STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION ARTESIA DISTRICT OFFICE

GARY E. JOHNSON GOVERNOR JENNIFER SALISBURY CABINET SECRETARY

August 12, 1998

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

Re: Well Placed In Pool

Gentlemen/Madams:

As the result of Division Order R-11005, the following described oil 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.

Laguna Salado; Bone Spring Oil Pool Spud "16" State #1 Unit P, Section 16 ,Township 23 South, Range 29 East, NMPM Poolcode: 96721

Transporters are advised by copy of this letter, to change their records to reflect the pool name as established by this order, effective July 9, 1998.

Sincerely,

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Bryan Arrant District Geologist

Cc: EOTT Energy Corporation Highlands Mae Santa Fe Well file /

811 S. First St.

ARTESIA, NM 88210