



Santa Fe Pacific Exploration Company
Managing General Partner

CERTIFIED MAIL - RETURN RECEIPT

July 12, 1989

TO: WI Owners
(See Attached List)

Re: OD-NM-617,268 (O/A)
Malaga Fed Com #1
2310' FWL and 660' FSL
Sec. 1, T-24-S, R-28-E
Eddy County, New Mexico
Malaga Prospect

Gentlemen:

Santa Fe Energy Operating Partners, L.P. hereby proposes to drill the referenced well to test the Atoka Formation at an approximate depth of 12,250'. It is proposed that the S/2 of Section 1 be dedicated the Proration Unit. Santa Fe invites you to join in this test, and in this regard has enclosed two (2) AFES itemizing the costs. If it is your desire to join, please execute and return one of the AFES to the undersigned. A JO/A will be forwarded upon your election to join.

Should you elect not to join, Santa Fe would propose that you farmout in Section 1, based on delivering a 75% NRI with the retained Overriding Royalty Interest convertible at payout to a 25% WI, all proportionately reduced. Santa Fe would have 150 days from completion to earn the N/2 acreage under the same terms as for the Initial Test.

Your prompt attention to this proposal will be most appreciated. Should you have any questions, feel free to call.

Sincerely yours,

SANTA FE ENERGY OPERATING PARTNERS, L.P.
By: Santa Fe Pacific Exploration Company,
Managing General Partner

By: Patrick J. Tower
Patrick J. Tower, Senior Landman

PJT/efw
2 Encls a/s

EFW505
Permian Basin District
500 W. Illinois
Suite 500
Midland, Texas 79701
915/687-3551

An Affiliate of Santa Fe Southern Pacific Corporation

BEFORE EXAMINER CATANACI	
OIL CONSERVATION DIVISION	
<u>SF Energy</u>	EXHIBIT NO. <u>2</u>
CASE NO. <u>9670</u>	

WI OWNERS LIST
Malaga Fed Com #1 Well

Exxon Corporation
P.O. Box 1600
Midland, Texas 79702
ATTN: Joe Thomas
Phone: (915) 683-0101

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762
ATTN: Frank Hulse
Phone: (915) 367-1361

UTI Energy Corp.
Richard K. Barr
Scott E. Wilson
500 North Loraine St.
Midland, Texas 79701
ATTN: Scott Wilson
Phone: (915) 683-1618
16/6

EFW505A

SENDER: Complete items 1 and 2 when additional services are desired, and complete 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested. 1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. 2. <input type="checkbox"/> Restricted Delivery (Extra charge)	
3. Article Addressed to: UTI Energy Corp. 500 North Lorraine St. Midland, Texas 79701 ATTN: Scott Wilson	4. Article Number P 911 636 925 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent with DATE DELIVERED.
5. Signature - Address X <i>Scott Wilson</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 7-14-89	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested. 1. <input checked="" type="checkbox"/> Show to whom delivered, date, and addressee's address. 2. <input type="checkbox"/> Restricted Delivery (Extra charge)	
3. Article Addressed to: Exxon Corporation P.O. Box 1600 Midland, Texas 79702 ATTN: Joe Thomas	4. Article Number P 911 636 923 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent with DATE DELIVERED.
5. Signature - Address X <i>Joe Thomas</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 7-13-89	

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ED STATES POSTAL SERVICE
OFFICIAL BUSINESS



SENDER INSTRUCTIONS

Print your name, address and ZIP Code in the space below.

- Complete items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.



PENALTY FOR PRIVATE
USE, \$300

RETURN
TO

Print Sender's name, address, and ZIP Code in the space below.

Patrick J. Tower - Santa Fe Energy Company
500 West Illinois, 5th Floor
Midland, Texas 79701

OD-NM-617,268

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OFFICIAL BUSINESS



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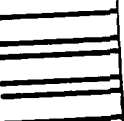
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1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Phillips Petroleum Co. 4001 Penbrook Odessa, Texas 79762 ATTN: Frank Huise		4. Article Number P 971 636 924
5. Signature - Address X		Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
6. Signature - Agent X		
7. Date of Delivery 1-23-89		8. Addressee's Address (ONLY if requested and fee paid)

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