



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 30, 1996

Santa Fe Energy Resources, Inc.
550 West Texas Street, Suite 1330
Midland, Texas 79701

Attn: Mr. James Blount

Re: Allocation Percentages for Mesa Verde Delaware and Mesa Verde Bone Spring Pools.

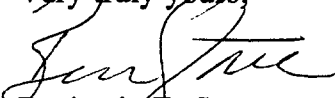
Dear Mr. Blount:

When amending your DHC order to indicated fixed percentage allocation for the subject pools for your Mesa Verde '7' Federal Well No.2, it occurred to me that these percentages are very nearly opposite from those on the No.7 well. As these wells are in the same section, township and range, and producing from the same pools, is it possible that the allocation assigned to the No.7 well is in error?

Could you please enlighten me? I know this occurs occasionally, but generally speaking, pools will more often contribute similar proportions of production volumes, particularly in a limited geographical area.

Additional information, written or telephoned, will be greatly appreciated. (505)827-8186.

Very truly yours,


Benjamin E. Stone
P.E. Specialist

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