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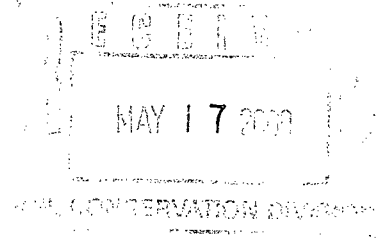
ROYALTY MANAGEMENT
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SURFACE RESOURCES
Phone (505) 827-5793
Fax (505) 827-5711

**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

May 15, 2000

New Mexico Energy, Minerals, and Natural Resources Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505



Attn: Michael Stogner

Re: Waiver of Objection
Salbar 16 State Well No. 1
2456' FNL & 1023' FWL, Section 16, Township 16 South, Range 36 East
Lea County, New Mexico

Dear Mr. Stogner:

I have reviewed Bonneville Fuel Corporation's request for a waiver of objection that was submitted to the Commissioner of Public Lands for the above mentioned well. My main concern is Bonneville's reference to the requested allowable for the well for the Shoe Bar Wolfcamp North, pool. Their request is to keep it the same for the Wolfcamp as was previously approved for the Shoe Bar Strawn Northeast, pool.

As you are aware, the set-back requirements differ significantly for the two subject pools and therefore I am reluctant to recommend this to the Commissioner for his waiver of objection at this time.

Please feel free to contact me so we may discuss this further.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jeff Albers".

Jeff Albers, Petroleum Engineer
Oil, Gas & Minerals Division
(505) 827-5759

JA/ja

Encl:

xc: Bonneville Fuels Corporation
1700 Broadway, Suite 1150
Denver, Colorado 80290
Attn: Ms. Sharon McDonald

"WE WORK FOR EDUCATION"

310 Old Santa Fe Trail, P. O. Box 1148 Santa Fe, New Mexico 87504-1148

Stogner, Michael

From: Sharon McDonald[SMTP:SMcDonald@carbonenergy.com]
Sent: Tuesday, May 23, 2000 4:23 PM
To: Stogner, Michael
Subject: Salbar 16 State #1, Lea County, New Mexico

Dear Mr. Stogner:

On May 11, 2000, Bonneville Fuels Corporation sent a request for Administrative Approval of an unorthodox location for reCompleting the Salbar 16 State #1 well in the Wolfcamp formation. Insofar as Bonneville would like to recomplete this well as soon as possible, could you please fax us the order approving the unorthodox location when approved? Our fax number is 303-863-1558.

Thank you for your consideration in this regard. If you have any questions, or if this is not possible would you please let me know so I can advise our operations department. I can be reached at 303-863-1555, extension 234.

Thank you,

Sharon McDonald