



SANTA FE
EXPLORATION COMPANY

*Morrow nat 2A I on IP
Lea - nat posted to ID*

(505) 623-2733
P. O. Box 1136
ROSWELL, NEW MEXICO 88202

October 21, 1992

Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88241-1980

Attention: Evelyn Downs

Re: Sun Federal Com #1
Unit F, Sec. 26, T18S, R33E
Lea County, New Mexico

Dear Ms. Downs:

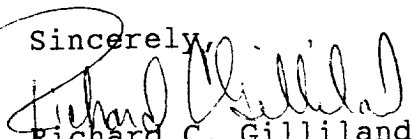
Thank you for your assistance in the approval of our request to change the operator of the referenced well from Manzano Oil Corporation to Santa Fe Exploration Company. In response to your questions to Ms. Janet Royal of our office, let me offer the following.

I have enclosed copies of the federal sundry notice reports filed by Manzano since they first plugged back from the Morrow formation. I have also included a copy of the federal well completion report filed by Manzano in regard to the Delaware completion attempt. From this information which we just recently received from Manzano, I have constructed a schematic of the well's current condition and enclosed a copy of the same.

Santa Fe Exploration is currently considering plugging back from the Delaware perfs and attempting a recompletion in the Queen/Penrose. If we decide to go through with this recompletion, we will submit the required notices and paperwork.

If there is anything further I might provide, please let me know.

Sincerely,


Richard C. Gilliland
Petroleum Engineer

/rcg