


Page 2  
Parties on Exhibit "A"  
September 11, 1987

ATTACHED TO AND MADE A PART OF  
WAIVER LETTER DATED SEPTEMBER 11, 1987

BY SIGNATURE HERETO, WE HAVE NO OBJECTION TO THE GRANTING OF FOUR NON-STANDARD SPACING AND PRORATION UNITS IN THE WOLFCAMP FORMATION CONSISTING OF THE NW/4 AND THE SW/4 OF SECTION 2, AND THE NW/4 AND THE SW/4 OF SECTION 11, T-22-S, R-27-E, N.M.P.M. EDDY COUNTY, NEW MEXICO WITH THE SW/4 OF SECTION 2 TO BE DEDICATED TO THE CHASE STATE NO. 2-1 WELL, AND THE BALANCE OF THE QUARTER SECTIONS TO BE DEDICATED TO ADDITIONAL PROPOSED WELLS.

By:  Date 9/11/87  
MANAGER PRODUCTION  
Title: SOUTHWEST REGION  
Company: Cities Service Oil & Gas Corp.

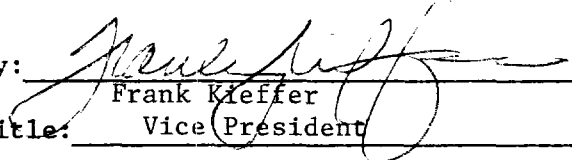
RETURN THIS COPY TO  
SANTA FE ENERGY OPERATING PARTNERS, L.P.

SEP 22 1987

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By:  Date 9-18-87  
Frank Kieffer  
Title: Vice President  
Company: TXO Production Corp.

# Santa Fe Energy Operating Partners, L.P.

Santa Fe Pacific Exploration Company  
Managing General Partner

September 11, 1987

SEP 28 1987

Case No. 9234

CERTIFIED MAIL - RETURN RECEIPT

TO: All Parties on Exhibit "A"

Re: OD-NM-617,139  
Application for Hearing

Gentlemen:

Recently Santa Fe Energy Operating Partners, L.P. (Santa Fe) sent you notice of its application for 160 acre Non-Standard Spacing and Proration Units covering the W/2 of Section 2, T-22-S, R-27-E, Eddy County, New Mexico, insofar as rights to the Wolfcamp Formation are concerned. At such time, there were no objections from the Offset Operators or Royalty Owners. Since this time, and prior to seeking approval from the New Mexico Oil Conservation Division (NMOCD), Santa Fe has decided to extend its application to include the W/2 of Section 11, T-22-S, R-27-E. By incorporating these lands, the necessity for multiple trips to the NMOCD will not be required, and thus all parties will be saved the additional time and expense of handling the tracts separately.

In this regard, this letter serves as notice of Santa Fe's application to the NMOCD for four Non-Standard Proration and Spacing Units consisting of the NW/4 and the SW/4 of Section 2, and the NW/4 and the SW/4 of Section 11, T-22-S, R-27-E, Eddy County, New Mexico, insofar as rights to the Wolfcamp Formation are concerned. The SW/4 of said Section 2 to be dedicated to the Chase State No. 2-1 Well with the balance of the 160 acre quarter sections to be dedicated to additional wells proposed to be drilled. This matter is to be set for hearing on October 7, 1987. In this regard, enclosed please find a copy of the application filed before the NMOCD.

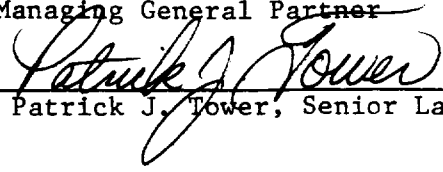
In conjunction with this application, it is requested that you execute and return one (1) copy of this waiver to be returned to Santa Fe and one (1) to be forwarded to the NMOCD at P.O. Box 2088, Santa Fe, New Mexico 87501. Postage paid envelopes are enclosed for your use in this regard. Also, a copy of this waiver letter is enclosed for your files.

Your prompt attention to this matter will be appreciated. Should you have any questions concerning this matter, feel free to give me a call.

Sincerely yours,

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

By

  
Patrick J. Tower, Senior Landman

PJT/efw  
Encls a/s

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

HOUSTON REGION

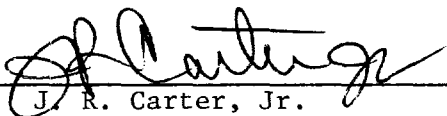
SEP 18 1987

REGULATORY DEPARTMENT

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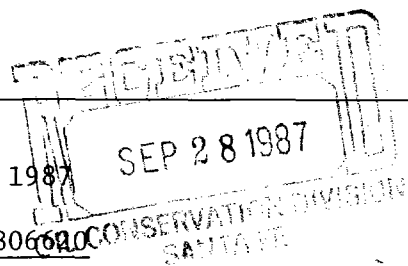
By:  Date September 23, 1987  
J. R. Carter, Jr.  
Title: Regulatory/Environmental Supvr.  
Company: Union Pacific Resources Company

EFW781

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

Santa Fe Pacific Exploration Company  
Managing General Partner

September 17, 1987



CERTIFIED MAIL - RETURN RECEIPT REQUESTED NO. P566806690

Flora Louise Tracy and Charles G. Tracy  
Trustees of the Francis G. Tracy, Jr. and  
Bessie D. Tracy revocable Trust dated 7-30-81  
P.O. Box 700  
Carlsbad, New Mexico 88220

*Case No. 9234*  
*CM. S.*

Re: OD-NM-617,139  
Applications for Hearing

Gentlemen:

This letter serves as notice of Santa Fe's application to the New Mexico Oil Conservation Division (NMOCD) for four Non-Standard Proration and Spacing Units consisting of the NW/4 and the SW/4 of Section 2, and the NW/4 and the SW/4 of Section 11, T-22-S, R-27-E, Eddy County, New Mexico, insofar as rights to the Wolfcamp Formation are concerned. The SW/4 of said Section 2 is to be dedicated to the Chase State No. 2-1 Well with the balance of the 160-acre quarter sections to be dedicated to additional wells proposed to be drilled. This matter is to be set for hearing on October 7, 1987. In this regard, enclosed please find a copy of the application filed before the NMOCD.

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Sincerely yours,

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

*Patrick J. Tower*  
Patrick J. Tower, Senior Landman

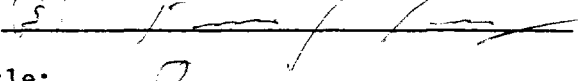
sbh577  
Enclosures

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

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By:  Date 9-23-87  
Title: Owner  
Company: \_\_\_\_\_

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By:  Date 10-1-87

Title: President

Company: Western Oil Producers, Inc.

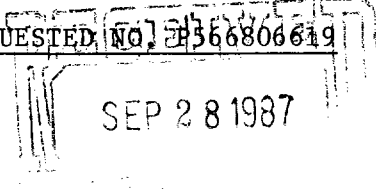


**Santa Fe Energy Operating Partners, L.P.**

Santa Fe Pacific Exploration Company  
Managing General Partner

September 17, 1987

CERTIFIED MAIL - RETURN RECEIPT REQUESTED NO. 366806619



*Case 9234*

Bureau of Land Management  
New Mexico State Office  
P.O. Box 1397  
Roswell, New Mexico 88201-1397

Attn: Francis R. Cherry, Jr.  
District Manager

Re: OD-NM-617,139  
Applications for Hearing

Gentlemen:

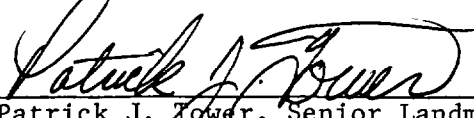
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as Managing General Partner

  
Patrick J. Tower, Senior Landman

sbh577  
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500 W. Illinois  
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By: David L. Mari Date 9/25/87  
Title: Associate District Manager  
Company: Bureau of Land Management

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

Santa Fe Pacific Exploration Company  
Managing General Partner

September 11, 1987

*Case 9234*

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Patrick J. Tower, Senior Landman

PJT/efw  
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By: Raymond P. ... Date 9-24-87

Title: Director

Company: New Mexico State Land Office

Reviewed by E. Szabo

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

218 MONTEZUMA

POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504-2068

(505) 982-4554

2800 CLAYDESTA NATIONAL BANK BUILDING

POST OFFICE BOX 3580

MIDLAND, TEXAS 79702

(915) 683-4691

1700 TEXAS AMERICAN BANK BUILDING

POST OFFICE BOX 9238

AMARILLO, TEXAS 79105

(806) 372-5569

700 UNITED BANK PLAZA

POST OFFICE BOX 10

ROSWELL, NEW MEXICO 88201

(505) 622-6510

LEWIS C. COX  
PAUL W. EATON  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY JR.  
STUART D. SHANOP  
C. D. MARTIN  
PAUL J. KELLY JR.  
OWEN M. LOPEZ  
DOUGLAS L. LUNSFORD  
T. CALDER EZZELL, JR.  
WILLIAM B. BURFORD\*  
RICHARD E. OLSON  
RICHARD A. SIMMS  
RICHARD R. WILFONG\*  
STEVEN D. ARNOLD  
JAMES J. WECHSLER  
NANCY S. CUSACK  
JEFFREY L. FORNACIARI  
JEFFREY D. HEWETT\*  
JAMES BRUCE  
JERRY F. SHACKELFORD\*  
JEFFREY W. HELLBERG\*

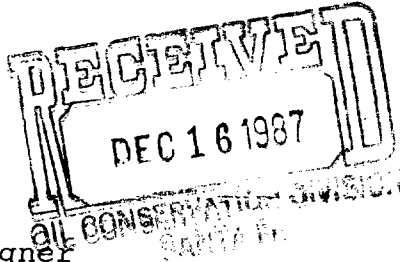
ALBERT L. PITTS  
THOMAS M. HNASKO  
JOHN C. CHAMBERS\*  
FRED W. SCHWENDIMANN  
THOMAS D. HAINES, JR.  
FRANKLIN H. MCCALLUM\*  
ALLEN G. HARVEY  
GREGORY J. NIBERT  
DAVID T. MARKEITE\*  
JAMES R. MCADAMS\*  
JAMES M. HUDSON  
MACDONNELL GORDON  
REBECCA NICHOLS JOHNSON  
PAUL R. NEWTON  
WILLIAM R. JOHNSON  
KAREN M. RICHARDSON\*  
ELLEN S. CASEY  
JAMES C. BROCKMANN  
SUSAN L. NIESER\*  
MARK A. WILSON\*

OF COUNSEL  
O. W. CALHOJIN  
MACK EASLEY  
JOE W. WOOD  
STEPHEN L. ELIOTT

CLARENCE E. HINKLE (1904-1985)  
W. E. BONDURANT, JR. (1913-1973)  
ROY C. SNODGRASS, JR. (1915-1987)

\*NOT LICENSED IN NEW MEXICO

December 15, 1987



Mr. Michael E. Stogner  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Re: OCD Case No. 9234, Application of Santa Fe Energy Partners, L.P. for four non-standard gas proration units, Eddy County, New Mexico

Dear Mike:

Since an order has not been issued in the above case, I was getting worried that there might be some problem. If you need any additional data on this matter, Santa Fe Energy would be more than glad to provide it to you. Santa Fe would like to commence the first well in its drilling program in this area early next year, and thus your attention to this matter is appreciated.

Very truly yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

*James Bruce*  
James Bruce

JGB:jr