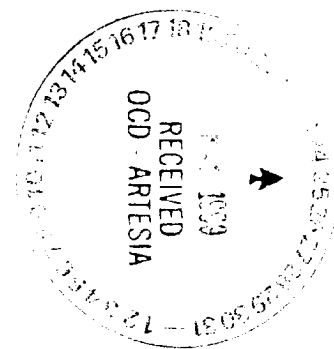




Santa Fe Snyder Corporation

May 24, 1999

Tim Gum
Supervisor – District II
Oil Conservation Division
811 South First Street
Artesia, New Mexico 88210



Re: **Roaring Springs "14" Fed #5**
1980' FNL & 660' FEL
Sec. 14, T-21-S, R-23-E
Eddy County, New Mexico
SFSC Cont. #NM-4137-005
Pontiac Prospect - #NM-0291

Dear Mr. Gum:

Pursuant to Division Rule 111, Santa Fe Snyder Corporation applies for approval of directional drilling for the following well:

Roaring Springs "14" Fed Well No. 5
Surface Location: 1980 feet FNL & 660 feet FEL
Penetration Point: 1980 feet FNL & 660 feet FEL
Terminus: 1980 feet FNL & 660 feet FWL
§14, Township 21 South, Range 23 East, NMPM
Eddy County, New Mexico

The well will be drilled to test the Cisco/Canyon Formation (South Dagger Draw-upper Pennsylvanian Associated Pool). The pool rules provide for 320 acre spacing, with wells to be located no closer than 660 feet to the outer boundary of the well unit. The Project Area/Spacing Unit for the well will be the N½ of Section 14, which has previously been communitized. The Producing Area for the proposed well is completely within the 660 feet setback area, and thus the well's location is orthodox under Rule 111.

Attached is a copy of the Sundry Notice for the well, which includes a Form C-102 and a directional drilling prognosis. The N½ of Section 14 is comprised of federal land, and the Sundry Notice has been submitted to the Bureau of Land Management for approval.

The N½ of Section 14 will be simultaneously dedicated to the following wells:

Roaring Springs "14" Fed. Well No. 1, located in the SW¼NW¼
(Unit E) of Section 14

Central Division
550 W. Texas, Suite 1330
Midland, Texas 79701
915/687-3551

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Roaring Springs "14" Fed. Well No. 2, located NW $\frac{1}{4}$ NE $\frac{1}{4}$

Roaring Springs "14" Fed Well No. 5, located SE $\frac{1}{4}$ NE $\frac{1}{4}$

If you need any further information on the proposed well, please call me at (915) 686-6712.

Sincerely,

SANTA FE SNYDER CORPORATION



Steven J. Smith
Senior Staff Landman

SJS/efw
1 Encl a/s

~~Amended~~

Approved as long as in compliance
w/ Rule III.

Bryan G. Arnsperg
District Geologist
OCD District II

EWOR2908