

Santa Fe Energy Company



Central Division-Permian Basin District
7200 I-40 West
Amarillo, Texas 79106
806/359-2000
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August 11, 1983

Re: Geologic Exhibits

Mr. Richard L. Stamets
Technical Support Chief
Oil Conservation Division
Energy and Minerals Department
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

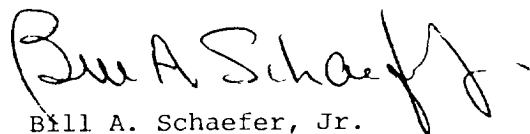
Dear Sir:

Santa Fe Energy, Exploration Department, is proposing an unorthodox location (990' FEL, 990' FNL) in Section 28, T22S, R27E, Eddy County, New Mexico. Reasons for this location are as follows:


- (1) Isopaching of clean Morrow Sands indicates the trend of sand reservoirs trends in a northwest-southeast direction.
- (2) A cumulative gas production map of the Morrow sands indicates best production is oriented in a northwest-southeast direction. This information supports the Morrow sand isopach (Map 1).
- (3) The Morris Antweil #1 Randall (1980' FNL and 1980' FSL) Section 21, T22S, R27E is a poor well. It was plugged in 1976 after producing 49,612,000 CFG. Santa Fe Energy's proposed location would be 3700' southeast and 3000' south of the productive Santa Fe #1 Walker.
- (4) The Santa Fe #1 Walker (990' FEL, 1980' FSL Section 21) encountered an excellent Morrow reservoir. The well potentialed for 8.4 million cubic feet of gas per day, CAOF).

The location Santa Fe Energy Company has proposed is the most logical one based upon knowledge of sand trends, good reservoir conditions, and production data in extending gas production to the southeast in the South Carlsbad Field.

Yours truly,


Bill A. Schaefer, Jr.
Exploration Manager

KHS:aa

 A Santa Fe Industries Company