



**Southwestern Energy
Production Company**

A subsidiary of Southwestern Energy Company

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Suite 300
Houston, Texas 77032
(281) 618-4700 FAX: (281) 618-4757

Samuel Glenn Thompson
Staff Landman

March 9, 2000

VIA FAX AND CERTIFIED MAIL

Santa Fe Snyder Corporation
550 W. Texas Suite 1330
Midland, TX 79701

Attn: Mr. Curtis D. Smith fax # 915-686-6714

Re: SWN Baywatch "17" Fed Com #1
1310' FNL & 1310' FWL
Sec 17-23S-34E
Lea County, NM
Antelope Bay II Prospect


Gentlemen:

Southwestern Energy Production Company (SWN) proposes the drilling of a 12,600' Atoka Test at the captioned location as a W/2 spacing unit. According to Conoco Santa Fe owns an interest in Conoco's acreage in the SW/4 of Section 17.

You will find enclosed SWN's AFE relative to the drilling of said proposed well. If you are interested in participation SWN will gladly forward its standard Operating Agreement naming SWN as Operator. In the event you would rather farmout or sell please advise and SWN will negotiate. Since SWN has an interest that expires in the near term please consider an early response.

If you require further information do not hesitate to contact the undersigned landman.

Respectfully,


SGThompson
Mba/sgt

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12393 Exhibit No. 5
Submitted By:
Santa Fe Snyder Corporation
Hearing Date: May 18, 2000

OIL ENERGY PRODUCTION COMPANY

DATE		1/31/00		Drilling/Completion Operations		Detail Cost Estimate		PREPARED BY		JMT	
PROSPECT/ FIELD		Antelope Bay Prospect		OPERATOR		SEPCO		WELL NAME		SWN Fed Baywatch "17" #1	
STATE		New Mexico		COUNTY/PARISH		Lea		LOCATION		NW/4 Sec 17-23S-34E	
DRILL / COMPLETE		<input checked="" type="checkbox"/> WORKOVER-RECOMPLETION		<input type="checkbox"/> SINGLE		<input checked="" type="checkbox"/> EXPLORATORY		<input checked="" type="checkbox"/> OIL WELL		PROPOSED TOTAL DEPTH	
EQUIP		<input checked="" type="checkbox"/> WORKOVER-MAINTENANCE		<input type="checkbox"/> DUAL		<input type="checkbox"/> DEVELOPMENT		<input type="checkbox"/> GAS WELL		12,600'	
RETIREMENT (P&A)		<input type="checkbox"/> DRILL & EVALUATE		<input type="checkbox"/> OTHER						OBJECTIVE / FORMATION(S)	
										Atoka	
SUB-ACCOUNT		Cap. Pl.		Completion		INTANGIBLE COST		CASING POINT COST		COMPLETION COST	
										TOTAL COST	
121-001						RIG - TURNKEY					
121-005						RIG - FOOTAGE					
121-010	122-010					RIG - DAYWORK 47 days @ \$5500 4:0 days @ \$8500-\$2000		305,500		42,000	347,500
121-012						DRILL RIG MOBILIZATION		42,000			42,000
121-013						CONDUCTOR HOLE/DRIVE PIPE SERVICES		3,200			3,200
121-015	122-015					ROAD & LOCATION		35,000		10,000	45,000
121-020	122-020					FUEL, POWER AND WATER		80,000		5,000	85,000
121-025	122-025					DRILLING/COMPLETION FLUIDS & CHEMICALS		52,000			52,000
121-030	122-030					DRILL BITS		55,000		2,000	57,000
121-032						DIRECTIONAL DRILLING AND RELATED SERVICES					
121-035						OPEN HOLE LOGGING		44,000			44,000
121-040						MUD LOGGING		16,000			16,000
	122-040					PERFORATING/CASED HOLE LOGGING				15,000	15,000
121-055	122-055					CEMENT AND CEMENTING		30,000		8,000	38,000
	122-060					STIMULATION- ACID/Frac				25,000	25,000
121-063	122-063					TANK TRUCKS/ MISC PUMPING SERVICES				5,000	5,000
121-065	122-065					EQUIPMENT RENTAL		60,000		7,000	67,000
121-070	122-070					CASING CREW		15,000		10,000	25,000
121-153	122-153					WIRELINE SERVICE				5,000	5,000
121-075	122-075					TRANSPORTATION- TRUCKING/TUGS/BARGES/ETC.		8,000		5,000	13,000
121-080	122-080					SUPERVISION & TECHNICAL		26,000		5,000	31,000
121-085	122-085					CONTRACT LABOR		10,000		6,000	16,000
121-090	122-090					CASING/TUBING & DRILL PIPE INSPECTION & TESTING		10,000		10,000	20,000
121-095	122-095					PERMITS, SURVEYS, CURATIVE, TITLE AND DRILL SITE OPINION		1,500			1,500
121-930						INSURANCE		6,000			6,000
121-105	122-105					ENVIRONMENTAL & POLLUTION/ DISPOSAL		5,000		2,000	7,000
121-190						PLUGGING AND ABANDONMENT (DRY HOLE)		6,500			
121-925	122-925					DRILLING/COMPLETION OVERHEAD		9,000		5,000	14,000
121-950	122-950					MISCELLANEOUS		30,000		8,000	38,000
TOTAL INTANGIBLE COST								829,700		175,000	998,200
TANGIBLE COST											
124-005						DRIVE PIPE					
124-010						CONDUCTOR PIPE 36" @ 40'		1,200			1,200
124-015						SURFACE CASING 20" 94# K-55 @ 1000'		27,000			27,000
124-020						INTERMEDIATE CASING 13-3/8" 61# K-55 @ 2200'		46,200			46,200
124-020						2ND INTERMEDIATE CASING		78,000			78,000
124-030						DRILLING LINER					
	125-025					PRODUCTION CASING OR PROD. LINER 900' 4-1/2" 13.5# HCP-110 LT&C				11,000	11,000
	125-035					PRODUCTION TUBING 2-3/8" 4.7# P-105 @ 12,800'				48,000	48,000
124-045	125-045					PACKERS/RETAINERS/LINER HANGERS				17,000	17,000
124-055	125-055					WELLHEAD EQUIPMENT		8,000		17,000	25,000
124-950	125-950					MISCELLANEOUS EQUIPMENT				7,500	7,500
						3RD INTERMEDIATE CASING 7" 26# HCP-110 @ 12,000'		134,000			134,000
TOTAL TANGIBLE COST								294,400		100,500	394,900
PRODUCTION EQUIPMENT											
	126-040					FLOWLINES				5,000	5,000
	126-047					TANK BATTERY AND ASSOCIATED EQUIPMENT				15,000	15,000
	126-060					SURFACE PROD EQUIPMENT- SEP/HTR TRTR/PROD. UNIT/CMPR/PROD. BARGE				45,000	45,000
	126-062					SURF. PUMPING EQUIPMENT W/ PRIME MOVER					
	126-065					SUBSURFACE EQUIPMENT-RODS/B.H. PUMP/TBG. ANCHOR					
	126-075					GATHERING/PIPE LINES				25,000	25,000
	126-095					NON-CONTROLLABLE EQUIPMENT				5,000	5,000
	126-950					MISCELLANEOUS EQUIPMENT				20,000	20,000
						OTHER (SPECIFY CHARGE AND RELATED ACCT. NO.)					
TOTAL PRODUCTION EQUIPMENT COST										115,000	115,000
TOTAL WELL COST								1,124,100		390,500	1,508,100
SEPCO'S estimate of the anticipated costs for the test well or operation are specified above. This estimate shall determine prepaid dry hole costs, completion costs or costs of other operations, and your approval of this estimate signifies that SEPCO's estimate is reasonable. Participating parties in a test well or operation shall be responsible for actual costs in accordance with the terms of the joint operating agreement											
SEPCO Approvals						Non-Operator Approvals					
BY:						COMPANY:					
BY:						BY:					
BY:						BY:					
BY:						BY:					
SEPCO GROSS WORKING INTEREST						OTHER GROSS WORKING INTEREST					
50.000% BCP 50.000% ACP						50.000% BCP 50.000% ACP					