STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION ARTESIA DISTRICT OFFICE

GARY E. JOHNSON GOVERNOR JENNIFER SALISBURY CABINET SECRETARY

May 12, 1997.

Santa Fe Energy Resources, Inc. 550 W. Texas, Suite 1330 Midland, Tx. 79701

Re:

Well Placed In Pool

Gentlemen:

As the result of Division Order R-10787 the following described well has been placed in the pool shown below. This change in nomenclature has been made in our files. Please change your records to reflect the proper pool name. All subsequent reports must show this nomenclature until further notice.

Pierce Crossing; Bone Spring, East Oil Pool
H. B. "11" Federal #2
Unit L, Section 11, Township 24 South, Range 29 East, NMPM
Poolcode: 96473

Transporters are advised, by copy of this letter, to change their records to reflect the pool name as established by this order, effective December 1, 1996.

Sincerely,

Bryan Arrant
District Geologist

cc:

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Highland Gas Corporation

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Well File Santa Fe