



Santa Fe Energy Resources, Inc.

VIA FAX AND REGULAR MAIL

(915) 684-4783

September 9, 1998

Mr. Robert E. Landreth
505 North Big Spring
Suite 507
Midland, Texas 79701

Re: Proposed 13,700' Morrow Test
Rio Blanco "4" Fed COM #1 Well
1980' FNL & 1980' FWL
Section 4, T-23-S, R-34-E
Lea County, New Mexico
RIO BLANCO PROSPECT - NM0964

Dear Mr. Landreth:

Referencing our prior correspondence concerning the captioned, and in particular your letter of August 28th, Santa Fe Energy Resources, Inc. (Santa Fe) hereby accepts the terms of your partial participation in the captioned well and the farming out of the remainder of your operating rights in Section 4 as outlined in your August 28th letter. As for your request to review any geophysical data in Santa Fe's possession which might have influenced the drilling of this well, please be advised that Santa Fe does not possess any geophysical data covering this prospect.

I will begin preparation of the formal agreement and forward it to you for your review and execution in the next few days.

If you have any questions or comments, I may be reached at 686-6712.

Sincerely,

SANTA FE ENERGY RESOURCES, INC.

Steven J. Smith
Senior Staff Landman

rland008.doc

Central Division
550 W. Texas, Suite 1330
Midland, Texas 79701
915/687-3551

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12043 Exhibit No. 8
Submitted By:
Santa Fe Energy Resources
Hearing Date: September 17, 1998



Santa Fe Energy Resources, Inc.

550 West Texas Avenue, Suite 1330, Midland, TX 79701

From: Steve Smith 915/686-6712

FAX 915/686-6714

Fax Cover Sheet

Date: September 9, 1998

To: Robert Landreth

Fax: 684-4783

RE: Proposed 13,700 Morrow Test
N/2 Section 4, T-23-S, R-34-E
Rio Blanco "4" Fed COM #1
Lea County, New Mexico

Original to follow by regular mail.

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Number of Pages Sent 1 (Not including cover sheet). Please call me if all pages are not received.