

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

218 MONTEZUMA

POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504-2068

(505) 982-4554

FAX (505) 982-8623

CLARENCE E. HINKLE (1901-1985)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNODGRASS, JR. (1914-1987)

OF COUNSEL
O. M. CALHOUN*
MACK EASLEY
JOE W. WOOD
RICHARD S. MORRIS

WASHINGTON, D.C.
SPECIAL COUNSEL
ALAN J. STATMAN

700 UNITED BANK PLAZA
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88202
(505) 622-6510
FAX (505) 623-9332

2800 CLAYDESTA CENTER
6 DESTA DRIVE
POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691
FAX (915) 683-6518

1700 TEAM BANK BUILDING
POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 372-5569
FAX (806) 372-9761

500 MARQUETTE N.W., SUITE 800
POST OFFICE BOX 2043
ALBUQUERQUE, NEW MEXICO 87103
(505) 768-1500
FAX (505) 768-1529

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
ERIC D. LANPHERE
C. D. MARTIN
PAUL J. KELLY, JR.
ROBERT P. TINNIN, JR.
MARSHALL G. MARTIN
OWEN M. LOPEZ
DOUGLAS L. LUNSFORD
JOHN J. KELLY
NICHOLAS J. NOEDING
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD*
RICHARD E. OLSON
RICHARD R. WILFONG*
THOMAS J. MCBRIDE
STEVEN D. ARNOLD
JAMES J. WECHSLER
NANCY S. CUSACK
JEFFREY L. FORNACIARI
JEFFREY D. HEWITT
JAMES BRUCE
JERRY F. SHACKELFORD*
JEFFREY W. HELLBERG*
ALBERT L. PITTS
THOMAS M. HNASKO
JOHN C. CHAMBERS*
GARY D. COMPTON*
MICHAEL A. GROSS
THOMAS D. HAINES, JR.
GREGORY J. NIBERT
DAVID T. MARKETTE*
MARK C. DOW

KAREN M. RICHARDSON*
FRED W. SCHWENDIMANN
JAMES M. HUDSON
JEFFREY S. BAIRD*
MACDONNELL GORDON
REBECCA NICHOLS JOHNSON
WILLIAM P. JOHNSON
STANLEY K. KOTOVSKY, JR.
H. R. THOMAS
KARA L. KELLOGG

BETTY H. LITTLE*
RUTH S. MUSGRAVE
ELLEN S. CASEY
S. BARRY PAISNER
MARGARET CARTER LUDEWIG
STEPHANIE M. CRAMPTON
MARTIN MEYERS
GREGORY S. WHEELER
ANDREW J. CLOUTIER
JAMES A. GILLESPIE
GARY W. LARSON
STEPHANIE LANDRY
JOHN R. KULSETH, JR.
MARGARET R. MCNETT
BRIAN T. CARTWRIGHT*
LISA K. SMITH*
JAMES KENT SCHUSTER*
ROBERT H. BETHEA*
BRADLEY W. HOWARD
CHARLES A. SUTTON*
NORMAN D. EWART
DARREN T. GROCE*
MOLLY MCINTOSH

*NOT LICENSED IN NEW MEXICO

November 9, 1992

VIA HAND DELIVERY

Michael E. Stogner
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87503

Re: Application of Santa Fe Energy Operating Partners,
L.P. for an Administrative Approval of an Unorthodox
Gas Well Location, 1,878 feet from the East line and
467 feet from the North line of Section 20, Township
24 South, Range 25 East, Eddy County.

Dear Mr. Stogner:

In connection with the above Application, which was filed last week, enclosed is a copy of the notice letter sent by Santa Fe Energy to the offset operators. As mentioned in the original Application, the Pacific Enterprises acreage is now owned by Maralo Inc., and the Hudson & Hudson acreage is now owned by Javelina Partners. Attached to the notice letter are the signed waivers of objection by Javelina Partners and Maralo Inc.

JGB5\92560.c

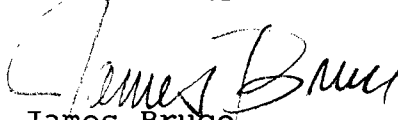
ST 2 WH 6 NOV 26.
RECEIVED
OIL CONSERVATION DIVISION

Michael E. Stogner
November 9, 1992
Page Two

The original certified return receipts, together with an Affidavit regarding notice, will be forwarded to you shortly.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY


James Bruce

JB:frs
Enclosures

HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
ERIC D. LANPHERE
C. D. MARTIN
PAUL J. KELLY, JR.
ROBERT P. TINNIN, JR.
MARSHALL G. MARTIN
OWEN M. LOPEZ
DOUGLAS L. LUNSFORD
JOHN J. KELLY
NICHOLAS J. NOEDING
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD*
RICHARD E. OLSON
RICHARD R. WILFONG*
THOMAS J. MCBRIDE
STEVEN D. ARNOLD
JAMES J. WECHSLER
NANCY S. CUSACK
JEFFREY L. FORNACIARI
JEFFREY D. HEWETT
JAMES BRUCE
JERRY F. SHACKELFORD*
JEFFREY W. HELLBERG*
ALBERT L. PITTS
THOMAS M. HNASKO
JOHN C. CHAMBERS*
GARY D. COMPTON*
MICHAEL A. GROSS
THOMAS D. HAINES, JR.
GREGORY J. NIBERT
DAVID T. MARKETTE*
MARK C. DOW

KAREN M. RICHARDSON*
FRED W. SCHWENDIMANN
JAMES M. HUDSON
JEFFREY S. BAIRD*
MACDONNELL GORDON
REBECCA NICHOLS JOHNSON
WILLIAM P. JOHNSON
STANLEY K. KOTOVSKY, JR.
H. R. THOMAS
KARA L. KELLOGG

BETTY H. LITTLE*
RUTH S. MUSGRAVE
ELLEN S. CASEY
S. BARRY PAISNER
MARGARET CARTER LUDEWIG
STEPHEN M. CRAMPTON
MARTIN MEYERS
GREGORY S. WHEELER
ANDREW J. CLOUTIER
JAMES A. GILLESPIE
GARY W. LARSON
STEPHANIE LANDRY
JOHN R. KULSETH, JR.
MARGARET R. MCNETT
BRIAN T. CARTWRIGHT*
LISA K. SMITH*
JAMES KENT SCHUSTER*
ROBERT H. BETHEA*
BRADLEY W. HOWARD
CHARLES A. SUTTON*
NORMAN D. EWART
DARREN T. GROCE*
MOLLY MCINTOSH

ATTORNEYS AT LAW

218 MONTEZUMA

POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504-2068

(505) 982-4554

FAX (505) 982-8623

CLARENCE E. HINKLE (1904-1985)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNODGRASS, JR. (1914-1987)

OF COUNSEL
O. M. CALHOUN*
MACK EASLEY
JOE W. WOOD
RICHARD S. MORRIS

WASHINGTON, D.C.
SPECIAL COUNSEL
ALAN J. STATMAN

700 UNITED BANK PLAZA
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88202
(505) 622-6510
FAX (505) 623-9332

2800 CLAYDESTA CENTER
6 DESTA DRIVE
POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691
FAX (915) 683-6518

1700 TEAM BANK BUILDING
POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 372-5569
FAX (806) 372-9761

500 MARQUETTE N.W., SUITE 800
POST OFFICE BOX 2043
ALBUQUERQUE, NEW MEXICO 87103
(505) 768-1500
FAX (505) 768-1529

November 17, 1992

*NOT LICENSED IN NEW MEXICO

VIA HAND DELIVERY

Michael E. Stogner
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87503

Re: Application of Santa Fe Energy Operating Partners,
L.P. for Administrative Approval of an Unorthodox
Gas Well Location, 1,878 feet from the East Line
and 467 feet from the North Line of Section 20,
Township 24 South, Range 25 East, Eddy County.

Dear Mr. Stogner:

Enclosed is an original Affidavit regarding notice, and
originals of the waiver letters from the two offsetting lessees,
Maralo Inc. and Javelina Partners.

My client is anxious to commence this well. Therefore, if
there is any problem, please call me as soon as possible.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY


James Bruce

JB:frs
Enclosures

JGB5\92604.c

92 NOV 17 AM 3 36

RECEIVED
OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION
RECEIVED**AFFIDAVIT REGARDING NOTICE**

'92 NOV 17 AM 3 36

Re: Application for Administrative
Approval of Unorthodox Gas Well
Location, Lambchop 20 Federal
Com. No. 1 Well, N $\frac{1}{4}$ Section 20 -
24 South - 25 East

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

Curtis Smith, being duly sworn upon his oath, deposes and
states:

1. I am over the age of 18 and have personal knowledge of
the matters stated herein.

2. I am a landman for Santa Fe Energy Operating Partners,
L.P.

3. Santa Fe Energy Operating Partners, L.P. has conducted a
good faith, diligent effort to find the correct names and addresses
of interest owners entitled to receive notice of the application
herein.

4. Notice of the application was provided to the interest
owners at their correct addresses by mailing to them, by certified
mail, notice of the application. Copies of the certified return
receipts are attached hereto as Exhibit A.

Curtis D. Smith

CURTIS SMITH

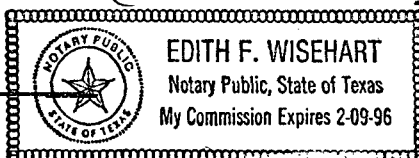
SUBSCRIBED AND SWORN to before me this 9th day of
November, 1992, by Curtis Smith.

Edith F. Wisehart
Notary Public

My commission expires:

2/9/96

JGB5\92534.d



Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Hudson & Hudson
616 Texas Street
Fort Worth, Texas 76102
ATTN: R.E. Hudson, III

4a. Article Number
P 987 116 658

4b. Service Type
☐ Registered ☐ Insured
☒ Certified ☒ COD
☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery
12-9-92

5. Signature (Addressee)

6. Signature (Agent)
[Signature]

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Maralo Inc
223 West Wall, Suite 900
Midland, Texas 79702
ATTN: Mark Wheeler

4a. Article Number
P 987 116 656

4b. Service Type
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery
11/5/92

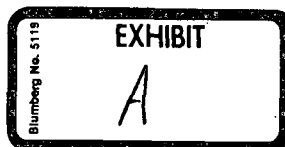
5. Signature (Addressee)
[Signature]

6. Signature (Agent)
[Signature]

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service.





Santa Fe Energy Operating Partners, L.P.

Santa Fe Pacific Exploration Company
Managing General Partner

CERTIFIED MAIL - RETURN RECEIPT

November 3, 1992

RECEIVED
NOV - 6 1992
LAND DEPT.
MIDLAND, TX

TO: Offset Operators
(See Attached List)

GG	TP	
ST	LES	Re: Lamb Chop "20" Fed. Com. #1
CS 11-9	DB	1817' FEL & 467' FNL Sec. 20
EW	DF	T-24-S, R-25-E, N.M.P.M.
PR	DRFT	Eddy County, New Mexico
GD	KT	
RR	MS	

Gentlemen:

Santa Fe Energy has ~~staked~~ ^{filed} the Lamb Chop "20" Fed. Com No. 1 at 1817' FEL & 467' FNL Sec. 20, T-24-S, R-25-E, N.M.P.M. Eddy County, New Mexico as a 10,500' Strawn test.

This location is staked at an unorthodox location due to topographic reasons. Santa Fe Energy Operating Partners, L.P. has applied for an administrative approval of this location with the State of New Mexico Oil Conservation Division. Santa Fe is requesting that the offsetting operators grant a waiver of objection to the unorthodox location by signing both copies of this letter in the space provided and returning one copy to the Santa Fe address at the bottom of the letterhead to the attention of Curtis D. Smith.

Please return a copy by fax to (915) 686-6714 and one by mail, since we are anxious to receive approval from the State and spud this well at an early date.

Yours very truly,

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

By: Curtis D. Smith
Curtis D. Smith, Senior Landman

CDS/efw
1 Atch a/s

Permian Basin District
650 W. Texas, Suite 1330
Midland, Texas 79701
918/687-3551

92 NOV 17 AM 3 36
RECEIVED
OIL CONSERVATION DIVISION

Page 2
Offset Operators
November 3, 1992

Waiver of objection APPROVED

this 4th day of November, 1992

BY: Mark Wheeler
Mark Wheeler, CPL.
(Typed)

Title: District Landman

Company Name: Maralo Inc.

EWP397

LIST - OFF SET OPERATORS

Lamb Chop 10" Fed Corn #1

Maralo Inc.

223 West Wall, Suite 900

Midland, Texas 79702

ATTN: Mr. Mark Wheeler

Fax #684-9836

Pacific Enterprises Oil Co. (USA)

3040 Post Oak Blvd., Suite 600

Houston, Texas 77056-6510

ATTN: Mr. K. J. Ikel, Land Mgr.

Fax #(713) 968-6945

Hudson & Hudson

616 Texas Street

Fort Worth, Texas 76102

ATTN: R. E. Hudson, III

Fax #(817) 334-0442

EWP398

RECEIVED
NOV 05 1992
LAND DEPT.
MIDLAND, TX

E. RANDALL HUDSON III
616 TEXAS STREET
FORT WORTH, TEXAS 76102-4612

817-336-7109
FAX 817-334-0442

November 3, 1992

GG	TP
ST	LES
CS 11-6	DB
EW	DF
PR	DRFT
GD	KT
RR	MS
File	

FAX 915 687 3551/Hard Copy by U. S. Mail

Curtis Smith
Santa Fe Energy Operating Partners, L.P.
550 W. Texas, Suite 1330
Midland, TX 79701

Re: Lamb Chop "20" Federal Com #1
1817' FEL & 467' FNL Section 20
T24S R25E, NMPM
Eddy County, New Mexico

Dear Curtis:

Enclosed is the Waiver of Objection which I have signed as General Partner of Javelina Partners. I enclose a copy of the assignment whereby I transferred this lease into Javelina Partners.

As mentioned on the phone, should the geology continue to prove favorable, we would like to discuss with you the possibility of a Santa Fe - Javelina well on a N/2 proration unit in Section 21.

Sincerely yours,



E. Randall Hudson, III

ERHIII/vc

92 NOV 17 PM 3 36
RECEIVED
OIL CONSERVATION DIVISION

Page 2
Offset Operators
November 3, 1992

Waiver of objection APPROVED

this 5th day of November, 1992

BY: E. Randall Hudson, III
(Typed) E. Randall Hudson, III

Title: General Partner

Company Name: Javelina Partners

**RETURN THIS COPY TO
SANTA FE ENERGY OPERATING PARTNERS, L.P.**

EWP397

SANTA FE ENERGY OPERATING PARTNERS, L.P.
550 WEST TEXAS
SUITE 1330
MIDLAND, TEXAS 79701

November 19, ,1992

HAND-DELIVERED

Michael E. Stogner
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87503

Re: Application for Administrative Approval of an Unorthodox
Gas Well Location, 1,817 feet FEL and 467 feet FNL,
Section 20 - 24 South - 25 East (Lamb Chop "20" Fed. Com.
No. 1 Well)

Dear Mr. Stogner:

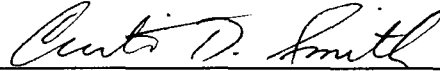
You requested clarification of which offsets we notified for
this application. Please see the land plat attached hereto. The
parties we notified are as follows:

1. Section 16: All of Section 16 is owned by Exxon, which
has farmed out to Santa Fe. Santa Fe is the operator under the
farmout.
2. S $\frac{1}{2}$ Section 17: Santa Fe is the lessee and operator.
3. S $\frac{1}{2}$ Section 18: Maralo is the lessee, and we notified
them. We have submitted Maralo's waiver.
4. NW $\frac{1}{4}$ and N $\frac{1}{2}$ NE $\frac{1}{4}$ Section 19: The Terra Resources acreage
(Pacific Enterprises by merger) was assigned to Maralo. We
notified Maralo.
5. S $\frac{1}{2}$ NE $\frac{1}{4}$ and N $\frac{1}{2}$ SW $\frac{1}{4}$ Section 19: Same as Section 16.
6. N $\frac{1}{2}$ S $\frac{1}{2}$ Section 20: Same as Section 16.
7. NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, and N $\frac{1}{2}$ S $\frac{1}{2}$ Section 21: Javelina Partners is
the lessee, and we have submitted Javelina's waiver.
8. S $\frac{1}{2}$ NW $\frac{1}{4}$ Section 21: The G.L.Pilmonis lease was assigned to
Exxon, which farmed out to Santa Fe.
9. NW $\frac{1}{4}$ NE $\frac{1}{4}$ and N $\frac{1}{2}$ NW $\frac{1}{4}$ Section 21: Same as Section 16.

Michael E. Stogner
November 19, 1992
Page 2

The S $\frac{1}{2}$ SE $\frac{1}{4}$ Section 19, S $\frac{1}{2}$ S $\frac{1}{2}$ Section 20, and S $\frac{1}{2}$ S $\frac{1}{2}$ Section 21 is
unleased federal land. However, the well is moving to the east and
north, and thus that acreage is unaffected.

Very truly yours,

A handwritten signature in cursive script, reading "Curtis D. Smith", is written over a horizontal line.

Curtis D. Smith
Senior Landman

