

**Southwestern Energy  
Production Company**

A subsidiary of Southwestern Energy Company

2350 N. Sam Houston Parkway East  
Suite 300  
Houston, Texas 77032  
(281) 618-4700 FAX: (281) 618-4757**Samuel Glenn Thompson**  
Senior Exploration Landman

December 14, 1999

Concho Resources, Inc.  
110 W. Louisiana, Suite 410  
Midland, Texas 79701

Attn: Mr. Michael M. Gray

Re: Maucho Prospect Joint Operating Agreement  
Lea County, New Mexico

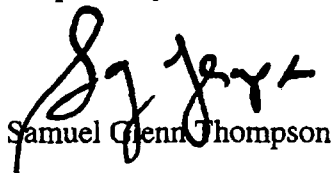
Gentlemen:

As you know, Santa Fe has sent us a well proposal in Sec. 17-23S-34E requesting a N/2 Unit for the Morrow Formation. According to our records, Santa Fe owns no interest in the tract. If they do own an interest, I don't show any evidence that Southwestern Energy Production Company (SWN) has waived the maintenance of uniform interest provision under the Joint Operating Agreement.

With this letter, SWN is advising Santa Fe that we do not consider the Santa Fe well proposal to be a valid proposal until SWN resolves the Operating Agreement issue with Concho. Accordingly, we cannot respond to the subject proposal since we do not recognize Santa Fe as having an interest therein.

SWN encourages a quick resolution. If you have any comments please contact the undersigned Landman.

Respectfully,

  
Samuel Glenn Thompson

SGT:df

Cc: Steve Smith

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 12393 Exhibit No. 4  
Submitted By:  
Santa Fe Snyder Corporation  
Hearing Date: May 18, 2000