06200)

FEB 29 1996

Santa Fe Energy Resources, Inc.  
Attention: Mr. Joe Hammond  
550 W. Texas, Suite 1330  
Midland, TX 79701

Gentlemen:

Your application of February 20, 1996, filed with the BLM requests the designation of the Tomcat Unit area, embracing 3840.00 acres, more or less, Lea County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act as amended.

Pursuant to unit plan regulations 43 CFR 3180, the land requested as outlined on your plat marked Exhibit A, Santa Fe Energy Resources, Inc., Tomcat Unit, Lea County, New Mexico, is hereby designated as a logical unit area and has been assigned No. NMNM94487X. This designation is valid for a period of one year from the date of this letter.

The unit agreement submitted for the area designated should provide for a well to test the Atoka Formation or to a depth of 14,050 feet, whichever is the lesser depth. Your proposed use of the Form of Agreement for Unproved Areas will be accepted with the modifications to Sections 9, 11, 12, and 17B as shown on the enclosed pages. Corrections that need to be made to Exhibits A and B are shown in red on the enclosed Exhibits.

If conditions are such that further modification of said standard form is deemed necessary, two copies of the proposed modifications with appropriate justification must be submitted to this office for preliminary approval.

In the absence of any type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical with said form, modified as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted which in our opinion, does not have the full commitment of sufficient lands to afford effective control of operations in the unit area.

When the executed agreement is transmitted to the BLM for final approval, include the latest status of all acreage. In preparation of Exhibits "A" and "B", follow closely the format of the sample exhibits attached to the reprint of the aforementioned form.

Inasmuch as this unit agreement involves State and Fee lands, we are sending a copy of the letter to the Commissioner of Public Lands and the NMOCD. Please contact the State of New Mexico before soliciting joinders regardless of prior contacts or clearances from the state.

Sincerely,

(Orig Sdg) Tony L. Ferguson

Tony L. Ferguson  
Assistant District Manager,  
Minerals Support Team

Enclosures

cc:

Commissioner of Public Lands, Santa Fe  
NMOCD, Santa Fe

**HINKLE, COX, EATON, COFFIELD & HENSLEY,  
L.L.P.**

**ATTORNEYS AT LAW**

**218 MONTEZUMA POST OFFICE BOX 2068  
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JAMES C. MARTIN

\*NOT LICENSED IN NEW MEXICO

February 21, 1996

Via Hand Delivery

David Catanach  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico

Re: Cases 11460 and 11456 (Santa Fe Energy)

Dear Mr. Catanach:

Please continue the above two cases to the March 7 hearing.  
(An amended application has been filed in case 11460, requiring  
that it be continued.) Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD  
& HENSLEY, L.L.P.

*James Bruce*  
James Bruce

ocdltr.5

**HINKLE, COX, EATON, COFFIELD & HENSLEY**  
**P.L.L.C.\***

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\*REGISTERED IN NEW MEXICO  
AS HINKLE, COX, EATON,  
COFFIELD & HENSLEY, P.L.L.C., LTD., CO.

\*NOT LICENSED IN NEW MEXICO  
\*FORMERLY COMPRISING THE FIRM OF  
CULTON, MORGAN, BRITAIN & WHITE, P.C.

**HAND DELIVERED**

February 6, 1996

William J. LeMay  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico

RECEIVED

FEB 6 1996

Oil Conservation Division

Dear Mr. LeMay:

Please continue for two weeks Case Nos. 11,460, 11,461, and 11,456, all of which are applications of Santa Fe Energy Resources, Inc.

Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD,  
& HENSLEY, P.L.L.C., LTD., CO.

*James Bruce*  
James Bruce

JB/yrk

cc: W. Thomas Kellahin  
Fax: 982-2047