

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

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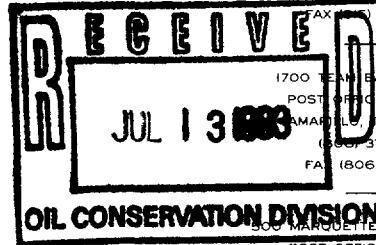
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CHRISTINE E. LALE  
PAUL G. NASON  
DARLA M. SILVA

\*NOT LICENSED IN NEW MEXICO

*JHC*



July 13, 1993

David R. Catanach  
Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87503

Re: Case No. 10,767 (Santa Fe Energy Operating Partners,  
L.P.)

Dear Mr. Catanach:

Please continue the above case to the July 29, 1993 hearing.  
Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD  
& HENSLEY

*James Bruce*  
James Bruce

VIA HAND DELIVERY

# HINKLE, COX, EATON, COFFIELD & HENSLEY

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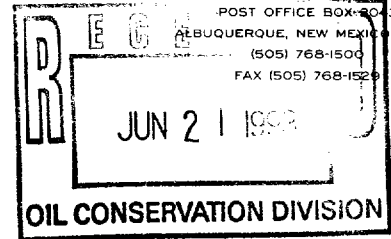
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June 21, 1993

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DARLA M. SILVA

\*NOT LICENSED IN NEW MEXICO

Florene Davidson  
Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87503

Dear Florene:

Enclosed is an original and two copies of an Application for compulsory pooling on behalf of Santa Fe Energy Operating Partners, L.P. Please set this matter for the July 15, 1993 Examiner hearing.

Very truly yours,

HINKLE, COX, EATON, COFFIELD  
& HENSLEY

*James Bruce*  
James Bruce

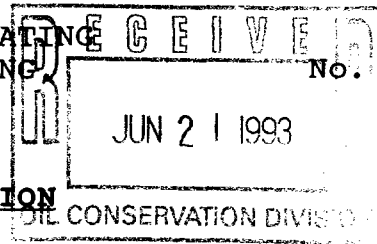
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Enclosures

**VIA HAND DELIVERY**

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE ENERGY OPERATING PARTNERS, L.P. FOR COMPULSORY POOLING EDDY COUNTY, NEW MEXICO.



APPLICATION  
OIL CONSERVATION DIVISION

Santa Fe Energy Operating Partners, L.P. hereby makes application for an order pooling all mineral interests from the surface to the base of the Cisco/Canyon formation underlying all of Section 5, Township 22 South, Range 24 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant is an interest owner and has the right to drill a well in said Section 5.

2. Applicant proposes to re-enter the Discovery Operating Walt Canyon 5 Fed. No. 1 Well, located 1650 feet from the South and East lines of Section 5, and drill to a depth sufficient to test the Cisco/Canyon formation, and seeks to dedicate all of Section 5 for all pools or formations spaced on 640 acres (including the Indian Basin-Upper Pennsylvanian Gas Pool).

3. Applicant has in good faith sought to join all other mineral or leasehold interest owners in Section 5 for the purposes set forth herein.

4. Although Applicant attempted to obtain voluntary agreements from all mineral or leasehold interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their acreage. Therefore, Applicant

seeks an order pooling all mineral and leasehold interest owners underlying Section 5, as described above, pursuant to N.M. Stat. Ann. § 70-2-17 (1987 Repl.).

5. Applicant requests the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty of 200% for the risk involved in drilling the well.

6. The pooling of all interests underlying all of Section 5, as described above, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that the Division grant the relief requested above.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD  
& HENSLEY



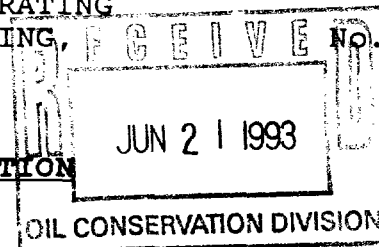
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James Bruce  
Post Office Box 2068  
Santa Fe, New Mexico 87504-2068  
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Attorneys for Applicant

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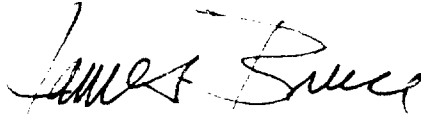
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