

Santa Fe Energy Resources, Inc.

CERTIFIED MAIL - RETURN RECEIPT

April 12, 1996

TO: WI Owners
(See Attached List)

Re: Fort Sedgewick "26" State Com. #1 Well
T-19-S, R-28-E
Section 26: N/2
Eddy County, New Mexico

Gentlemen:

Santa Fe Energy Resources, Inc. proposes to drill an 11,500' Morrow test at a location of 660' FNL and 1,980' FWL of Section 26, T-19-S, R-28-E, Eddy County, New Mexico.

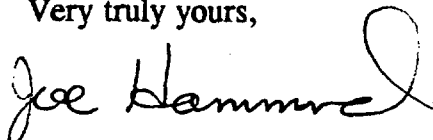
Our records indicate your ownership of a leasehold interest in the proposed proration unit covering the N/2 of Section 26 and in this regard, Santa Fe requests your review and election of one of the following:

- a) Elect to participate in the drilling of the well by returning an executed copy of the enclosed AFE. A Joint Operating Agreement will then be forwarded for your review and execution.
- b) Farmout your right, title and interest in the N/2 of Section 26, delivering to Santa Fe an 80% net revenue interest lease. The Farmout would contain a 120 day continuous development provision.
- c) Sell your right, title and interest to Santa Fe in the N/2 of Section 26 for \$200.00 per net acre delivering an 82.5% net revenue interest lease.

Your early review and response is appreciated due to a June 30, 1996 lease expiration date within the unit.

Please call me at (915) 686-6736 should you have any questions.

Very truly yours,



Joe Hammond
Land Consultant

NEW MEXICO
OIL CONSERVATION DIVISION

JH/efw

EWOR960

EXHIBIT 2
CASE NO. 115411

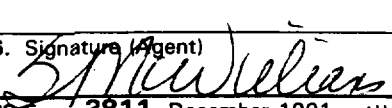
WI OWNER LIST

Fort Sedgewick "26" State Com #1 Well

ATTN: Lee Scarborough
ARCO Permian
P.O. Box 1610
Midland, Texas 79702

ATTN: Mr. Randal Wilson
Marathon Oil Company
P.O. Box 552
Midland, Texas 79702

ATTN: Mr. Robert Bullock
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

SENDER: • Complete items 1 and 2 for additional services. • Complete items 3, a, & 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): 1. ☐ Addressee's Address 2. ☐ Restricted Delivery Consult postmaster for fee.	
		3. Article Addressed to: ATTN: MR. RANDAL WILSON MARATHON OIL COMPANY P.O. BOX 552 MIDLAND TX 79702	
4a. Article Number P 377 998 908		4b. Service Type ☐ Registered ☐ Insured ☒ Certified ☐ COD ☐ Express Mail ☒ Return Receipt for Merchandise	
5. Signature (Addressee)		7. Date of Delivery APR 15 1996	
6. Signature (Agent) 		8. Addressee's Address (Only if requested and fee is paid)	
PS Form 3811, December 1991 ★U.S. GPO: 1993-352-714 DOMESTIC RETURN RECEIPT			

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

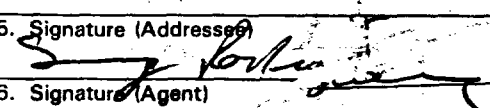
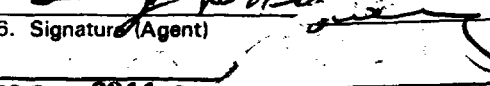
WI OWNER LIST

Fort Sedgewick "26" State Com #1 Well

ATTN: Lee Scarborough
ARCO Permian
P.O. Box 1610
Midland, Texas 79702

ATTN: Mr. Randal Wilson
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105 South Fourth Street
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3. Article Addressed to: ATTN: LEE SCARBOROUGH ARCO PERMIAN P.O. BOX 1610 MIDLAND TX 79702		4a. Article Number P 377 998 909	
		4b. Service Type ☐ Registered ☐ Insured ☒ Certified ☐ COD ☐ Express Mail ☒ Return Receipt for Merchandise	
		7. Date of Delivery APR 15 1996	
5. Signature (Addressee) 		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Agent) 			

Is your RETURN ADDRESS completed on the reverse side?

PS Form 3811, December 1991 U.S. GPO: 1993-352-714 DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

O G E DRILLING U C , INC.

DRILLING OR WORKOVER AFE

AFE NO. _____

WILDCAT

DRILLING

COMPLETION

RE-ENTRY

DEVELOPMENT

WORKOVER

DRILLING

COMPLETION

RE-ENTRY

SAME ZONE

NEW ZONE

P & A

LSE NO. _____

W.I. _____

EST. NET COST _____

AFE DATE 4-11-96

LEASE & WELL NO.		DEPTH & FORM	
		11500' Morrow	
LOCATION 660' FNL 1980' FWL Sec 26, T-19-S, R-28-E			
COUNTY & STATE Eddy County, New Mexico		FIELD	
OPERATOR Santa Fe Energy Resources, Inc.		SPUD DATE	

INTANGIBLE WELL COST				
	DESCRIPTION	DRILLING	COMPLETION	TOTAL
1	Access, Location & Roads	30,000		
2	Rig Move			
3	Footage Cost 11500' @ 16.00	184,000		
4	Day Work Cost 4/4 days at 4600	18,400	18,400	
5	Bits & Reamers			
6	Fuel			
7	Water	30,000		
8	Mud & Chemicals	27,000		
9	Cementing & Service	20,000	25,000	
10	Coring Rotary Sidewall Cores (20)	10,000		
11	Surveying & Testing incl 3 DST's	45,500	10,000	
12	Mud Logging 26 Days @ \$400/day	10,400		
13	Perforating		6,000	
14	Stimulation		15,000	
15	Transportation	4,000	10,000	
16	Drilling Overhead & Supervision	17,000	8,200	
17	Equipment Rental	15,000	8,000	
18	Completion Rig 8 days at 1200		9,600	
19	Other Drilling Expense	15,000	8,000	
20	Contingencies (5% of Intangibles)	21,300	5,900	
21				
22				
23	TOTAL INTANGIBLES	447,600	124,100	571,700

TANGIBLE WELL COST				
24	40 ' Of 20 " Conductor Casing	3,500		
25	400 ' Of 13 3/8 " Surface Casing	7,200		
26	3000 ' Of 8 5/8 " Intermediate Casing	31,000		
27	' Of " Intermediate Casing			
28	' Of " Intermediate Casing			
29	11500 ' Of 5 1/2 " Production Casing		79,400	
30	' Of " Tie-back Casing			
31	11500 ' Of 2 3/8 " Tubing		40,300	
32	' Of " Tubing			
33	' Of " Tubing			
34	Liner Equipment			
35	Wellhead Equipment	4,000	20,000	
36	Producing Facilities, Tank Battery, Flowline		60,000	
37	Packers & Other Subsurface Tools		7,500	
38	Contingencies (5% of Tangibles)	2,300	10,400	
39				
40				
41	TOTAL TANGIBLES	48,000	217,600	265,600
42	TOTAL WELL COST	495,600	341,700	837,300

COMPANY APPROVAL					
By	Date	By	Date	By	Date
James B. Phil Stenson	4-11-96	DD 4/11/96			

JOINT OPERATOR APPROVAL			
FIRM	By	Title	Date

O G E DRILLING U C , INC.

DRILLING OR WORKOVER AFE

AFE NO. _____

WILDCAT

DRILLING

COMPLETION

RE-ENTRY

DEVELOPMENT

DRILLING

COMPLETION

RE-ENTRY

WORKOVER

SAME ZONE

NEW ZONE

P & A

LSE NO.

W.I.

EST. NET COST

AFE DATE 4-11-96

LEASE & WELL NO.

DEPTH & FORM 11500' Morrow

LOCATION 660' FNL 1980' FWL Sec 26, T-19-S, R-28-E

COUNTY & STATE Eddy County, New Mexico

FIELD

OPERATOR Santa Fe Energy Resources, Inc.

SPUD DATE

INTANGIBLE WELL COST				
	DESCRIPTION	DRILLING	COMPLETION	TOTAL
1	Access, Location & Roads	30,000		
2	Rig Move			
3	Footage Cost 11500' @ 16.00	184,000		
4	Day Work Cost 4/4 days at 4600	18,400	18,400	
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21				
22				
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TANGIBLE WELL COST				
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25	400 ' Of 13 3/8 " Surface Casing	7,200		
26	3000 ' Of 8 5/8 " Intermediate Casing	31,000		
27	' Of " Intermediate Casing			
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32	' Of " Tubing			
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35	Wellhead Equipment	4,000	20,000	
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38	Contingencies (5% of Tangibles)	2,300	10,400	
39				
40				
41	TOTAL TANGIBLES	48,000	217,600	265,600
42	TOTAL WELL COST	495,600	341,700	837,300

COMPANY APPROVAL

By James B. Philpott

Date 4-11-96

By [Signature]

Date 4/11/96

By

Date

NEW MEXICO

OIL CONSERVATION DIVISION

JOINT OPERATOR APPROVAL

FIRM

EXHIBIT 3

By

Title

Date

AFE No.

CASE NO. 11541

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE ENERGY
RESOURCES, INC. FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO

Case No. 11541

AFFIDAVIT REGARDING NOTICE

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) ss.

James Bruce, being duly sworn upon his oath, deposes and states:

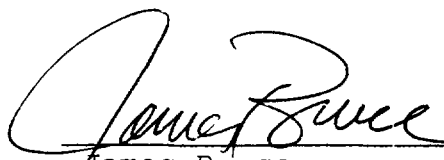
1. I am over the age of 18, and have personal knowledge of the matters stated herein.

2. I am an attorney for Applicant.

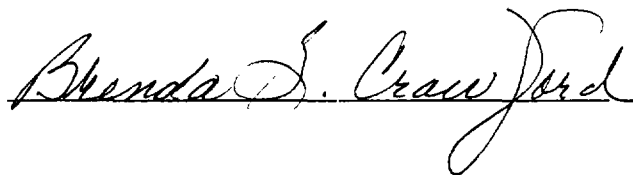
3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the Application filed herein.

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

5. Applicant has complied with the notice provisions of Division Rule 1207.


James Bruce

SUBSCRIBED AND SWORN TO before me this 24th day of May, 1996,
by James Bruce.



My Commission Expires:

10-29-99

NEW MEXICO
OIL CONSERVATION DIVISION

EXHIBIT 4

CASE NO. 11541

HINKLE, COX, EATON, COFFIELD & HENSLEY, L.L.P.

ATTORNEYS AT LAW

218 MONTEZUMA POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504-2068
(505) 982-4554 FAX (505) 982-8623

LEWIS C. COX, JR. (505) 982-8623
CLARENCE E. HINKLE (505) 982-8623

OF COUNSEL
O. M. CALHOUN* JOE W. WOOD
RICHARD L. CAZZELL* RAY W. RICHARDS*

AUSTIN AFFILIATION
HOFFMAN & STEPHENS, P.C.
KENNETH R. HOFFMAN*
TOM D. STEPHENS*
RONALD C. SCHULTZ, JR.*
JOSE CANO*

THOMAS E. MOOD*
REBECCA NICHOLS JOHNSON
STANLEY K. KOTOVSKY, JR.
ELLEN S. CASEY
MARGARET CHAMBERLAIN*
S. GARRY PASWANT
DAVID M. RUSSELL*
ANDREW J. CLOUTIER
STEPHANIE LANDRY
KURT E. MOELLING*
DIANE FISHER
JULIE P. NEEDEREN
WILLIAM P. SLATTERY
CHRISTOPHER M. MOODY
JOHN D. PHILLIPS
EARL R. MORRIS
JAMES A. GILLESPIE
MARGARET R. MCNETT

GARY W. LARSON
LISA K. SMITH*
NORMAN D. EDWART
DARRIN T. GROSE*
MOLLY MCINTOSH
MARCIA S. LINCOLN
SCOTT A. SHUAFT*
PAUL G. NASHN
AMY C. WRIGHT*
BRADLEY G. BISHOP*
KAROLYN KING NEESON
ELLEN T. LOUDERBOUGH
JAMES H. WOOD*
NANCY L. STRATTON
TIMOTHY R. BROWN
JAMES C. MARTIN

*NOT LICENSED IN NEW MEXICO

April 29, 1996

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ARCO Permian
Post Office Box 1610
Midland, Texas 79702
Attn: Lee Scarborough

Marathon Oil Company
Post Office Box 552
Midland, Texas 79702
Attn: Mr. Randal Wilson

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Attn: Mr. Robert Bullock

Gentlemen:

Enclosed is an application for compulsory pooling filed at the New Mexico Oil Conservation Division by Santa Fe Energy Resources, Inc. regarding the NW of Section 26, Township 19 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Santa Fe's records indicate that each of you owns an interest in the proposed well units.

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

POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(515) 683-6691
FAX (515) 683-6518

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

POST OFFICE BOX 2043
ALBUQUERQUE, NEW MEXICO 87103
(505) 768-1500
FAX (505) 768-1529

401 W. 15TH STREET, SUITE 800
AUSTIN, TEXAS 78701
(512) 476-7137
FAX (512) 476-5431

ARCO Permian
Marathon Oil Company
Yates Petroleum Corporation
April 29, 1996
Page 2

This matter has been scheduled for hearing on Thursday, May 30, 1996 at 8:15 a.m. at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, L.L.P.

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above the printed name "James Bruce".

James Bruce

Attorneys for Santa Fe Energy
Resources, Inc.

JB/bc

Enclosure

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- 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):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Robert Bullock
Yates Petroleum Corporation
105 South Fourth Street
Artesia NM 88210

4a. Article Number

2091 143 020

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

MAY 1 1996

5. Received By: (Print Name)

JOANN GRIGGS

6. Signature: (Addressee or Agent)

X Joann Griggs

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

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

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

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Randal Wilson
Marathon Oil Company
P.O. Box 552
Midland, TX 79702

4a. Article Number

2091 143 021

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

MAY 1 1996

5. Received By: (Print Name)

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

6. Signature: (Addressee or Agent)

R. McWilliams

PS Form 3811, December 1994

Domestic Return Receipt

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2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Lee Scarborough
ARCO Permian
P.O. Box 1610
Midland, TX 79702

4a. Article Number

2091 143 022

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

MAY 1 1996

5. Received By: (Print Name)

[Signature]

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

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

Domestic Return Receipt

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HINKLE, COX, EATON, COFFIELD & HENSLEY,
L.L.P.

ATTORNEYS AT LAW

218 MONTEZUMA POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504-2068
(505) 982-4554 FAX (505) 982-8623

LEWIS C. COX, JR. (1984-1985)
CLARENCE E. HINKLE (1981-1988)

OF COUNSEL
D. M. CALHOUN* JOE W. WOOD
RICHARD L. CAZZELL* RAY W. RICHARDS*

AUSTIN AFFILIATION
HOFFMAN & STEPHENS, P.C.
KENNETH R. HOFFMAN*
TOM D. STEPHENS*
RONALD C. SCHULTZ, JR.*
JOSE CANO*

THOMAS E. HOOK*
REBECCA NICHOLS JOHNSON
STANLEY K. KOTOVSKY, JR.
ELLEN S. CASEY
MARGARET CARTER LUDENKO
S. BARRY PASARER
WYATT L. BROOKS*
DAVID M. RUSSELL*
ANDREW J. CLOUTIER
STEPHANIE LANDRY
KURT E. NOELLING*
DIANE FISHER
JULIE P. NEEDERKEN
WILLIAM P. SLATTERY
CHRISTOPHER M. WOODY
JOHN D. PHILLIPS
EARL R. MORRIS
JAMES A. GILLESPIE
MARGARET R. HENETT

GARY W. LARSON
LISA K. SMITH*
NORMAN D. EWART
DARRIN T. GROCE*
MOLLY MONTOSH
MARCIA B. LINCOLN
SCOTT A. SHUART*
PAUL G. NASON
AMY C. WRIGHT*
BRADLEY G. BISHOP*
KAROLYN KING NELSON
ELLEN T. LOUDENBOUGH
JAMES H. WOOD*
NANCY L. STRATTON
TIMOTHY R. BROWN
JAMES C. MARTIN

*NOT LICENSED IN NEW MEXICO

May 1, 1996

VIA CERTIFIED MAIL
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ARCO Permian
Post Office Box 1610
Midland, Texas 79702
Attn: Lee Scarborough

Marathon Oil Company
Post Office Box 552
Midland, Texas 79702
Attn: Mr. Randal Wilson

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Attn: Mr. Robert Bullock

Gentlemen:

Enclosed is an amended application for compulsory pooling filed at the New Mexico Oil Conservation Division by Santa Fe Energy Resources, Inc. regarding the N½ of Section 26, Township 19 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. The only difference from the original application mailed to you by our letter of April 29th is the orientation of the 80-acre unit described in paragraph 2(c).

POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88202
(505) 522-6510
FAX (505) 423-9332

POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4891
FAX (915) 683-6516

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

POST OFFICE BOX 2043
ALBUQUERQUE, NEW MEXICO 87103
(505) 768-1500
FAX (505) 768-1529

401 W. 15TH STREET, SUITE 800
AUSTIN, TEXAS 78701
(512) 478-7137
FAX (512) 478-5431

ARCO Permian
Marathon Oil Company
Yates Petroleum Corporation
May 1, 1996
Page 2

This matter remains scheduled for hearing on Thursday, May 30, 1996 at 8:15 a.m. at the Division's office at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, L.L.P.

A handwritten signature in black ink, appearing to read "James Bruce". The signature is fluid and cursive, with a large initial "J" and "B".

James Bruce

Attorneys for Santa Fe Energy
Resources, Inc.

JB/bc

Enclosure

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1. ☐ Addressee's Address
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Consult postmaster for fee.

3. Article Addressed to:

*Lee Scarborough
ARCO Permian
PO Box 1610
Midland, TX 79702*

4a. Article Number

P 023 919 410

4b. Service Type

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

MAY - 6 1996

5. Received By: (Print Name)

[Signature]

6. Signature: (Addressee or Agent)

X

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

PS Form 3811, December 1994

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- 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):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

*Robert Bullock
Yates Petroleum Corporation
105 South Fourth Street
Ahtesia NM 88210*

4a. Article Number

P 023 919 411

4b. Service Type

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

MAY 3 1996

5. Received By: (Print Name)

JOANN GRIGGS

6. Signature: (Addressee or Agent)

[Signature]

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

PS Form 3811, December 1994

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, 4a, and 4b.
- 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):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

*Randal Wilson
Marathon Oil Company
P.O. Box 552
Midland, TX 79702*

4a. Article Number

P 023 919 412

4b. Service Type

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

MAY - 3 1996

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

[Signature]

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

PS Form 3811, December 1994

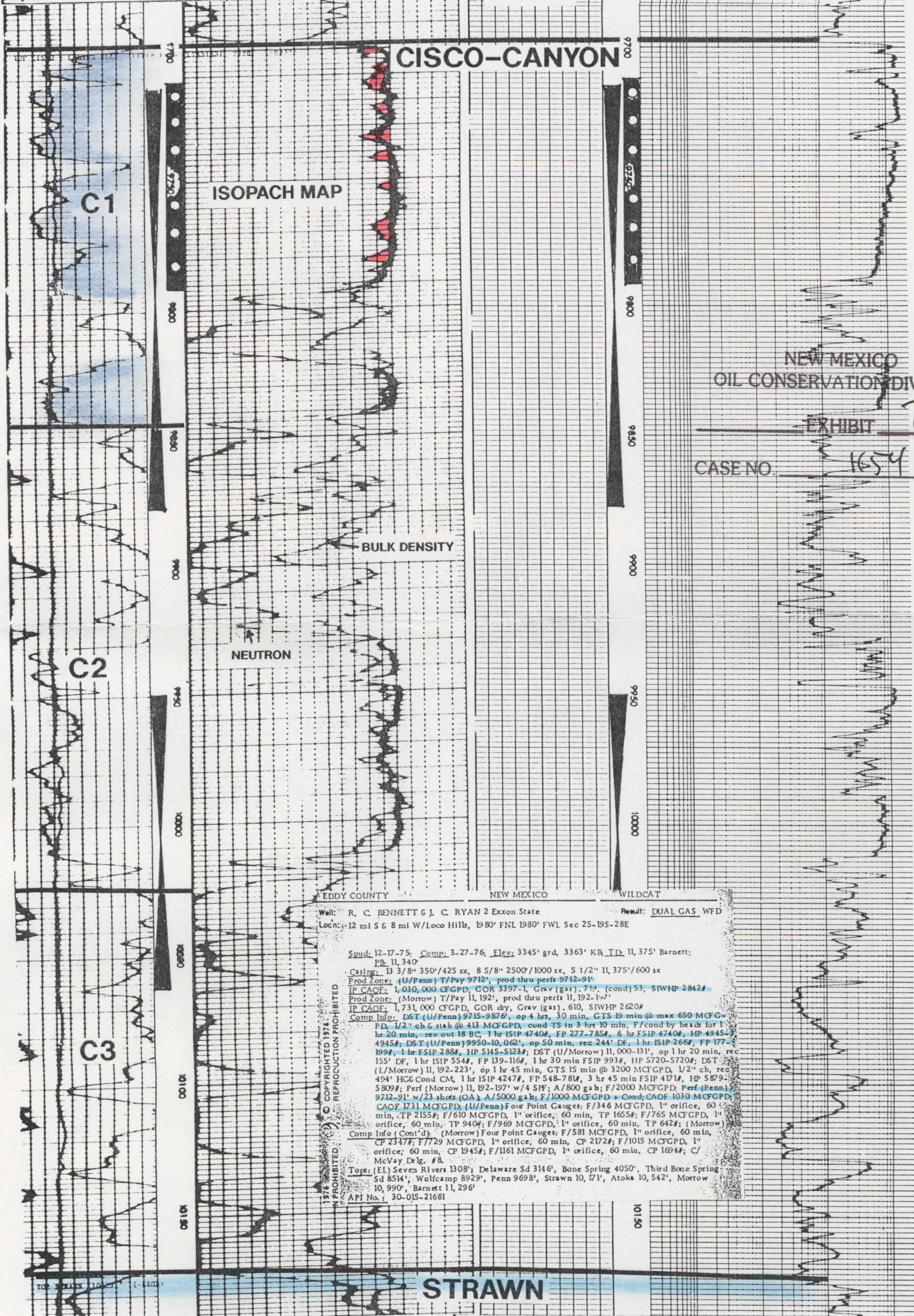
Domestic Return Receipt

Thank you for using Return Receipt Service.

Welex
COMPENSATED DENSITY LOG
COMPANY R. C. BENNETT & J. C. RYAN
WELL EXXON STATE # 2
FIELD WILDCAT
COUNTY EDDY STATE NEW MEXICO
Location 1980' FNL & 1980' FWL
Sec 25 Twp 19-S Rge 28-E
Permanent Datum Group Level 1 Elev 3345'
Log Measured From K. B. - 17.8 Ft Above Perm Datum
Drilling Measured From Kelly Bushing
Elev. K.B. 3362.8'
D.F. 3345'
G.L. 3345'

SFER, INC.
OUTPOST PROSPECT
TYPE LOG
CISCO-CANYON INTERVAL

Welex
GUARD LOG
COMPANY R. C. BENNETT & J. C. RYAN
WELL EXXON STATE # 2
FIELD WILDCAT
COUNTY EDDY STATE NEW MEXICO
Location 1980' FNL & 1980' FWL
Sec 25 Twp 19-S Rge 28-E
Permanent Datum Ground Level Elev 3345'
Log Measured From K. B. - 17.8 Ft Above Perm Datum
Drilling Measured From Kelly Bushing
Elev. K.B. 3362.8'
D.F. 3345'
G.L. 3345'

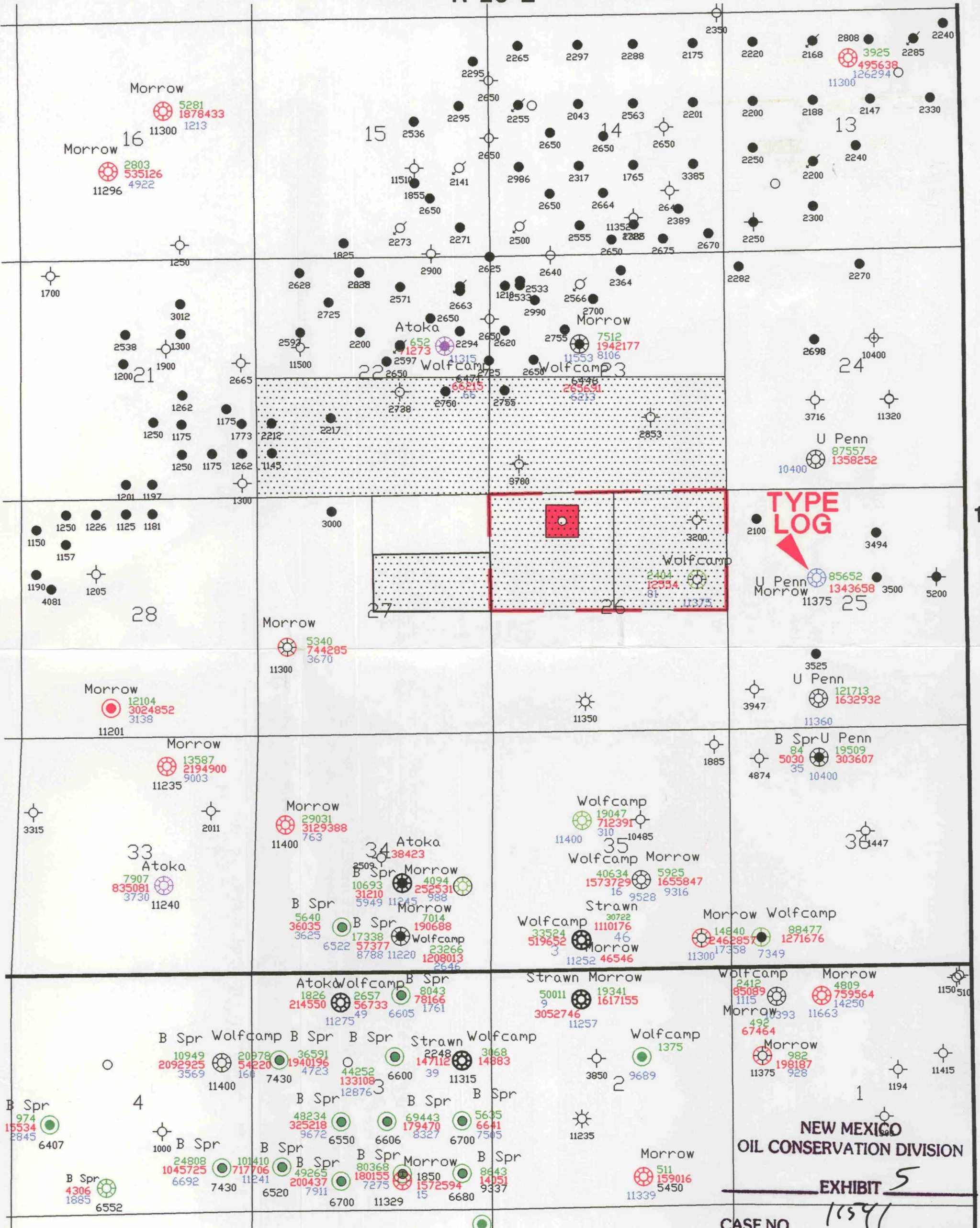


Spud: 12-17-75; Comp: 3-27-76; Elev: 3345' grd, 3363' KR TD, 11,375' Barnett;
PB 11,340'
Casing: 13 3/8" 350'/425 sx, 8 5/8" 2500'/1000 sx, 5 1/2" 11,375'/600 sx
Prod Zone: (U/Penn) T/Pay 9712', prod thru perfs 9712-91'
IP CAQF: 1,030,000 CF/GPD, GOR 3397-1, Grav (gas), 719, (cond) 53, SIWHP 2842#
Prod Zone: (Morrow) T/Pay 11,192', prod thru perfs 11,192-147'
IP CAQF: 1,731,000 CF/GPD, GOR dry, Grav (gas), 610, SIWHP 2620#
Comp Info: DST (U/Penn) 9715-9876', op 4 hrs, 30 min, GTS 19 min @ max 650 MCF/GPD, 1/2" ch L stab @ 413 MCF/GPD, cond TS in 3 hrs 10 min, F/cond by head for 1 hr 20 min, rev out 18 BC, 1 hr ISIP 4740#, FP 277-785#, 6 hr FSIP 4740#, HP 4945-4945#; DST (U/Penn) 9950-10,062', op 50 min, rec 244' DF, 1 hr ISIP 266#, FP 177-199#, 1 hr FSIP 288#, HP 5145-5123#; DST (U/Morrow) 11,000-131', op 1 hr 20 min, rec 155' DF, 1 hr ISIP 554#, FP 139-116#, 1 hr 30 min FSIP 993#, HP 5720-5720#; DST (L/Morrow) 11,192-223', op 1 hr 45 min, GTS 15 min @ 3200 MCF/GPD, 1/2" ch, rec 494' HCG Cond CM, 1 hr ISIP 4247#, FP 548-781#, 3 hr 45 min FSIP 4171#, HP 5879-5809#; Perf (Morrow) 11,192-197' w/4 SF; A/800 gals; F/2000 MCF/GPD; Perf (Penn) 9712-91' w/23 shots (OA); A/5000 gals; F/1000 MCF/GPD + Cond; CAQF 1030 MCF/GPD; CAQF 1731 MCF/GPD, (U/Penn) Four Point Gauges; F/346 MCF/GPD, 1" orifice, 60 min, TP 2155#; F/610 MCF/GPD, 1" orifice, 60 min, TP 1655#; F/765 MCF/GPD, 1" orifice, 60 min, TP 940#; F/969 MCF/GPD, 1" orifice, 60 min, TP 642#; (Morrow) Comp Info (Cont'd): (Morrow) Four Point Gauges; F/581 MCF/GPD, 1" orifice, 60 min, CP 2347#; F/729 MCF/GPD, 1" orifice, 60 min, CP 2172#; F/1015 MCF/GPD, 1" orifice, 60 min, CP 1945#; F/1161 MCF/GPD, 1" orifice, 60 min, CP 1694#; C/McVay Drlg. #8
Top: (L) Seven Rivers 1308', Delaware Sd 3146', Bone Spring 4050', Third Bone Spring Sd 8514', Wolfcamp 8929', Penn 9698', Strawn 10,171', Atoka 10,542', Morrow 10,990', Barnett 11,296'
API No.: 30-015-21681

GAMMA API Gamma Ray Units	BULK DENSITY Grams/cc (when $\frac{K}{A} = 0.5$)	RESISTIVITY OHMS M²/M
100	2.0	100
200	2.5	200
	1.5	500
CALIPER Average Diameter In	POROSITY (%) $P_g = 2.65 \times 2.71$	1000
14"		

R 28 E

T 19 S



PROPOSED LOCATION
 SFER INTEREST ACREAGE
 PROPOSED UNIT

LEGEND
 Morrow Production
 Atoka Production
 Strawn Production
 Upper Penn Production
 Wolfcamp Production
 Bone Spring Production

Santa Fe Energy Resources, Inc.
 CENTRAL DIVISION
 MIDLAND, TEXAS

CARLSBAD AREA
OUTPOST PROSPECT
 EDDY CO., NEW MEXICO

PRODUCTION MAP

GEOL: CURT ANDERSON
 SCALE 1"=2000'
 OUT-COM.DWG

C.I.
 DATE 5-28-96
 File:

