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June 18, 1997

RE: Santa Fe Energy Resources, Inc. Federal AE, Well #1 RRC Lease ID no. Eddy County, New Mexico

Enclosed, please find the original and one copy of the survey performed on the referenced well by Phoenix Drilling Services, Inc. Other information required by your office is as follows:

Name & Title of Surveyor	Drainhole Number	Surveyed Depths	Date Performed	Type of Survey
R.D. Brusenhan Surveyor	Original	3505'-5476'	06/20/97	Steering Tool

If any other information is required, please contact the undersigned at the letterhead address and phone number.

Sincerely,

22 Craig Constant

MWD Guidance Manager

Enclosure