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& SHERIDAN, P.A.
LAWYERS

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June 4, 1998

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HAND DELIVERED

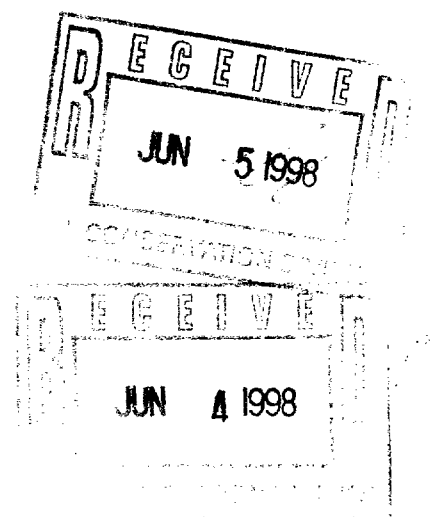
Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Case No. 11715 (Order No. R-10764) Application of Santa Fe Energy
Resources, Inc. for compulsory pooling, Lea County, New Mexico.

Dear Ms. Wrotenbery:

By Order No. R-10764, the Division granted the application of Santa Fe Energy Resources, Inc. in Case 11715 thereby compulsory pooling the interest of Robert E. Landreth in the S/2 of Section 29, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico.

By letter dated May 4, 1998, Santa Fe Energy Resources, Inc. provided to Mr. Landreth an itemized schedule of actual well costs for the drilling of the Gaucho Federal Unit Well Nos. 2 and 2Y which it has drilled on this pooled unit.



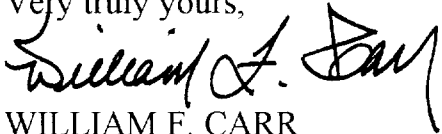
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Robert E. Landreth hereby objects to the actual well costs for these wells and requests that the Division determine the actual well costs after public notice and hearing as provided in order paragraph 5 of Order No. R-10764.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a large initial "W" and a stylized "C" at the end.

WILLIAM F. CARR

Attorney for Robert E. Landreth

cc: James Bruce Esq.