

Santa Fe Snyder Corporation

April 28, 2000

To: Working Interest Owners:
(See Attached Exhibit "A-1")

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
SFSNYDER	12
CASE NO.	12449

Re: Proposed 13,700' Morrow Test
Paloma Blanco "18" Fed COM #1 Well
1,980' FNL & 660' FEL
E/2 Section 18, T-23-S, R-34-E
Lea County, New Mexico
PALOMA BLANCO PROSPECT #NM-0415

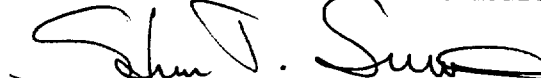
Reference is made to my recent letter to each of you proposing the Paloma Blanco "18" Fed COM #1 well as described above on behalf of Santa Fe Snyder Corporation (Santa Fe).

Enclosed is a copy of the Joint Operating Agreement (JOA) referred to in the proposal letter that has been executed on behalf of Santa Fe. Also enclosed is an extra set of signature pages for the JOA and an executable and recordable copy of the Memorandum of Joint Operating Agreement that is attached as Exhibit "G" to the JOA. To indicate your willingness and agreement to participate in the Paloma Blanco "18" Fed COM #1 well, please execute and return one of the AFE Well Cost Estimates provided with the original proposal letter. Please also execute and return the enclosed extra signature pages for the JOA and Memorandum and provide your well information requirements.

We thank you for your cooperation. Please feel free to contact me if you have any questions. My direct number is (915) 686-6712.

Sincerely,

SANTA FE SNYDER CORPORATION



Steven J. Smith
Senior Staff Landman

PalomaBlancoJOAletter.doc

Exhibit "A-1"

Working Interest Ownership E/2 Section 18, T-23-S, R-34-E, Lea County, New Mexico

<u>OWNER</u>	<u>WI</u>	
	<u>BPO 100%</u>	<u>AP0 100%</u>
Santa Fe Snyder Corporation 550 West Texas Suite 1330 Midland, Texas 79701	20.953750%	20.953750%
Geodyne Nominee Corporation c/o Samson Resources Company Samson Plaza Two West Second Street Tulsa, Oklahoma 74103-3103	6.250000%	6.250000%
Ray Westall & Randall Harris P. O. Box 4 Loco Hills, New Mexico 88255-0004	4.046250%	4.046250%
Southwestern Energy Production Company 2350 N. Sam Houston Parkway E. Suite 300 Houston, Texas 77032	4.774306%	4.774306%
Osborne Heirs Company P. O. Box 17968 San Antonio, Texas 78217-0968	4.774306%	4.774306%
Barrett Oklahoma Interests, Ltd. P. O. Box 171190 San Antonio, Texas 78217	4.774306%	4.774306%
Sugarberry Oil & Gas Corporation 2911 Turtle Creek Blvd. Suite 900 Dallas, Texas 75219-6254	2.656250%	2.656250%
Ocean Energy Inc. 1001 Fannin Suite 1600 Houston, Texas 77002	0.468750%	0.468750%
Alice J. Dickey 5730 W. Joshua Tree Lane Paradise Valley, Arizona 85253	0.781250%	0.781250%
John J. Fleet P. O. Box 25028 Dallas, Texas 75225	0.520833%	0.520833%
Berry Beal C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	6.802958% ⁽¹⁾	4.535305% ⁽¹⁾
Carlton Beal, Jr. C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	6.802957% ⁽¹⁾	4.535305% ⁽¹⁾
Spencer Beal C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	3.046458% ⁽¹⁾	2.030972% ⁽¹⁾

<u>OWNER</u>	<u>WI</u>	
	<u>BPO 100%</u>	<u>AP0 100%</u>
Kelly Beal C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	2.143124% ⁽¹⁾	1.428749% ⁽¹⁾
Berry Beal Jr. C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.425323% ⁽¹⁾	0.283549% ⁽¹⁾
Stuart E. Beal C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.237726% ⁽¹⁾	0.158484% ⁽¹⁾
Robert M. Davenport, Jr. C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.237726% ⁽¹⁾	0.158484% ⁽¹⁾
Keleen Beal C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	5.938733% ⁽¹⁾	3.959155% ⁽¹⁾
Carlton Beal Family Trust fbo Carlton Beal, Jr. C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	1.139347% ⁽¹⁾	0.759564% ⁽¹⁾
Carlton Beal Family Trust fbo Barry Beal C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	1.139347% ⁽¹⁾	0.759564% ⁽¹⁾
Carlton Beal Family Trust fbo Spencer Beal C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	1.139347% ⁽¹⁾	0.759564% ⁽¹⁾
Carlton Beal Family Trust fbo Kelly Beal C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	1.139347% ⁽¹⁾	0.759564% ⁽¹⁾
Carlton Beal Family Trust fbo Karlene Garber C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	1.139347% ⁽¹⁾	0.759564% ⁽¹⁾
Karlene Beal Garber Living Trust UTA 6/8/93 C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.024031% ⁽¹⁾	0.016020% ⁽¹⁾
Bernard E. Alpern Trust C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	1.138667% ⁽¹⁾	0.759111% ⁽¹⁾

<u>OWNER</u>	<u>WI</u>	
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Loyd J. Alpern Trust C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
George F. Baker, III, Agent C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.261333% ⁽¹⁾	0.174222% ⁽¹⁾
Alan S. Weinberg & Irene F. Weinberg, Trustees of the Weinberg Revocable Trust C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.261335% ⁽¹⁾	0.174223% ⁽¹⁾
Blank Living Investment Trust UTA dated 7/24/89, Trust # MOG #2 C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.522665% ⁽¹⁾	0.348444% ⁽¹⁾
Norma Braman C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.261333% ⁽¹⁾	0.174222% ⁽¹⁾
Constance B. Cartwright Wells Fargo Bldg. 2444 Wilshire Blvd., Suite 401 Santa Monica, California 90403-5808	0.130665% ⁽¹⁾	0.087110% ⁽¹⁾
Jane C. Gottschalk 27 Hurlbut Street Cambridge, Massachusetts 02138	0.392000% ⁽¹⁾	0.261333% ⁽¹⁾
Hubert L. Cline C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Dan Clyman Associates C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Carol R. Cohen C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.261333% ⁽¹⁾	0.174222% ⁽¹⁾
Arthur Collins C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Eleanor Couri, George G. Couri and Harold Bobroff, Trustees UWO George J. Couri C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾

<u>OWNER</u>	<u>WI</u>	
	<u>BPO 100%</u>	<u>APO 100%</u>
Thomas F. Curnin C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
James Currie C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.261333% ⁽¹⁾	0.174222% ⁽¹⁾
Joseph DiMieri C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Rex Sturm and Charles R. Player Jr., Trustees UWO Thomas Dowd C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Ecoff & Gisler C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Arthur Emil-1979 C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.392000% ⁽¹⁾	0.261333% ⁽¹⁾
Janet B. Fedder 6662 Estero Blvd. #807B Fort Myers Beach, Florida 33193	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Forman Energy Corp. P.O. Box 10502 Midland, Texas 79702-7502	0.392000% ⁽¹⁾	0.261333% ⁽¹⁾
Morgan Guaranty Trust Co. of NYC, Trustee UWO Gerald Frank, fbo Peter Frank and descendants Nine West 57 th Street New York, New York 10019	0.471333% ⁽¹⁾	0.314222% ⁽¹⁾
Morgan Guaranty Trust Co. of NYC, Trustee UWO Gerald Frank, fbo Lynne Bettman & descendants C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.471333% ⁽¹⁾	0.314222% ⁽¹⁾
Joseph Gluckman C/o Wiener, Frushtick & Straub P.C. 500 Fifth Ave., Suite 2610 New York New York 10110	0.068779% ⁽¹⁾	0.045852% ⁽¹⁾
Gary Slabodsky 31 Acacia Drive Holbrook, New York 11741	0.061889% ⁽¹⁾	0.041259% ⁽¹⁾
GD Company C/o BTA Oil Producers 104 South Pecos, Midland, Texas 79701	0.261333% ⁽¹⁾	0.174222% ⁽¹⁾

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	<u>BPO 100%</u>	<u>AP0 100%</u>
Trustee of the M. Robert Gallop 1997 Revocable Trust UTA dated 11/12/97 105 East 69 th Street New York, New York 10021	0.261333% ⁽¹⁾	0.174222% ⁽¹⁾
Ann M. Gallop 777 Third Avenue 17 th Floor New York, New York 10017	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Joseph H. Gardner C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Barbara Gilbert C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Salvatore Giordano, Sr. C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
The Glickman Revocable Living Trust UTA dated 10/25/91 6761 North Montezuma Drive Tucson, Arizona 85718	0.522665% ⁽¹⁾	0.348444% ⁽¹⁾
Charles Goldschmidt C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Edward Goldschmidt C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Beatrice Goldschmidt C/o Goldschmidt & Goldschmidt 641 Lexington Ave., 15 th Floor New York, New York 10022-4503	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Milton S. Gould and Patricia M. Booth, Trustees of Trust fbo Milton S. Gould, uta dated 03/29/1996 C/o LeBoeuf, Lamb, Green & MacRae 125 West 55 th Street New York, New York 10019-5389	0.392000% ⁽¹⁾	0.261333% ⁽¹⁾
Abdul-Jabar Family Trust 1999 Avenue of the Stars Suite 2200 Los Angeles, California 90067	0.196000% ⁽¹⁾	0.130667% ⁽¹⁾
Elena J. Atlas C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.065335% ⁽¹⁾	0.043556% ⁽¹⁾
L. Keith Steiner 648 Derramount Marietta, Georgia 30068	0.032665% ⁽¹⁾	0.021777% ⁽¹⁾

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Dorothy S. Schott 60 West 57 th Street/PH-A New York, New York 10019	0.032667% ⁽¹⁾	0.021778% ⁽¹⁾
Donald E. Jahncke Trust C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Ira Kitrosser 307 Fifth Avenue New York, New York 10016	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Henry & Lillian Kibel C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.261333% ⁽¹⁾	0.174222% ⁽¹⁾
Martin B. Kremer C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.065333% ⁽¹⁾	0.043555% ⁽¹⁾
Kremer Family Joint Venture C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.065333% ⁽¹⁾	0.043555% ⁽¹⁾
Joseph N. Leff C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Nadal Family Trust C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Rozlen Associates 116 Hook Road Bedford, New York 10506	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Roger P. Palma C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.597331% ⁽¹⁾	0.398221% ⁽¹⁾
Lawrence Phillips C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
William Spiegelman C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.365866% ⁽¹⁾	0.243911% ⁽¹⁾
Bank of America, N.A., Trustee of Trust No. 1430-01 C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.201600% ⁽¹⁾	0.134400% ⁽¹⁾

<u>OWNER</u>	<u>WI</u>	<u>WI</u>
	<u>BPO 100%</u>	<u>APO 100%</u>
Bank of America, N.A., Trustee of Trust No. 1430-02 c/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.201600% ⁽¹⁾	0.13400% ⁽¹⁾
Bank of America, N.A., Trustee of Trust No. 1430-03 C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.201600% ⁽¹⁾	0.13400% ⁽¹⁾
Bank of America, N.A., Trustee of Trust No. 1430-04 C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.201600% ⁽¹⁾	0.134400% ⁽¹⁾
Bank of America, N.A., Trustee of Trust No. 1430-05 C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.201600% ⁽¹⁾	0.134400% ⁽¹⁾
Bank of America, N.A., Trustee of Trust No. 1431-00 C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.679333% ⁽¹⁾	0.452888% ⁽¹⁾
Bank of America, N.A., Trustee of Trust No. 1432-00 C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.679333% ⁽¹⁾	0.452888% ⁽¹⁾
Raymond Kent Rice and Susan Rice Kaufman, Co-Trustees of the Raymond H. Rice, Deceased's Trust under Declaration of the Rice Family Trust dated 8/14/91 C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Fred C. Jennings Trust P.O. Box 486 Riverside, California 92502	0.087110% ⁽¹⁾	0.058073% ⁽¹⁾
Mark C. Jennings or Theresa Jennings P.O. Box 66 Carona Del Mar, California 92625	0.087110% ⁽¹⁾	0.058073% ⁽¹⁾
Susan K. Jennings 2 Seafaring Drive Carona Del Mar, California 92625	0.087112% ⁽¹⁾	0.058075% ⁽¹⁾
Scharffenberger Living Trust 4 Appaloosa Lane Rolling Hills, California 90274	0.392000% ⁽¹⁾	0.261333% ⁽¹⁾
Patricia A. Shea Ryan 39 Colonial Drive Plandome Manor, New York 11030	0.087110% ⁽¹⁾	0.058073% ⁽¹⁾

<u>OWNER</u>	<u>BPO 100%</u>	<u>WI</u> <u>APO 100%</u>
Victor L. Anfuso and Kathy S. Anfuso, Trustees of the Anfuso Family Trust UTA dated 2/16/95 3101 N.W. 156 th Street Portland, Oregon 97230	0.087110% ⁽¹⁾	0.058073% ⁽¹⁾
Francis Scott Shea, Trustee UWO Mary Nora Shea fbo William A. Shea, Jr. C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.087110% ⁽¹⁾	0.058073% ⁽¹⁾
Sheltess Associates C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Sheridan Family Partners, L.P. 51 Grundy Place Merrick, New York 11566	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
The J. Ralph Stone and Lois Stone Trust P.O. Box 3027 Santa Rosa, California 95402-3027	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Robert J. Strausburgh, II and Thomas C. Strausburgh, Trustees of the Robert J. Strausburgh, II Living Trust C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Henry F. Trione C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Mark H. Trione C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Victor S. Trione C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾	0.087112% ⁽¹⁾
Trobaugh Properties C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.522665% ⁽¹⁾	0.348444% ⁽¹⁾
Nancy Winter P.O. Box 1422 East Hampton, New York 11937	0.130665% ⁽¹⁾	0.087110% ⁽¹⁾
Elizabeth Wolff C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.522665% ⁽¹⁾	0.348444% ⁽¹⁾

<u>OWNER</u>	<u>BPO 100%</u>	<u>WI</u>	<u>APO 100%</u>
Morris Radmin & Babette S. Goldman, Co-Trustees UWO Ilsa B. Wolff fbo Eva Trent C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	1.045333% ⁽¹⁾		0.696888% ⁽¹⁾
Patricia Ann Wolff C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.392000% ⁽¹⁾		0.261333% ⁽¹⁾
Patricia Ann Wolff Trust C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.130667% ⁽¹⁾		0.087112% ⁽¹⁾
HRK Equity Corporation C/o Elliott E. Ruskin 2141 Seneca Drive South Merrick, New York 11566	0.046667% ⁽¹⁾		0.031111% ⁽¹⁾
Irwin M. Klau, Trustee UWO Samuel Klau 2201 N.E. 204 th Street N. Miami Beach, Florida 33180	0.046667% ⁽¹⁾		0.031111% ⁽¹⁾
C. R. Pearson C/o BTA Oil Producers 104 South Pecos Midland, Texas 79701	0.007693% ⁽¹⁾		0.005129% ⁽¹⁾
Conoco Inc. 10 Desta Drive, Suite 100W Midland, Texas 79705	<u>0.000000%</u>		<u>16.666666%</u>
Totals:	100.000000%		100.000000%

The above BPO 100% and APO 100% working interest figures assume Conoco Inc. elects to convert its retained ORRI to a proportionately reduced working interest pursuant to the terms and conditions of that certain Farmout Agreement dated October 11, 1979, by and between Conoco Inc. as Farmor and BTA Oil Producers as Farmee.

- (1) Each of the above referenced interests are subject to the terms and conditions of that certain Assignment dated February 1, 1985 and recorded in Book 380, Page 490 of the Oil & Gas Records of Lea County New Mexico, which provides for, among other things, an apportionment between the parties thereto of the costs of drilling, completing, equipping and operating any wells drilled on lands subject thereto.