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October 24, 1995

RECEIVED

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CAMPBELL, CARR, et. al.

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

Santa Fe Energy Resources, Inc.
550 W. Texas, Suite 1330
Midland, TX 79701
Attn: Kurt Anderson

Re: Application of Texaco Exploration and Production Inc. for downhole
commingling, Lea County, New Mexico

Dear Mr. Anderson:

This letter is to advise you that Texaco Exploration and Production Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking authority to downhole commingle production from the Delaware formation, West Triste Draw-Delaware Pool, and the Bone Springs formation, South Sand Dunes-Bone Spring Pool, in the wellbore of all wells in a Development Area comprised of the W/2 E/2 and E/2 W/2 of Section 31, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.

This case has been set for hearing before a Division Examiner on November 16, 1995. You are not required to attend this hearing, but as an offsetting operator who may be affected by this application, you may appear and present testimony. Failure to appear at the time of the hearing will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Santa Fe Energy Resources, Inc.

Attn: Kurt Anderson

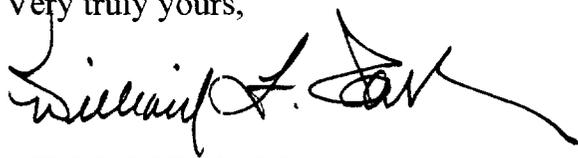
October 24, 1995

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If you have no objection to this application, please sign the waiver line on the enclosed copy of this letter and return it to me at the above address.

Your attention to this matter is appreciated.

Very truly yours,



WILLIAM F. CARR

ATTORNEY FOR TEXACO EXPLORATION AND PRODUCTION INC.

WFC:mlh

Enclosure

cc: David Sleeper

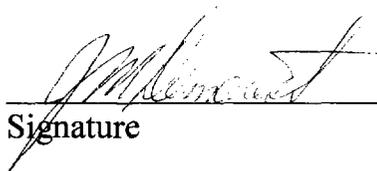
WAIVER OF OBJECTION:

Santa Fe Energy Resources, Inc.

Company

J.M. Demarest

Representative



Signature

(M)

Division Exploration Manager

Title

11/06/95

Date