



RIVERHILL ENERGY
CORPORATION

July 2, 1999

New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: East Shugart (Delaware) Unit
St. Mary Land & Exploration Company, Operator
Lea & Eddy Counties, New Mexico

Gentlemen:

Riverhill Energy Corporation ("Riverhill") would like to go on record as being in support of the participation formula proposed by St. Mary Land & Exploration Company ("St. Mary") for the East Shugart (Delaware) Unit. This formula is fair to all owners and properly represents and weights the available technical data.


It is our view that waterflood reserves and success are predicted by both the oil available, as indicated by original oil in place (OOIP), and by a particular reservoir's primary performance, as indicated by the primary production. The proposed formula is well balanced between volumetric parameters, OOIP and acreage, at 45% and primary performance, cumulative production and remaining primary, at 30%. The remaining parameter, present oil rate, is primarily a present cash flow indicator and is not indicative of waterflood performance except as it bears on remaining primary.

Estimating all future variables is somewhat uncertain and we recognize uncertainty in both OOIP estimates and in remaining primary estimates. However, the use of modern simulation and history match techniques is an excellent way to reduce the uncertainty in the OOIP estimate. This has been done for this project. Thus, the participation formula can very reasonably include both primary production factors and OOIP factors.

Again, Riverhill wishes to voice its satisfaction with the participation formula as proposed by St. Mary. Your consideration on this matter is greatly appreciated.

Sincerely,

RIVERHILL ENERGY CORPORATION


J. W. Ramsey
Vice President - Exploitation

NEW MEXICO
OIL CONSERVATION DIVISION
St. Mary EXHIBIT *15*
CASE NO. *12207/12208*

NORTEX CORPORATION
OIL & GAS PRODUCTION & EXPLORATION

A. W. Dugan
President

Robert W. Kent
Vice President
Land & Acquisition

Patrick W. Dugan
Vice President &
General Counsel

June 25, 1999

New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

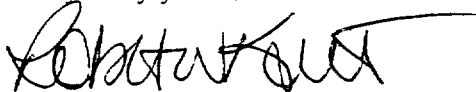
Reference: East Shugart (Delaware) Unit
Eddy and Lea Counties, NM

Dear Sir/Madam:

Nortex Corporation is an experienced and knowledgeable working interest participant in 1500 oil and gas properties in Texas, New Mexico, Oklahoma and Louisiana. We own interests in over 50 waterfloods several in New Mexico.

We have expressed our support for the East Shugart (Delaware) Unit by ratifying the Unit Agreement and Unit Operator's Agreement as proposed. This letter is to show our further support for the current formulae of ownership which has been put forth by St. Mary Land & Exploration Company.

Very truly yours,



Robert W. Kent,
Vice President
Land and Acquisitions

RWK/bt

July 2, 1999

New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: East Shugart (Delaware) Unit
Eddy & Lea Counties, N.M.

To Members of the NMOC Div.;

In reference to the above captioned unit in which I have a small working interest, I wish to go on record as being in complete agreement with the participation formula as proposed by St. Mary Land & Exploration Company. As a petroleum geologist with 44 years of experience in exploration and development of oil & gas reservoirs in the Permian Basin (mostly in New Mexico), I am aware of the parameters the industry has had to establish based on the best information available but not always as finite as we would like. However, based on my own observations over many years and from communications with many other professionals in the industry, I believe the proposed OOIP factor and the remaining reserves factor is the most accurate and equitable method of determining the unit percentages for each participant. It is doubtful in my opinion, whether or not the existence of core data in this fine-grained sand reservoir would change the formula proposed by St. Mary. It has been my experience in working with Upper Permian sand reservoirs that any sand recovery from cores is very limited and the data is unreliable. Conventional electrical logs and mud logs are the only tools we have at our disposal at this time.

Respectfully submitted,

Norman K. Barker

Norman K. Barker
Geologist

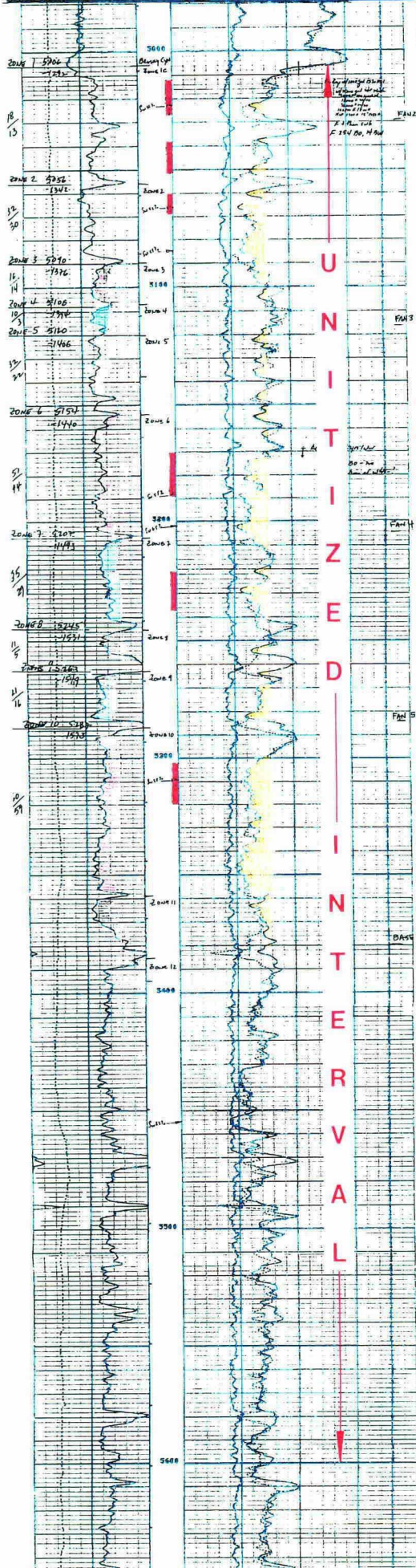
GERONIMO #3

COMPANY: STILL OIL AND GAS CORPORATION WELL: GERONIMO #3 FIELD: STILL OIL COUNTY: STILL STATE: OK LOCATION: 1/4 Sec. 10, T1N, R10E DATE: 10/1/77	LOG NO: 101 LOG DATE: 10/1/77 LOG TIME: 10:00 LOG BY: W. J. B. B. LOG CHECKED BY: W. J. B. B. LOG APPROVED BY: W. J. B. B. LOG REVIEWED BY: W. J. B. B. LOG REVISIONS: 1 LOG REVISIONS BY: W. J. B. B. LOG REVISIONS DATE: 10/1/77
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MARKED

COMPENSATED NEUTRON

LITHO DENSITY



CLARK & CO. OIL FIELD

EXHIBIT 1b

CASE NO.