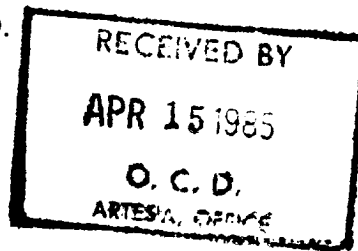


SANTA FE  
EXPLORATION CO.

(915) 685-3368  
300 WEST TEXAS ST. - SUITE 533  
MIDLAND, TEXAS 79701

(505) 623-2733  
P. O. Box 1136  
ROSWELL, NEW MEXICO 88202



April 12, 1985

New Mexico Oil Conservation Commission  
P. O. Drawer DD  
Artesia, New Mexico 88210

Re: MOUNTAIN STATES FEDERAL #1  
Sec. 35, T.18S, R.29E  
Eddy County, New Mexico  
FEDERAL LEASE #NM-010907-A

Gentlemen:

Enclosed herewith please find the original and one copy of Form C-116 on the above captioned well. This Mountain States Federal #1 is a new well and cleaning up better than expected. Upon approval, please issue us a new allowable.

Thank you.

Yours very truly,

Lorraine R. Schmitt

lrs

Encls.