



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88240
(505) 393-6161

May 30, 1995

Santa Fe Energy Resources Inc
ATT: James P Stinson
550 W Texas, Suite 1330
Midland, TX 79701

RE: Application to Drill
Potash Area

Gentlemen:

We have received your applications to drill the wells listed below:

Spessartine 27 State	#1-L	Sec.27, T-21s, R-33e
Spessartine 28 State	#1-O	Sec.28, T-21s, R-33e

The area that you have dedicated for the location of these wells is in the Potash area, which requires addition paper work according to order R-111-P.

- <1> Casing program - Surface casing to be set at the top of Rustler formation.
Intermediate casing needs the cement circulated to the surface.
- <2> A plat - Of the area showing the Potash lessees.
- <3> A copy - Certified that the Potash Lessees have been notified.

After we receive the copy that the Potash lessees have been notified a 20 day waiting period begins.

If you have any questions on this matter, please call the District I Hobbs office (505) 393-6161.

Yours very truly,

OIL CONSERVATION DIVISION

Jerry Sexton
Jerry Sexton by dp
District I, Supervisor

JS:dp
cc;file
Mike Stogner, Santa Fe