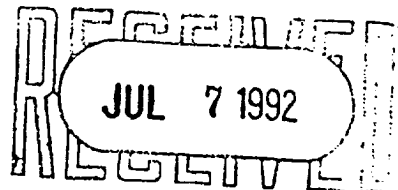




Santa Fe Energy Operating Partners, L.P.

Santa Fe Pacific Exploration Company
Managing General Partner

July 6, 1992



Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attention: Mr. Clifton May
Permit Agent

Re: Approval of Yates Petroleum
Corporation Proposal to downhole
commingle Pauline ALB State 6
Eddy County, New Mexico

Gentlemen:

Enclosed please find waiver letter regarding your proposal to commingle production from the Bone Spring and Delaware in the Pauline ALB State 6 well. This letter has been signed by Santa Fe subject to Yates Petroleum Corporation's agreement to waive any objections to a similar proposal on Santa Fe's offset acreage.

Should you have any questions, please feel free to contact me.

Yours very truly,

SANTA FE ENERGY OPERATING PARTNERS, L.P.
By: Santa Fe Pacific Exploration Company,
Managing General Partner

By: Gary Green
Gary Green, Division Landman

GG:pr

Enclosure a/s

pr2302

Permian Basin District
550 W. Texas, Suite 1330
Midland, Texas 79701
915/687-3551