

PACIFIC ENTERPRISES OIL COMPANY (USA)

September 21, 1990

SOUTHWEST REGION
200 N. Loraine, #400
P.O. Box 3083
Midland TX 79702-3083
(915) 684-3861
(915) 684-6426 (Fax)

Enron Oil and Gas Company
Post Office Box 2267
Midland, Texas 79702

Attention: Mr. Robert McCommon

RE: Antelope Ridge, North #5662
Lea County, New Mexico

NE/4 and SW/4 of Section 4,
T-23-S, R-34-E

Gentlemen:

According to our information, Enron is the owner of a 50% working interest (40% net revenue interest) in the captioned land. Pacific Enterprises Oil Company (USA) desires to drill a 13,000' Devonian test at a legal location in said Section 4. Pacific therefore respectfully requests a Farm-in of all your right, title and interest in the subject land on the following terms:

1. Term - 180 days (actual drilling).
2. Required depth and location - 13,000' or to a depth sufficient to penetrate and test the Devonian formation, whichever is the lesser, at a legal location of Farmee's choice in said Section 4.
3. Produce to earn - 100% of Farmor's rights in and to said test well's drilling unit from the surface down to 100' below total depth drilled, at a 75% net revenue interest, proportionately reduced.
4. Conversion option - At payout of said test well, Farmor shall have the option to convert its overriding royalty interest to a 25% working interest, proportionately reduced. Joint operations will be subject to a mutually acceptable AAPL form 610-1982 Model form Operating Agreement.

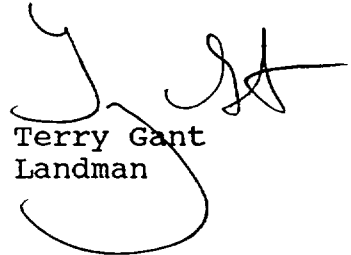
BEFORE THE	
OIL CONSERVATION DIVISION	
Santa Fe, New Mexico	
Case No. <u>10267</u>	Exhibit No. <u>2</u>
Submitted by <u>PEOC (USA)</u>	
Hearing Date <u>4-18-91</u>	

5. Unit basis - Farmor agrees to allow Farmee the right to pool and unitize its interest into State approved drilling units, with Farmor's overriding royalty interest and conversion working interest being proportionately reduced to such unit.
6. Additional development - If said test well does not earn all of Farmor's rights in said Section 4, then Farmee shall have the option to drill additional wells pursuant to a 180 day continuous drilling program, earning in the same manner and fashion as said test well, with the required depth for such additional well being the same as said test well or to the deepest productive horizon encountered in any preceding well, whichever is lesser.

Please advise if the above proposal meets with your approval and if you have any questions or need any additional information, please contact the undersigned.

Very truly yours,

**PACIFIC ENTERPRISES
OIL COMPANY (USA)**



Terry Gant
Landman

TG/dsr

bcc: Jim Brezina
John Starck

PACIFIC ENTERPRISES OIL COMPANY (USA)

October 1, 1990

SOUTHWEST REGION
200 N. Loraine, #400
P.O. Box 3083
Midland TX 79702-3083
(915) 684-3861
(915) 684-6426 (Fax)

Exxon Corporation
Post Office Box 1600
Midland, Texas 79702

Attention: Mr. Joe Thomas

RE: Antelope Ridge, North #5662
Lea County, New Mexico

S/2NW/4 of Section 4,
T-23-S, R-34-E

Gentlemen:

According to our information, Exxon is the owner of a 100% working interest (87.5% net revenue interest) in the captioned land. Pacific Enterprises Oil Company (USA) desires to drill a 15,000' Devonian test at a legal location in said Section 4. Pacific therefore respectfully requests a Farm-in of all your right, title and interest in the subject land on the following terms:

1. Term - 180 days (actual drilling).
2. Required depth and location - 15,000' or to a depth sufficient to penetrate and test the Devonian formation, whichever is the lesser, at a legal location of Farmee's choice in said Section 4.
3. Produce to earn - 100% of Farmor's rights in and to said test well's drilling unit from the surface down to 100' below total depth drilled, at a 75% net revenue interest, proportionately reduced.
4. Conversion option - At payout of said test well, Farmor shall have the option to convert its overriding royalty interest to a 25% working interest, proportionately reduced. Joint operations will be subject to a mutually acceptable AAPL form 610-1982 Model form Operating Agreement.

5. Unit basis - Farmor agrees to allow Farmee the right to pool and unitize its interest into State approved drilling units, with Farmor's overriding royalty interest and conversion working interest being proportionately reduced to such unit.
6. Additional development - If said test well does not earn all of Farmor's rights in said Section 4, then Farmee shall have the option to drill additional wells pursuant to a 180 day continuous drilling program, earning in the same manner and fashion as said test well, with the required depth for such additional well being the same as said test well or to the deepest productive horizon encountered in any preceding well, whichever is lesser.

Please advise if the above proposal meets with your approval, and if you have any questions or need any additional information, please contact the undersigned.

Very truly yours,

PACIFIC ENTERPRISES
OIL COMPANY (USA)



Terry Gant
Landman

TG/dsr

bcc: Jim Brezina
John Starck

[illegible]

PACIFIC ENTERPRISES OIL COMPANY (USA)

December 31, 1990

Enron Oil & Gas Company
P. O. Box 2267
Midland, Texas 79702
Attention: Mr. Pat Tower

SOUTHWEST REGION
200 N. Loraine, #400
P.O. Box 3083
Midland TX 79702-3083
(915) 684-3861
(915) 684-6426 (Fax)

Re: Antelope Ridge, North Prospect #5662
Lea County, New Mexico
Section 33, T22S, R34E; and
Sections 4, 9 & 16, T23S, R34E

Gentlemen:

Pacific Enterprises Oil Company (USA) desires to form a Exploratory (State/Federal) Unit encompassing the captioned land in support of a 14,800' Devonian Test Well to be drilled at a legal location in either said Section 4 or 9, with Pacific as the Unit Operator.

The estimated drill and test costs of said well are \$1,787,000.00, with completion costs estimated at \$381,000.00, for a total completed well cost of \$2,168,000.00.

If you are not interested in participating in such proposal, then Pacific hereby respectfully requests a farmout of all your right, title and interest in said captioned land on the following terms:

1. 180 day term. (In the event the initial test well is not drilled on acreage under which you own an interest, then the farmout would be an "Option" Farmout.)
2. Produce to earn, proration unit only, with rights limited from the surface down to 100' below total depth drilled, delivering a 75% NRI, proportionately reduced.
3. Option at payout to convert ORRI to a 30% WI, proportionately reduced.
4. 180 day continuous development clause.

Since Pacific desires to drill said well late first or early second quarter 1991, your prompt attention to this proposal is greatly appreciated.

If you should have any questions, please contact the undersigned.

Very truly yours,

PACIFIC ENTERPRISES
OIL COMPANY (USA)


Terry Gant
Landman

TG/mac
bcc: J. Starck
J. Brezina

PACIFIC ENTERPRISES OIL COMPANY (USA)

December 31, 1990

Exxon Corporation
P. O. Box 1600
Midland, Texas 79702
Attention: Mr. Joe Thomas

SOUTHWEST REGION
200 N. Loraine, #400
P.O. Box 3083
Midland TX 79702-3083
(915) 684-3861
(915) 684-6426 (Fax)

Re: Antelope Ridge, North Prospect #5662
Lea County, New Mexico
Section 33, T22S, R34E; and
Sections 4, 9 & 16, T23S, R34E

Gentlemen:

Pacific Enterprises Oil Company (USA) desires to form a Exploratory (State/Federal) Unit encompassing the captioned land in support of a 14,800' Devonian Test Well to be drilled at a legal location in either said Section 4 or 9, with Pacific as the Unit Operator.

The estimated drill and test costs of said well are \$1,787,000.00, with completion costs estimated at \$381,000.00, for a total completed well cost of \$2,168,000.00.

If you are not interested in participating in such proposal, then Pacific hereby respectfully requests a farmout of all your right, title and interest in said captioned land on the following terms:

1. 180 day term. (In the event the initial test well is not drilled on acreage under which you own an interest, then the farmout would be an "Option" Farmout.)
2. Produce to earn, proration unit only, with rights limited from the surface down to 100' below total depth drilled, delivering a 75% NRI, proportionately reduced.
3. Option at payout to convert ORRI to a 30% WI, proportionately reduced.
4. 180 day continuous development clause.

Since Pacific desires to drill said well late first or early second quarter 1991, your prompt attention to this proposal is greatly appreciated.

If you should have any questions, please contact the undersigned.

Very truly yours,

PACIFIC ENTERPRISES
OIL COMPANY (USA)


Terry Cant
Landman

TG/mac
bcc: J. Starck
J. Brezina

PACIFIC ENTERPRISES OIL COMPANY (USA)

December 31, 1990

SOUTHWEST REGION

200 N. Loraine, #400
P.O. Box 3083
Midland TX 79702-3083
(915) 684-3861
(915) 684-6426 (Fax)

Santa Fe ENergy Operating Partners, L.P.
550 West Texas, Suite 1330
Midland, Texas 79701
Attention: Mr. Larry Murphy

Re: Antelope Ridge, North Prospect #5662
Lea County, New Mexico
Section 33, T22S, R34E; and
Sections 4, 9 & 16, T23S, R34E

Gentlemen:

Pacific Enterprises Oil Company (USA) desires to form a Exploratory (State/Federal) Unit encompassing the captioned land in support of a 14,800' Devonian Test Well to be drilled at a legal location in either said Section 4 or 9, with Pacific as the Unit Operator.

The estimated drill and test costs of said well are \$1,787,000.00, with completion costs estimated at \$381,000.00, for a total completed well cost of \$2,168,000.00.

If you are not interested in participating in such proposal, then Pacific hereby respectfully requests a farmout of all your right, title and interest in said captioned land on the following terms:

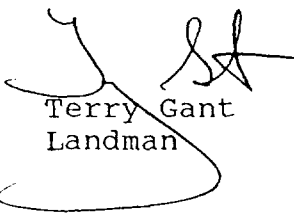
1. 180 day term. (In the event the initial test well is not drilled on acreage under which you own an interest, then the farmout would be an "Option" Farmout.)
2. Produce to earn, proration unit only, with rights limited from the surface down to 100' below total depth drilled, delivering a 75% NRI, proportionately reduced.
3. Option at payout to convert ORRI to a 30% WI, proportionately reduced.
4. 180 day continuous development clause.

Since Pacific desires to drill said well late first or early second quarter 1991, your prompt attention to this proposal is greatly appreciated.

If you should have any questions, please contact the undersigned.

Very truly yours,

PACIFIC ENTERPRISES
OIL COMPANY (USA)


Terry Gant
Landman

TG/mac
bcc: J. Starck
J. Brezina

PACIFIC ENTERPRISES OIL COMPANY (USA)

December 31, 1990

Amoco Production Company
501 Westlake Park Blvd.
Houston, Texas 77079
Attention: Mr. James Allison

SOUTHWEST REGION
200 N. Loraine, #400
P.O. Box 3083
Midland TX 79702-3083
(915) 684-3861
(915) 684-6426 (Fax)

Re: Antelope Ridge, North Prospect #5662
Lea County, New Mexico
Section 33, T22S, R34E; and
Sections 4, 9 & 16, T23S, R34E

Gentlemen:

Pacific Enterprises Oil Company (USA) desires to form a Exploratory (State/Federal) Unit encompassing the captioned land in support of a 14,800' Devonian Test Well to be drilled at a legal location in either said Section 4 or 9, with Pacific as the Unit Operator.

The estimated drill and test costs of said well are \$1,787,000.00, with completion costs estimated at \$381,000.00, for a total completed well cost of \$2,168,000.00.

If you are not interested in participating in such proposal, then Pacific hereby respectfully requests a farmout of all your right, title and interest in said captioned land on the following terms:

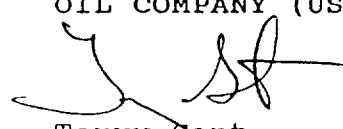
1. 180 day term. (In the event the initial test well is not drilled on acreage under which you own an interest, then the farmout would be an "Option" Farmout.)
2. Produce to earn, proration unit only, with rights limited from the surface down to 100' below total depth drilled, delivering a 75% NRI, proportionately reduced.
3. Option at payout to convert ORRI to a 30% WI, proportionately reduced.
4. 180 day continuous development clause.

Since Pacific desires to drill said well late first or early second quarter 1991, your prompt attention to this proposal is greatly appreciated.

If you should have any questions, please contact the undersigned.

Very truly yours,

PACIFIC ENTERPRISES
OIL COMPANY (USA)



Terry Gant
Landman

TG/mac
bcc: J. Starck
J. Brezina

PACIFIC ENTERPRISES OIL COMPANY (USA)

CERTIFIED RRR

February 22, 1991

SOUTHWEST REGION
200 N. Loraine, #400
P.O. Box 3083
Midland TX 79702-3083
(915) 684-3861
(915) 684-6426 (Fax)

Santa Fe Energy Operating Partners, L.P.
550 West Texas, Suite 1330
Midland, Texas 79701
ATTN: Mr. Larry Murphy

RE: Antelope Ridge, North #5662
Lea County, New Mexico

N. Antelope Ridge 4-1 Well
Section 4, T-23-S, R-34-E

Gentlemen:

Reference is made to our December 31, 1990 proposal regarding the captioned prospect.

Pacific Enterprises Oil Company (USA) hereby proposes the drilling of a 15,000' Devonian test well to be located 1980' FSL and 1980' FWL of Section 4, T-23-S, R-34-E, Lea County, New Mexico, with said well (if successfully completed in the Devonian formation as a gas well) to be included in the North Bell Lake - Devonian Gas Pool, with said well's drilling unit encompassing all of said Section 4 (640 acres). The estimated drill and test costs of said well are \$1,786,200.00 and \$396,300.00 respectively, for an estimated total completed well cost of \$2,182,500.00. Such costs are more fully detailed on the attached "Authority for Expenditure".

Please indicate your agreement to participate in the drilling of said well by executing and returning one (1) copy of said Authority for Expenditure. After receiving the executed AFE, a draft of the proposed Joint Operating Agreement will be circulated for your review and approval.

If you should not desire to participate, then Pacific hereby respectfully requests a Farmout of all your right, title and interest in said Section 4 on the following terms:

1. 180 day term.
2. Produce to earn, proration unit only, with rights limited from the surface down to 100' below total depth drilled, delivering a 75% NRI, proportionately reduced.
3. Option at payout to convert ORRI to a 30% WI, proportionately reduced.
4. 180 day continuous development.

PACIFIC ENTERPRISES OIL COMPANY (USA)

CERTIFIED RRR

February 22, 1991

SOUTHWEST REGION
200 N. Loraine, #400
P.O. Box 3083
Midland TX 79702-3083
(915) 684-3861
(915) 684-6426 (Fax)

Exxon Corporation
Post Office Box 1600
Midland, Texas 79702
ATTN: Mr. Joe Thomas

RE: Antelope Ridge, North #5662
Lea County, New Mexico

N. Antelope Ridge 4-1 Well
Section 4, T-23-S, R-34-E

Gentlemen:

Reference is made to our December 31, 1990 proposal regarding the captioned prospect.

Pacific Enterprises Oil Company (USA) hereby proposes the drilling of a 15,000' Devonian test well to be located 1980' FSL and 1980' FWL of Section 4, T-23-S, R-34-E, Lea County, New Mexico, with said well (if successfully completed in the Devonian formation as a gas well) to be included in the North Bell Lake - Devonian Gas Pool, with said well's drilling unit encompassing all of said Section 4 (640 acres). The estimated drill and test costs of said well are \$1,786,200.00 and \$396,300.00 respectively, for an estimated total completed well cost of \$2,182,500.00. Such costs are more fully detailed on the attached "Authority for Expenditure".

Please indicate your agreement to participate in the drilling of said well by executing and returning one (1) copy of said Authority for Expenditure. After receiving the executed AFE, a draft of the proposed Joint Operating Agreement will be circulated for your review and approval.

If you should not desire to participate, then Pacific hereby respectfully requests a Farmout of all your right, title and interest in said Section 4 on the following terms:

1. 180 day term.
2. Produce to earn, proration unit only, with rights limited from the surface down to 100' below total depth drilled, delivering a 75% NRI, proportionately reduced.
3. Option at payout to convert ORRI to a 30% WI, proportionately reduced.
4. 180 day continuous development.

PACIFIC ENTERPRISES OIL COMPANY (USA)

CERTIFIED RRR

February 22, 1991

SOUTHWEST REGION
200 N. Loraine, #400
P.O. Box 3083
Midland TX 79702-3083
(915) 684-3861
(915) 684-6426 (Fax)

Enron Oil and Gas Company
Post Office Box 2267
Midland, Texas 79702
ATTN: Mr. Robert McCommon

RE: Antelope Ridge, North #5662
Lea County, New Mexico

N. Antelope Ridge 4-1 Well
Section 4, T-23-S, R-34-E

Gentlemen:

Reference is made to our December 31, 1990 proposal regarding the captioned prospect.

Pacific Enterprises Oil Company (USA) hereby proposes the drilling of a 15,000' Devonian test well to be located 1980' FSL and 1980' FWL of Section 4, T-23-S, R-34-E, Lea County, New Mexico, with said well (if successfully completed in the Devonian formation as a gas well) to be included in the North Bell Lake - Devonian Gas Pool, with said well's drilling unit encompassing all of said Section 4 (640 acres). The estimated drill and test costs of said well are \$1,786,200.00 and \$396,300.00 respectively, for an estimated total completed well cost of \$2,182,500.00. Such costs are more fully detailed on the attached "Authority for Expenditure".

Please indicate your agreement to participate in the drilling of said well by executing and returning one (1) copy of said Authority for Expenditure. After receiving the executed AFE, a draft of the proposed Joint Operating Agreement will be circulated for your review and approval.

If you should not desire to participate, then Pacific hereby respectfully requests a Farmout of all your right, title and interest in said Section 4 on the following terms:

1. 180 day term.
2. Produce to earn, proration unit only, with rights limited from the surface down to 100' below total depth drilled, delivering a 75% NRI, proportionately reduced.
3. Option at payout to convert ORRI to a 30% WI, proportionately reduced.
4. 180 day continuous development.

PACIFIC ENTERPRISES OIL COMPANY (USA)

CERTIFIED RRR

February 22, 1991

SOUTHWEST REGION
200 N. Loraine, #400
P.O. Box 3083
Midland TX 79702-3083
(915) 684-3861
(915) 684-6426 (Fax)

Amoco Production Company
501 Westlake Park Blvd.
Houston, Texas 77079
ATTN: Mr. Tim Custer

RE: Antelope Ridge, North #5662
Lea County, New Mexico

N. Antelope Ridge 4-1 Well
Section 4, T-23-S, R-34-E

Gentlemen:

Reference is made to our December 31, 1990 proposal regarding the captioned prospect.

Pacific Enterprises Oil Company (USA) hereby proposes the drilling of a 15,000' Devonian test well to be located 1980' FSL and 1980' FWL of Section 4, T-23-S, R-34-E, Lea County, New Mexico, with said well (if successfully completed in the Devonian formation as a gas well) to be included in the North Bell Lake - Devonian Gas Pool, with said well's drilling unit encompassing all of said Section 4 (640 acres). The estimated drill and test costs of said well are \$1,786,200.00 and \$396,300.00 respectively, for an estimated total completed well cost of \$2,182,500.00. Such costs are more fully detailed on the attached "Authority for Expenditure".

Please indicate your agreement to participate in the drilling of said well by executing and returning one (1) copy of said Authority for Expenditure. After receiving the executed AFE, a draft of the proposed Joint Operating Agreement will be circulated for your review and approval.

If you should not desire to participate, then Pacific hereby respectfully requests a Farmout of all your right, title and interest in said Section 4 and Section 16, T-23-S, R-34-E and Section 33, T-22-S, R-34-E, Lea County, New Mexico, on the following terms:

1. 180 day term.
2. Produce to earn, proration unit only, with rights limited from the surface down to 100' below total depth drilled, delivering a 75% NRI, proportionately reduced.
3. Option at payout to convert ORRI to a 30% WI, proportionately reduced.
4. 180 day continuous development.

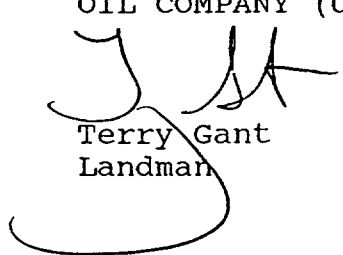
North Antelope Ridge 4-1 Well
February 22, 1991
Page 2

Since Pacific desires to drill said well in June of this year, unless advised of your desire to participate or negotiate a mutually acceptable trade, Pacific will apply for a Compulsory Force Pooling Hearing for the drilling of said well.

If you should have any questions, please contact Mr. John Lodge.

Very truly yours,

PACIFIC ENTERPRISES
OIL COMPANY (USA)



Terry Gant
Landman

TG/dsr

Enclosure

bcc: John Lodge
John Starck
Jim Brezina

Marchmont Live Stock Co. L.A. Sawyer 12-1-31 65536 19 Chevron 26.36% Amoco 7-1-32 45158 U.S.	Continental 7-1-31 070544 20 Continental 7-1-31 070544 U.S.	BTA 6-1-31 43564 21 U.S.	Oryx (Terra Res) 6-1-31 43563 22 U.S.	BTA 6-1-31 43564 23 U.S.	BTA 6-1-31 43564 24 U.S.
L.A. Sawyer 12-1-31 65536 30 V.J. Duncan 6-1-36 66271 U.S.	Read E. Stevens 4-1-33 77088 8000 29 F.L. Engle 7-1-35 61360 U.S.	BTA 4-1-34 47536 28 U.S.	BTA 6-1-31 43564 27 U.S.	BTA 6-1-31 43564 26 U.S.	Phillips E-1932 25 U.S.
CONOCO (OPER) BELL LAKE UNIT 31 Exxon 7-1-31 070544 U.S. MI Frances Maddox (S)	Continental H.B.U. E-4434 32 Phillips 11-10-53 E-1774 State	K.L. Krueger 7-1-31 27652 33 U.S. MI Frances Maddox (S)	Amoco HBP 19143 34 U.S.	Amoco HBP 19143 35 U.S.	Maxus Ener. 3-1-32 30113 36 U.S.
NO BELL LAKE 6 Canoco 01244 U.S.	Burmah O.E.G. 5-1-34 0587 5 Canoco 01244 U.S. MI Frances Maddox	Burmah O.E.G. 5-1-34 0587 4 Canoco 01244 U.S. MI Frances Maddox	Burmah O.E.G. 5-1-34 0587 3 Canoco 01244 U.S. MI Frances Maddox	Burmah O.E.G. 5-1-34 0587 2 Canoco 01244 U.S. MI Frances Maddox	Burmah O.E.G. 5-1-34 0587 1 Canoco 01244 U.S. MI Frances Maddox
Canoco 3-1-38 065194 7 U.S.	Canoco 3-1-38 064881 6 U.S.	Canoco 3-1-38 064881 5 U.S.	Canoco 3-1-38 064881 4 U.S.	Canoco 3-1-38 064881 3 U.S.	Canoco 3-1-38 064881 2 U.S.
Canoco 3-1-38 064881 1 U.S.	Canoco 3-1-38 064881 0 U.S.	Canoco 3-1-38 064881 -1 U.S.	Canoco 3-1-38 064881 -2 U.S.	Canoco 3-1-38 064881 -3 U.S.	Canoco 3-1-38 064881 -4 U.S.
Canoco 3-1-38 064881 -5 U.S.	Canoco 3-1-38 064881 -6 U.S.	Canoco 3-1-38 064881 -7 U.S.	Canoco 3-1-38 064881 -8 U.S.	Canoco 3-1-38 064881 -9 U.S.	Canoco 3-1-38 064881 -10 U.S.
Canoco 3-1-38 064881 -11 U.S.	Canoco 3-1-38 064881 -12 U.S.	Canoco 3-1-38 064881 -13 U.S.	Canoco 3-1-38 064881 -14 U.S.	Canoco 3-1-38 064881 -15 U.S.	Canoco 3-1-38 064881 -16 U.S.
Canoco 3-1-38 064881 -17 U.S.	Canoco 3-1-38 064881 -18 U.S.	Canoco 3-1-38 064881 -19 U.S.	Canoco 3-1-38 064881 -20 U.S.	Canoco 3-1-38 064881 -21 U.S.	Canoco 3-1-38 064881 -22 U.S.
Canoco 3-1-38 064881 -23 U.S.	Canoco 3-1-38 064881 -24 U.S.	Canoco 3-1-38 064881 -25 U.S.	Canoco 3-1-38 064881 -26 U.S.	Canoco 3-1-38 064881 -27 U.S.	Canoco 3-1-38 064881 -28 U.S.
Canoco 3-1-38 064881 -29 U.S.	Canoco 3-1-38 064881 -30 U.S.	Canoco 3-1-38 064881 -31 U.S.	Canoco 3-1-38 064881 -32 U.S.	Canoco 3-1-38 064881 -33 U.S.	Canoco 3-1-38 064881 -34 U.S.
Canoco 3-1-38 064881 -35 U.S.	Canoco 3-1-38 064881 -36 U.S.	Canoco 3-1-38 064881 -37 U.S.	Canoco 3-1-38 064881 -38 U.S.	Canoco 3-1-38 064881 -39 U.S.	Canoco 3-1-38 064881 -40 U.S.
Canoco 3-1-38 064881 -41 U.S.	Canoco 3-1-38 064881 -42 U.S.	Canoco 3-1-38 064881 -43 U.S.	Canoco 3-1-38 064881 -44 U.S.	Canoco 3-1-38 064881 -45 U.S.	Canoco 3-1-38 064881 -46 U.S.
Canoco 3-1-38 064881 -47 U.S.	Canoco 3-1-38 064881 -48 U.S.	Canoco 3-1-38 064881 -49 U.S.	Canoco 3-1-38 064881 -50 U.S.	Canoco 3-1-38 064881 -51 U.S.	Canoco 3-1-38 064881 -52 U.S.
Canoco 3-1-38 064881 -53 U.S.	Canoco 3-1-38 064881 -54 U.S.	Canoco 3-1-38 064881 -55 U.S.	Canoco 3-1-38 064881 -56 U.S.	Canoco 3-1-38 064881 -57 U.S.	Canoco 3-1-38 064881 -58 U.S.
Canoco 3-1-38 064881 -59 U.S.	Canoco 3-1-38 064881 -60 U.S.	Canoco 3-1-38 064881 -61 U.S.	Canoco 3-1-38 064881 -62 U.S.	Canoco 3-1-38 064881 -63 U.S.	Canoco 3-1-38 064881 -64 U.S.
Canoco 3-1-38 064881 -65 U.S.	Canoco 3-1-38 064881 -66 U.S.	Canoco 3-1-38 064881 -67 U.S.	Canoco 3-1-38 064881 -68 U.S.	Canoco 3-1-38 064881 -69 U.S.	Canoco 3-1-38 064881 -70 U.S.
Canoco 3-1-38 064881 -71 U.S.	Canoco 3-1-38 064881 -72 U.S.	Canoco 3-1-38 064881 -73 U.S.	Canoco 3-1-38 064881 -74 U.S.	Canoco 3-1-38 064881 -75 U.S.	Canoco 3-1-38 064881 -76 U.S.
Canoco 3-1-38 064881 -77 U.S.	Canoco 3-1-38 064881 -78 U.S.	Canoco 3-1-38 064881 -79 U.S.	Canoco 3-1-38 064881 -80 U.S.	Canoco 3-1-38 064881 -81 U.S.	Canoco 3-1-38 064881 -82 U.S.
Canoco 3-1-38 064881 -83 U.S.	Canoco 3-1-38 064881 -84 U.S.	Canoco 3-1-38 064881 -85 U.S.	Canoco 3-1-38 064881 -86 U.S.	Canoco 3-1-38 064881 -87 U.S.	Canoco 3-1-38 064881 -88 U.S.
Canoco 3-1-38 064881 -89 U.S.	Canoco 3-1-38 064881 -90 U.S.	Canoco 3-1-38 064881 -91 U.S.	Canoco 3-1-38 064881 -92 U.S.	Canoco 3-1-38 064881 -93 U.S.	Canoco 3-1-38 064881 -94 U.S.
Canoco 3-1-38 064881 -95 U.S.	Canoco 3-1-38 064881 -96 U.S.	Canoco 3-1-38 064881 -97 U.S.	Canoco 3-1-38 064881 -98 U.S.	Canoco 3-1-38 064881 -99 U.S.	Canoco 3-1-38 064881 -100 U.S.

PACIFIC ENTERPRISES OIL COMPANY (USA)

ORIGINAL

AUTHORITY FOR EXPENDITURE

SOUTHWEST REGION
200 N. Loraine, #400
P.O. Box 3083
Midland TX 79702-3083
(915) 684-3861
(915) 684-6426 (Fax)

DIVISION: Permian Basin Exploration Team

DATE: 2-22-91

DEPARTMENT: Exploration and Development

Midland, Texas

PROSPECT: Antelope Ridge, North #5662

WELL: North Antelope Ridge 4-1 Well

LOCATION: 1980' FSL and 1980' FWL of Section 4, T-23-S, R-34-E
Lea County, New Mexico

Drill and Test
Completion

\$1,786,200.00
\$ 396,300.00

TOTAL

\$2,182,500.00

JUSTIFICATION:

Proposed 15,000' well to test the Devonian Formation.
See attached detailed Drilling and Completion Cost Estimate.

PARTICIPANTS	WORKING INTEREST	COST	GROSS AFE AMOUNT	\$2,182,500.00
Pacific Enterprises Oil Company (USA)	25.0%	\$545,625.00	APPROVED _____	DISAPPROVED _____
Amoco Production Co.	25.0%	\$545,625.00		
Enron Oil & Gas Co.	25.0%	\$545,625.00		
Santa Fe Energy Operating Partners, L.P.	12.5%	\$272,812.50	COMPANY REPRESENTATIVE _____	
Exxon Corp.	12.5%	\$272,812.50	COMPANY _____	
TOTAL	100.0%	\$2,182,500.00	DATE _____	

PACIFIC ENTERPRISES OIL CO. (USA)
DRILLING & COMPLETION DETAILED COST ESTIMATE

Prospect: North Antelope Ridge Field

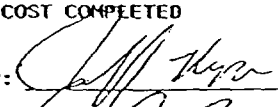
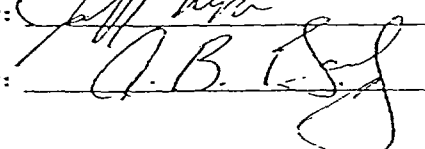
Well Location Sec 15 Legal Description T-23-S, R-34-E

County Lea State NM Proposed Depth 15,000'

Objective Formation Devonian AFE No. _____ PEOC H.I. _____

CATEGORY	NO.	DRILL & TEST	NO.	COMPLETION	TOTAL
Survey - Stake location	1	1,000	xxx	0	1,000
Permits & Hearings	2	1,000	83	0	1,000
Building Road, bridges, canals	3	5,000	84	0	5,000
Building Location & Pits	4	20,000	85	5,000	25,000
Insurance (for PEOC only)	5	4,600	86	0	4,600
Move in - Rig up - Rig down - Move out	6	45,000	87	0	45,000
Rat Hole	7	0	xxx	0	0
Footage Contract @ \$ /ft	8	0	xxx	0	0
Day work contract 80/10 days @ \$5,500/day	9	440,000	88	55,000	495,000
Turnkey Agreement	10	0	90	0	0
Rig for Completion \$ /day x days	xxx	0	101	0	0
Drill Bits	12	140,000	102	1,000	141,000
Rental Equipment	13	45,000	103	3,000	48,000
Fishing Tools & Service	14	0	104	0	0
Company Labor	15	0	107	2,000	2,000
Auto & Travel	16	0	108	500	500
Contract Labor	17	36,000	113	4,500	40,500
Trucking, Hauling, Service Equipment	18	25,300	114	3,000	28,300
Power & Fuel	19	0	115	0	0
Water	20	35,000	116	2,500	37,500
Mud & Chemicals	21	100,000	117	0	100,000
Drill Pipe, Casing, Rod Inspection	22	10,000	125	3,000	13,000
Formation Testing (incl 3 DST)	23	75,000	xxx	0	75,000
Coring _____ ft of core @ \$ /ft	24	0	xxx	0	0
Mud Logging	25	22,000	xxx	0	22,000
Logs	26	35,000	126	10,000	45,000
Temperature Survey	27	0	148	1,500	1,500
Bottom Hole Pressure Test	28	0	149	5,000	5,000
Directional Services	29	0	152	0	0
Engineering, Geological, Geophysical	30	0	153	0	0
Cmtg, Conductor or Surf Csg (incl Float equip)	31	20,000	xxx	0	20,000
Cmtg, Interm or Prod Csg (incl Float equip)	32	50,000	154	15,000	65,000
Squeeze Jobs	33	0	155	0	0
Perf or Shooting	34	0	156	10,000	10,000
Frac	xxx	0	157	10,000	10,000
Swabbing	36	0	158	0	0
Plugging, if dry	37	40,000	159	0	40,000
Damage Claims	38	2,500	165	1,500	4,000
Cleaning Location	39	0	166	2,000	2,000
District Expense	40	20,000	172	2,500	22,500
Communications	41	200	177	200	400
Environmental & Safety Equipment	42	2,500	178	2,500	5,000
Misc Material & Service (Contingency)	43	50,000	179	5,000	55,000
TOTAL INTANGIBLES		1,225,100		144,700	1,369,800

PACIFIC ENTERPRISES OIL CO. (USA)
DRILLING & COMPLETION DETAILED COST ESTIMATE

CATEGORY	NO.	DRILL & TEST	NO.	COMPLETION
TOTAL				
Surface Casing				
40' of 20" conductor @ \$75/ft.				
1900' of 13-3/8" @ \$23.16/ft.	50	47,000	xxx	0
Intermediate Casing				
5200' of 10-3/4" @ \$22.60/ft.				
11,700' of 7-5/8" @ \$21.03/ft.				
2900' of 5-1/2" @ 21.93/ft.	51	427,100	xxx	0
Production Casing				
	xxx	0	52	0
Liner				
1000' of 3-1/2" @ \$13.50/ft.	xxx	0	53	13,500
Tubing				
14,000' of 2-7/8" @ \$8.26/ft.				
	xxx	0	54	115,600
Xmas Tree & Tubing Head Components	55	22,000	182	28,000
Pumping Unit or Prime Mover	xxx	0	56	0
Production Platform - Mat. & Labor	xxx	0	58	45,000
Rods	xxx	0	59	0
Subsurface Pump	xxx	0	60	0
Tanks	xxx	0	61	5,000
Circulating Pump	xxx	0	63	0
Dehydrator	xxx	0	64	0
Heater Treater or Gunbarrel	xxx	0	65	0
Separator/FMKO	xxx	0	66	0
Flowline & Connection 500' ft of 2" OD FG				
Linepipe @ \$2/ft	xxx	0	68	1,500
Meter, Meter Run & Connections	xxx	0	70	5,000
Buildings	xxx	0	71	0
Packer	xxx	0	72	8,000
Miscellaneous Equipment (fittings, etc.)	73	65,000	185	20,000
TOTAL TANGIBLES		561,100		241,600
Installation of Tubing	xxx	0	54	0
Installation of Pumping Unit & Prime Mover	xxx	0	56	0
Installation of Tanks	xxx	0	61	1,000
Installation of Dehydrator	xxx	0	64	0
Installation of Heater Treater or Gun Barrel	xxx	0	65	0
Installation of Separator/FMKO	xxx	0	66	2,000
Installation of Flowline	xxx	0	68	5,000
Installation of Miscellaneous Equipment	73	0	185	2,000
TOTAL INTANGIBLE INSTALLATION COSTS		0		10,000
Est. 5280' gas sales line \$48,000+		1,225,100		144,700
		561,100		241,600
		0		10,000
TOTAL WELL COST COMPLETED		1,786,200		396,300
Prepared by: 			Date	2/14/91
Approved by: 			Date	2/14/91

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.

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

Article Addressed to:		4. Article Number P 546 960 040	
Mr. Tim Custer Amoco Production Company 501 Westlake Park Blvd. Houston, TX 77079		Type of Service: ☐ Registered ☒ Certified ☐ Express Mail ☐ Insured ☐ COD ☐ Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.		8. Addressee's Address (ONLY if requested and fee paid)	
1. Signature - Addressee			
2. Signature - Agent			
3. Date of Delivery			

PS Form 3811, Apr. 1989 * U.S.G.P.O. 1989-236-815 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 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.

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

Article Addressed to:		4. Article Number P 546 960 037	
Mr. Joe Thomas Exxon Corporation P.O. Box 1600 Midland, TX 79702		Type of Service: ☐ Registered ☒ Certified ☐ Express Mail ☐ Insured ☐ COD ☐ Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.		8. Addressee's Address (ONLY if requested and fee paid)	
1. Signature - Addressee			
2. Signature - Agent			
3. Date of Delivery			

PS Form 3811, Apr. 1989 * U.S.G.P.O. 1989-236-815 DOMESTIC RETURN RECEIPT

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.

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

Article Addressed to:		4. Article Number P 546 960 039	
Mr. Robert McCommon Enron Oil and Gas Company P.O. Box 2267 Midland, TX 79702		Type of Service: ☐ Registered ☒ Certified ☐ Express Mail ☐ Insured ☐ COD ☐ Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.		8. Addressee's Address (ONLY if requested and fee paid)	
1. Signature - Addressee			
2. Signature - Agent			
3. Date of Delivery			

PS Form 3811, Apr. 1989 * U.S.G.P.O. 1989-236-815 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 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.

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

Article Addressed to:		4. Article Number P 546 960 038	
Mr. Larry Murphy Santa Fe Energy Operating Partners 550 West Texas, Suite 1330 Midland, TX 79701		Type of Service: ☐ Registered ☒ Certified ☐ Express Mail ☐ Insured ☐ COD ☐ Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.		8. Addressee's Address (ONLY if requested and fee paid)	
1. Signature - Addressee			
2. Signature - Agent			
3. Date of Delivery			

PS Form 3811, Apr. 1989 * U.S.G.P.O. 1989-236-815 DOMESTIC RETURN RECEIPT

EXXON COMPANY, U.S.A.

POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

PRODUCTION DEPARTMENT
SOUTHWESTERN DIVISION

November 21, 1990

AB-90-0238(R)
S/2 NW/4 Section 4-23S-34E
Lea County, New Mexico

Mr. Terry Gant
Pacific Enterprises Oil Company (USA)
P. O. Box 3083
Midland, Texas 79702-3083

Dear Mr. Gant:

Exxon respectfully declines your request for the proposed farmout set forth in your letter dated October 1.

We appreciate your request and hope the future will hold some mutually beneficial opportunities.

Yours very truly,



Joe B. Thomas
Production Land Group
915/688-7162

JBT:kn

*copy to: Jim Brezina
John Stark*

RECEIVED

NOV 27 1990

EXPL. & DEVEL.

Santa Fe Energy Operating Partners, L.P.

Santa Fe Pacific Exploration Company
Managing General Partner

February 7, 1991

RECEIVED

FEB 08 1991

EXPL. & DEVEL.

Pacific Enterprises Oil Company
P.O. Box 3083
Midland, Texas 79702-3083

ATTN: Terry Gant

Re: Antelope Ridge, North Prospect
Sec. 33, T-22-S, R-34-E
Secs. 4 9 & 16, T-23-S, R-34-E
Lea County, New Mexico

Dear Terry:

Reference is made to your Letter of December 31, 1990 and our past conversations concerning said Letter.

Please be advised that Santa Fe Energy Operating Partners, L.P. is not interested in participating in your proposed (Stater Federal) Unit.

As soon as you have a location for your proposed 14,800' Devonian Test well, please advise the undersigned and a recommendation will be made to our Management concerning a farmout.

If you have any questions, please advise.

Sincerely yours,

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

By: Larry Murphy
Larry Murphy Senior Landman

LM/efw

EFW1671

Permian Basin District
550 W. Texas, Suite 1330
Midland, Texas 79701
915/687-3551

An Affiliate of Santa Fe Pacific Corporation



Santa Fe Energy Operating Partners, L.P.

Santa Fe Pacific Exploration Company
Managing General Partner

February 27, 1991

RECEIVED

FEB 28 1991

Pacific Enterprises Oil Company
P.O. Box 3083
Midland, Texas 79702-3083

EXPL. & DEVEL.

ATTN: John Lodge

Re: Antelope Ridge North #5662
N. Antelope Ridge 4-1 Well
Sec. 4: T-23-S, R-34-3
Lea County, New Mexico

Gentlemen:

Reference is made to Terry Gant's well proposal dated February 22, 1991 for the above captioned well.

Please be advised that Santa Fe Energy Operating Partners, L.P. will commit to join or farmout its interest in this test well in consideration for Pacific allowing Santa Fe to review all data which Pacific used to justify the drilling of this well.

If you agree to the above, please contact the undersigned in order that a meeting can be arranged. Thank you in advance for your cooperation in this matter.

Sincerely yours,

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

By: Larry Murphy
Larry Murphy, Senior Landman

LM/efw

EFW1722

Permian Basin District
550 W. Texas, Suite 1330
Midland, Texas 79701
915/687-3551

An Affiliate of Santa Fe Pacific Corporation