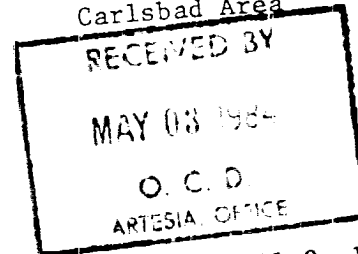


Santa Fe Energy Company

500 West Ohio
Midland, Texas 79701
915/687-3551

April 26, 1984

Re: OD-NM-601,260
Burkham Fed. Com. #1
S/2 Sec. 12, T-24-S,
R-28-E, Eddy County,
New Mexico
Malaga Prospect
Carlsbad Area



Austin Gas Purchasing, Inc.
P. O. Box 748
Salina, Kansas 67401

Gentlemen:

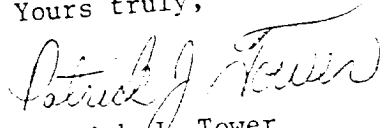
As a follow-up to Santa Fe Energy Company's letter of April 9, 1984, this is to inform you of the Request for Administrative Approval of Santa Fe's unorthodox location for a Morrow well to be drilled 660' FSL and 990' FWL in Section 12, T-24-S, R-28-E, Eddy County, New Mexico, with the South half (S/2) of said section to be the proration unit. (Plat attached for your convenience). Originally we planned to drill at 660' FSL and 660' FWL, however, a survey has revealed the presence of an irrigation ditch prohibiting same.

Santa Fe Energy Company would appreciate your responding to this waiver as quickly as possible as we plan to spud this well on or before June 1, 1984. Please send one executed copy to:

Division, Energy and Minerals Department
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

and return the copy so marked to us.

Yours truly,


Patrick J. Tower
Landman

BY SIGNATURE HERETO, WE DO APPROVE THIS WAIVER REQUEST:

BY: _____

DATE: _____

COMPANY: _____

cc: Bill Schaefer - Exploration Mgr.
Hugh Boyt - Production Mgr.