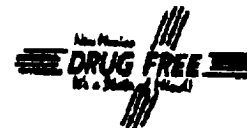


State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
 Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



February 15, 1995

Santa Fe Energy Operating Partners, L. P.
 c/o Hinkle, Cox, Eaton, Coffield & Hensley
 P. O. Box 2068
 Santa Fe, New Mexico 87504-2068

Attention: James Bruce

Administrative Order DD-106

Dear Mr. Bruce:

Under the provisions of General Rules 111 (C), (D) and (E), Santa Fe Energy Operating Partners, L. P. made application to the New Mexico Oil Conservation Division on December 28, 1994, for authorization to directional drill its proposed Farewell "18" Federal Com Well No. 1, Eddy County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the directional drilling provisions of Rules 111 (D) and (E) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and mineral interest owners have been duly notified;
- (3) No objection to this application has been filed by any interested party within the required time frame; and,
- (4) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 have either been or will be met.

IT IS THEREFORE ORDERED THAT:

- (1) The applicant, Santa Fe Energy Operating Partners, L. P., is hereby authorized

VILLASIA BUILDING - 400 Gallatin
 Forestry and Resources Conservation Division
 P.O. Box 1948 87504-1948
 927-6800
 Park and Recreation Division
 P.O. Box 1147 87504-1147
 927-7400

3000 South Pastoreo
 Office of the Secretary
 927-5000
 Administrative Services
 927-5005
 Energy Conservation & Management
 927-6800
 Mining and Minerals