

September 16, 1998

FACSIMILE: 686-6714 - 9:00 a.m.

Santa Fe Energy Resources
MEMO to Steve Smith

RE: Rio Blanco "4" Fed COM #1

Steve -

I will drop my demand for a provision for takeover of operations in return for an amendment to the April 11, 1997 Letter Agreement between myself and Santa Fe dealing with gas marketing, which amendment will provide as follows:

In consideration of Landreth's execution of the Farmout Agreement dated September 15, 1998 covering the N/2 Section 4, T-23-S, R-34-E, the parties hereto agree to amend the Gas Marketing Agreement between them dated April 11, 1997, as follows:

1. In Paragraph 1, the words "As an accomodation and not an obligation" shall be deleted, and the following substituted therefore: "At Owner's option, which may be exercised from time to time but, once exercised, shall remain in effect for at least 12 months. Santa Fe, in good faith, will use...".
2. In Paragraph 7, second sentence, the words "Either party may terminate this Agreement by giving the other party at least thirty (30) days prior written notice, provided that" shall be deleted. This sentence shall begin with the words "Any contracts for the sale of ..." and the words "prior to the effective date of such termination" shall be deleted, with the rest of said sentence and paragraph to be unchanged.

We would then amend the Agreement, as we did for the Gaucho #4, by including the N/2 Section 4 and any well which Santa Fe drills thereon in which Landreth has a working interest, under the terms of the Farmout Agreement.

Bob Landreth

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12043 Exhibit No. 13
Submitted By:
Santa Fe Energy Resources
Hearing Date: September 17, 1998

Robert E. Landreth
OIL AND GAS EXPLORATION

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FACSIMILE COVER SHEET

TO: Steve Smith
Santa Fe Energy
FAX NO: 686-6714

DATE: 9-16-98

FROM: Bob Landreth
RE: Rio Blanco Farmout

Number of pages including this cover page: 2

If all pages are not received please call at : 915/684-4781

COMMENTS: _____

