



**Santa Fe Energy Operating Partners, L.P.**

Santa Fe Pacific Exploration Company  
Managing General Partner

May 10, 1994

Fax #505-623-1440

Siete Oil & Gas Corp.  
P.O. Box 2523  
Roswell, New Mexico 88202

ATTN: Mr. Gene Shumate

Re: Proposed SWD Well  
Amoco Prod. State "MA" Com #1  
1980' FNL & 660' FEL  
Sec. 3: T-25-S, R-28-E  
Eddy County, New Mexico


Gentlemen:

This letter will hereby formally evidence our agreement that Siete Oil & Gas Corporation agrees to dispose water into the Bone Spring Formation in the captioned well instead of the Delaware Formation. Likewise, Santa Fe Energy shall not oppose Siete Oil & Gas Corporation at the NMOCD Hearing on Thursday, May 12, 1994, if Siete agrees to dispose of water into the Bone Spring Formation instead of the Delaware Formation of the captioned well.

Please indicate your acceptance of this agreement by signing both copies of this letter in the space provided below, returning one copy to Santa Fe Energy at your earliest convenience. If you have any questions or comments, please call me at (915) 686-6631.

Yours very truly,


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

By:   
Curtis D. Smith, CPL  
Senior Landman

CDS/efw (EWP1785)

**AGREED TO AND ACCEPTED**  
this 10<sup>th</sup> day of May, 1994

**SIETE OIL & GAS CORPORATION**

By:   
Gene Shumate, President

Central Division  
850 W. Texas, Suite 1330  
Midland, Texas 79701  
915/687-3551

