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January 22, 1998

Via FaxMichael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505Re: Case 11887 (Application of Santa Fe Energy Resources,
Inc. for compulsory pooling, Lea County, New Mexico)

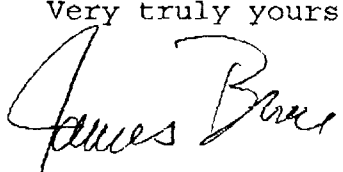
Dear Mr. Stogner:

This letter is Santa Fe Energy Resources, Inc.'s ("Santa Fe") response to the request to reconsider, filed today by Phillips Petroleum Company ("Phillips").

The case cited by Phillips (No. 11294) is irrelevant because, in that case, Santa Fe voluntarily dismissed its application. See letter dated May 26, 1995 from Mr. Carr to the Division, attached as the last page of Phillips' request.

Phillips' request to reconsider should be denied.

Very truly yours,


James BruceAttorney for Santa Fe
Energy Resources, Inc.cc: W. Thomas Kellahin
William F. Carr