



**Santa Fe Energy Operating Partners, L.P.**

#2

Santa Fe Pacific Exploration Company  
Managing General Partner

CERTIFIED MAIL - RETURN RECEIPT

July 12, 1989

TO: WI Owners  
(See Attached List)

Re: OD-NM-617,268 (O/A)  
Malaga Fed Com #1  
2310' FWL and 660' FSL  
Sec. 1, T-24-S, R-28-E  
Eddy County, New Mexico  
Malaga Prospect

Gentlemen:

Santa Fe Energy Operating Partners, L.P. hereby proposes to drill the referenced well to test the Atoka Formation at an approximate depth of 12,250'. It is proposed that the S/2 of Section 1 be dedicated the Proration Unit. Santa Fe invites you to join in this test, and in this regard has enclosed two (2) AFES itemizing the costs. If it is your desire to join, please execute and return one of the AFES to the undersigned. A JO/A will be forwarded upon your election to join.

Should you elect not to join, Santa Fe would propose that you farmout in Section 1, based on delivering a 75% NRI with the retained Overriding Royalty Interest convertible at payout to a 25% WI, all proportionately reduced. Santa Fe would have 150 days from completion to earn the N/2 acreage under the same terms as for the Initial Test.

Your prompt attention to this proposal will be most appreciated. Should you have any questions, feel free to call.

Sincerely yours,

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

By: Patrick J. Tower  
Patrick J. Tower, Senior Landman

PJT/efw  
2 Encls a/s

EFW505  
Permian Basin District  
500 W. Illinois  
Suite 500  
Midland, Texas 79701  
915/687-3551

|                           |                      |
|---------------------------|----------------------|
| BEFORE EXAMINER CATANACI  |                      |
| OIL CONSERVATION DIVISION |                      |
| <u>SF Energy</u>          | EXHIBIT NO. <u>2</u> |
| CASE NO.                  | <u>9670</u>          |

WI OWNERS LIST  
Malaga Fed Com #1 Well

Exxon Corporation  
P.O. Box 1600  
Midland, Texas 79702  
ATTN: Joe Thomas  
Phone: (915) 683-0101

Phillips Petroleum Company  
4001 Penbrook  
Odessa, Texas 79762  
ATTN: Frank Hulse  
Phone: (915) 367-1361

UTI Energy Corp.  
Richard K. Barr  
Scott E. Wilson  
500 North Loraine St.  
Midland, Texas 79701  
ATTN: Scott Wilson  
Phone: (915) 683-1618  
1616

EFW505A

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete 3 and 4.  
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.  
 Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
 UTI Energy Corp.  
 500 North Lorraine St.  
 Midland, Texas 79701  
 ATTN: Scott Wilson

4. Article Number  
 P 911 636 925

Type of Service:  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise  
 Always obtain signature of addressee or agent with DATE DELIVERED.

5. Signature - Address  
 X Beverly Barr

6. Signature - Agent  
 X

7. Date of Delivery  
 7-14-89

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete 3 and 4.  
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 Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
 Exxon Corporation  
 P.O. Box 1600  
 Midland, Texas 79702  
 ATTN: Joe Thomas

4. Article Number  
 P 911 636 923

Type of Service:  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise  
 Always obtain signature of addressee or agent with DATE DELIVERED.

5. Signature - Address  
 X

6. Signature - Agent  
 X

7. Date of Delivery  
 7-13-89

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

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ED STATES POSTAL SERVICE  
OFFICIAL BUSINESS



**SENDER INSTRUCTIONS**

Print your name, address and ZIP Code in the space below.

- Complete items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.



PENALTY FOR PRIVATE USE, \$300

RETURN TO

Print Sender's name, address, and ZIP Code in the space below.

Patrick J. Tower - Santa Fe Energy Company  
500 West Illinois, 5th Floor  
Midland, Texas 79701

OD-NM-617,268

ED STATES POSTAL SERVICE  
OFFICIAL BUSINESS



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 1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

|   |  |
|---|--|
| 3. Article Addressed to:<br>Phillips Petroleum Co.<br>4001 Penbrook<br>Odessa, Texas 79762<br>ATTN: Frank Huise | 4. Article Number<br>P 971 636 924<br>Type of Service:<br><input type="checkbox"/> Registered <input type="checkbox"/> Insured<br><input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD<br><input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise<br>Always obtain signature of addressee or agent and DATE DELIVERED. |
| 5. Signature - Address<br>X   | 8. Addressee's Address (ONLY if requested and fee paid)  |
| 6. Signature - Agent<br>X   |  |
| 7. Date of Delivery<br>5-3-89   |  |

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OFFICIAL BUSINESS



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