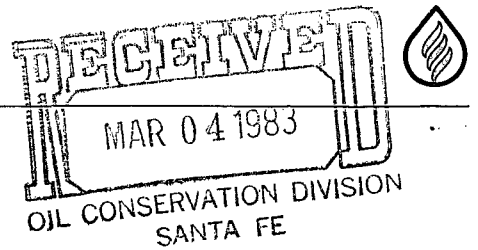


Santa Fe Energy Company

Central Division-Permian Basin District
7200 I-40 West
Amarillo, Texas 79106
806/359-2000
TWX 910-898-4111



February 22, 1983

Joe D. Ramey, Director
Oil Conservation Division
Energy and Minerals Department
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

Please consider for administrative approval our proposed unorthodox location of a Morrow test to 11,860' to be located 990' FEL and 1980' FSL of Section 21, T22S, R27E.

The reasons dictating this request are geological and the appropriate geologic exhibits are attached. Also attached are the names and addresses of all offset operators of proration or spacing units. Each has been notified by Certified or Registered Mail of this application for administrative approval of the unorthodox location.

Sincerely,

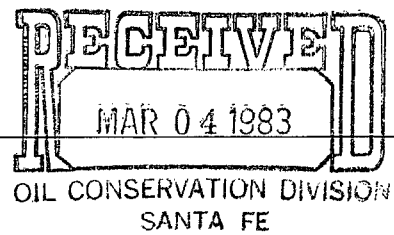
Michael R. Burton
Michael R. Burton
Senior Drilling Engineer

MRB/lcs
attachments.



Santa Fe Energy Company

7200 I-40 West
Amarillo, Texas 79106
806/359-2000
TWX 910-898-4111



February 22, 1983

Richard L. Stamets
Technical Support Chief
Oil Conservation Division
Energy and Minerals Department
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

As per our telephone conversation of February 18, we are enclosing in triplicate:

1. Letter requesting administrative approval of unorthodox location.
2. Plat showing acreage dedicated.
3. Geologic exhibits.
4. Form C-101.
5. Form C-102.

An extra copy of all of this has been sent to the District Office in Artesia.

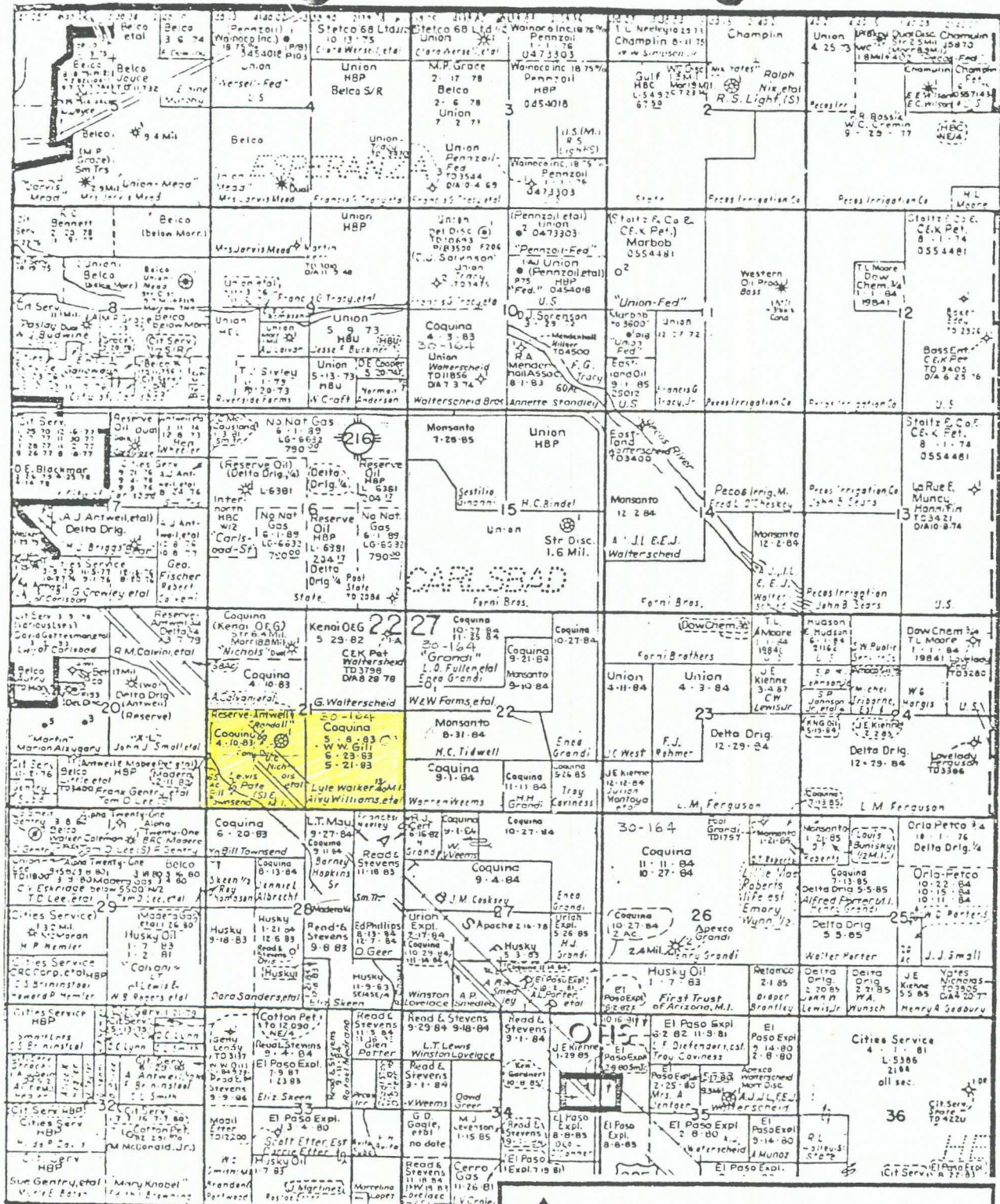
Sincerely,

A handwritten signature in cursive script that reads "Michael R. Burton".

Michael R. Burton
Senior Drilling Engineer

MRB/lcs
enclosures





SANTA FE ENERGY COMPANY
PERMIAN BASIN DISTRICT
AMARILLO, TEXAS

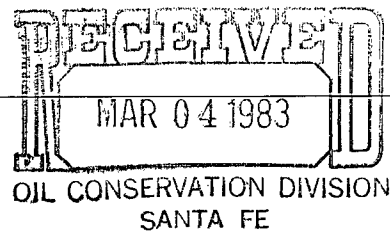
INDIAN DRAW AREA
Eddy Co., New Mexico

INDIAN DRAW PROSPECT
(SFEC-Coquina)

Date: 1-83

Santa Fe Energy Company

Central Division-Permian Basin District
7200 I-40 West
Amarillo, Texas 79106
806/359-2000
TWX 910-898-4111



February 28, 1983

Re: Geologic Exhibits

Richard L. Stamets
Technical Support Chief
Oil Conservation Division
Energy and Minerals Department
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

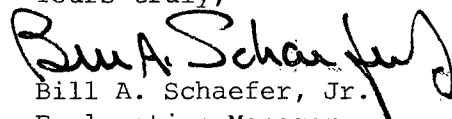
Dear Sir:

The Santa Fe Energy, Exploration Department is proposing an unorthodox location (1980' FSL and 990' FEL) in Section 21, T22S, R27E, Eddy County, New Mexico. Reasons for this location are as follows:

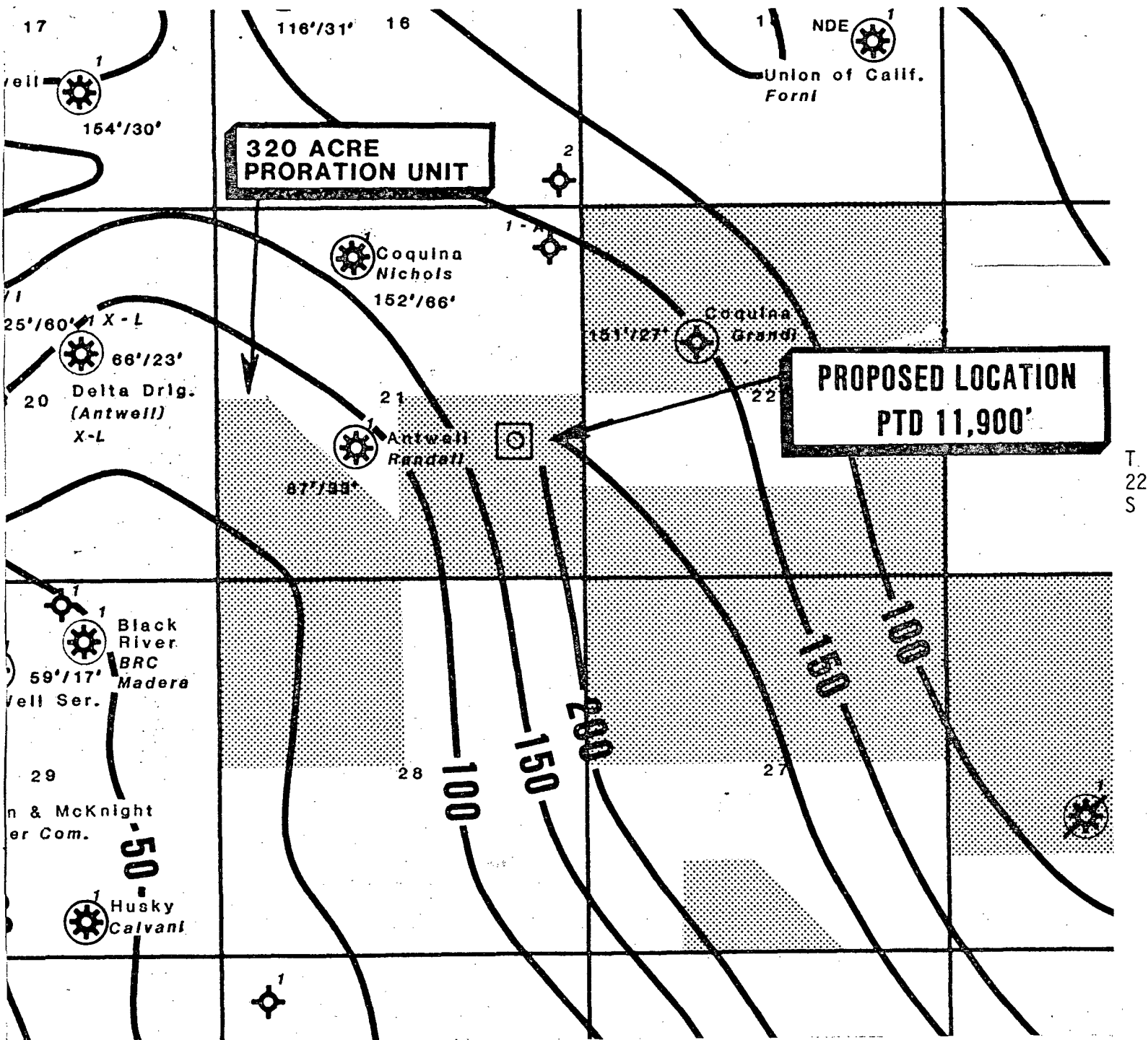
- (1) Isopaching of clean Morrow Sands indicates the trend of sand reservoirs trends in a northwest-southeast direction.
- (2) A cumulative gas production map of the Morrow sands indicates best production is oriented in a northwest-southeast direction. This information supports the Morrow sand isopach (Map 1).
- (3) The Morris Antweil #1 Randall (1980' FNL and 1980' FSL, Section 21, T22S, R27E) is a poor well. It was plugged in 1976 and produced 49,612,000 CFG. Santa Fe Energy proposed location would be 2310' east of this well.
- (4) Coquina #1 Nicols (660' FNL and 1980' FWL, Section 21, T22S, R27E) drilled in April, 1982, encountered an excellent Morrow reservoir. The well potential for 18.6 million cubic feet of gas per day, CAOF.

The location Santa Fe Energy Company has proposed is the most logical one based upon knowledge of sand trends, good reservoir conditions and production data in extending gas production to the southeast in South Carlsbad Area.

Yours truly,


Bill A. Schaefer, Jr.
Exploration Manager



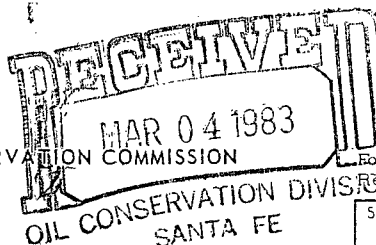


SFEC ACREAGE

**SANTA FE ENERGY COMPANY**PERMIAN BASIN DISTRICT
AMARILLO, TEXASCARLSBAD AREA
INDIAN DRAW PROSPECT
Eddy Co., New MexicoMORROW SANDSTONE ISOPACH
TOTAL CLEAN SANDSTONEBY: K. SCHMIDTMAN DATE: 1-83
CI: 50' SCALE: 1"-2000'

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION



Form C-101
Revised 1-1-65

5A. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No.
7. Unit Agreement Name
8. Farm or Lease Name Walker
9. Well No. 1
10. Field and Pool, or Wildcat Unders. South Carlsbad Morrow
12. County Eddy
19. Proposed Depth 11,860'
19A. Formation Morrow
20. Rotary or C.T. Rotary
21. Elevations (Show whether DF, RT, etc.) GL
21A. Kind & Status Plug. Bond Blanket
21B. Drilling Contractor Unknown
22. Approx. Date Work will start March 22, 1983

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> 2. Name of Operator Santa Fe Energy Company 3. Address of Operator 7200 I-40 West, Bldg. C., Amarillo, Texas 79106 4. Location of Well UNIT LETTER _____ LOCATED 990 FEET FROM THE east LINE AND 1980 FEET FROM THE south LINE OF SEC. 21 TWP. 22S RGE. 27E NMPM	5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> 5. State Oil & Gas Lease No. 7. Unit Agreement Name 8. Farm or Lease Name Walker 9. Well No. 1 10. Field and Pool, or Wildcat Unders. South Carlsbad Morrow 12. County Eddy 19. Proposed Depth 11,860' 19A. Formation Morrow 20. Rotary or C.T. Rotary 21. Elevations (Show whether DF, RT, etc.) GL 21A. Kind & Status Plug. Bond Blanket 21B. Drilling Contractor Unknown 22. Approx. Date Work will start March 22, 1983
--	---

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	48	600	375	Circulated
12 1/4"	9 5/8"	36	5325	900	Circulated
8 3/4"	5 1/2"	17	11,860	1350	5325'

Drill 26" hole with rathole machine. Run and cement 40' of 20" conductor. Move in and rig up rotary tools. Drill 17 1/2" hole to 600' with fresh water spud mud. Run, set, and cement 13 3/8" casing. WOC 12 hours (compressive strength of cement to be 500 psi or greater). Install casinghead and nipple up BOP stack with choke manifold. Test BOP & casing to 600 psi. Drill 12 1/4" hole to 5325' with brine. Run open hole logs from TD to 2000'. Run, set and cement 9 5/8" casing. WOC 12 hours (compressive strength of cement to be 500 psi or greater). Test BOP and choke manifold to 5000 psi. Test spherical preventer to 2500 psi. Test casing to 2500 psi. Drill shoe and test casing seat to 14 ppg MWE. Drill 8 3/4" hole to 11,860' allowing hole conditions to dictate mud properties. Run DST's and core as indicated by samples and shows. Run open hole logs from TD to 5325'. Run, set and cement 5 1/2" casing. Gas is not designated.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Michael R. Burt Title Senior Drilling Engineer Date February 16, 1983

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

MAR 04 1983

All distances must be from the outer boundaries of the Section.

Operator SANTA FE ENERGY COMPANY			Lease WALKER		
Unit Letter I	Section 21	Township 22 SOUTH	Range 27 EAST	County EDDY	

Actual Footage Location of Well:

1980 feet from the **SOUTH** line and **990** feet from the **EAST** line

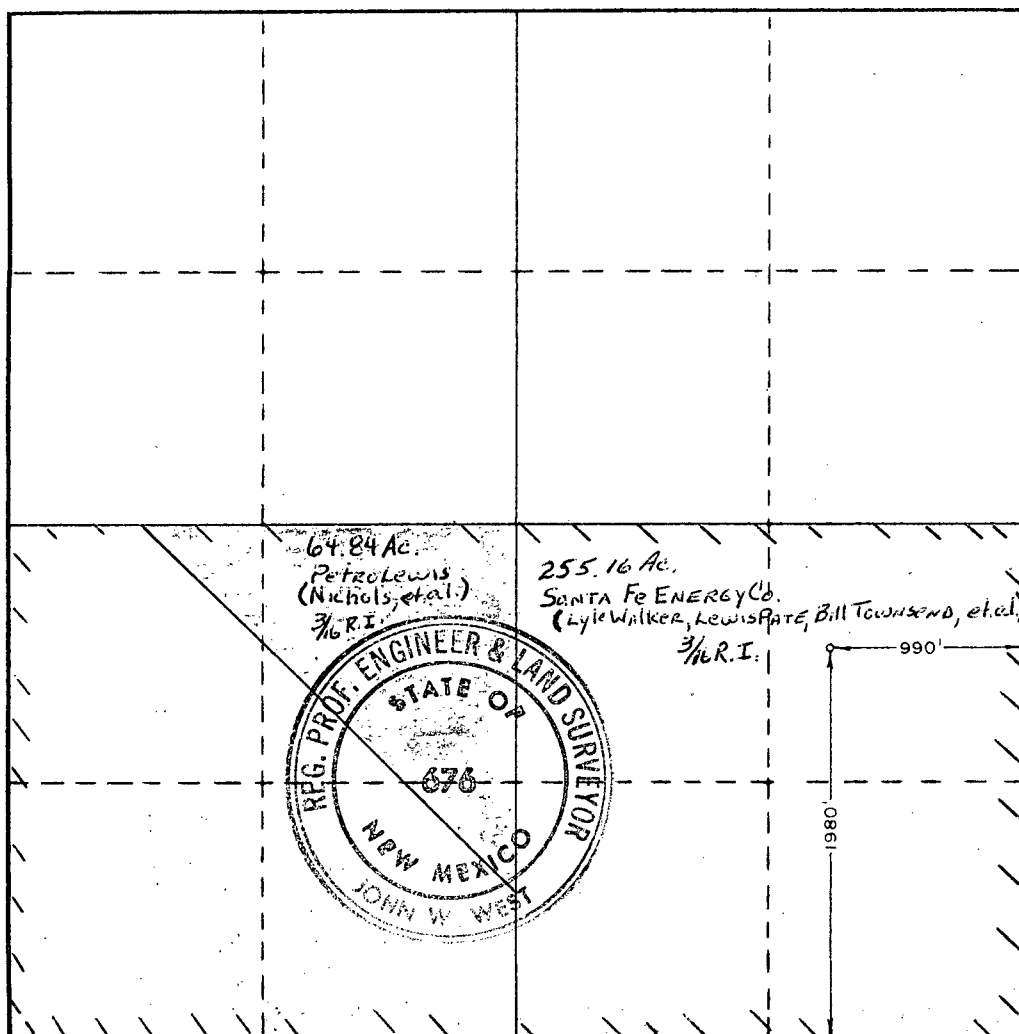
Ground Level Elev. 3109.8'	Producing Formation Morrow	Pool Undes. East Carlsbad Morrow	Dedicated Acreage: 320 Acres
--------------------------------------	--------------------------------------	--	--

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Unitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
Michael R. Bunter
Position
Senior Drilling Engineer
Company
Santa Fe Energy Company
Date
February 25, 1983

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
2/23/83
Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No.
JOHN W. WEST NO. 676

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500

OFFSET OPERATORS
NO. 1 WALKER

W. A. Atlee
Belco
411 Petro. Bldg.
Midland, Texas 79701

Leonard McCarty ✓
Petro-Lewis
1111 W. Loop 289
P.O. Box 16200
Lubbock, Texas 79490

L. Shulz ✓
Delta Drlg.
P.O. Box 3467
Midland, Texas 79702

R. L. Davis /
Monsanto
1330 Midland National Bank Tower
500 W. Texas
Midland, Texas 79701

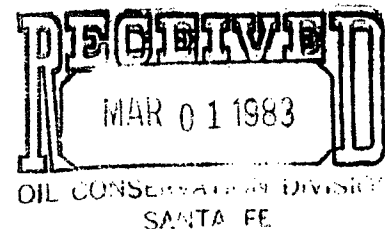
Joel Wigley J
Read & Stevens
P.O. Box 1518
Roswell, New Mexico 88201

CHARLES B. READ
PRESIDENT

NORMAN L. STEVENS, JR.
VICE-PRESIDENT

Read & Stevens, Inc.
Oil Producers
P. O. Box 1518
Roswell, New Mexico 88201

February 28, 1983



Division Director
Oil Conservation Division
Energy and Minerals Department
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

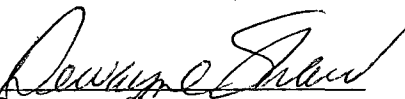
Enclosed please find an executed letter dated February 18, 1983 requesting approval of un-orthodox location.

If we can be of further assistance please let us know.

Yours very truly,

READ & STEVENS, INC.

Joe Wigley, Land Manager

By 
Dewayne Shaw

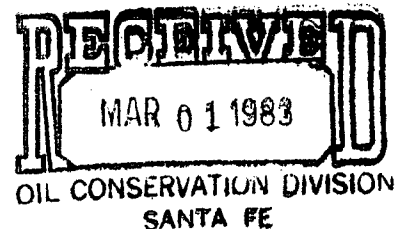
Associate Land Representative

DS/ma
Enclosure

Santa Fe Energy Company



Central Division-Permian Basin District
7200 I-40 West
Amarillo, Texas 79106
806/359-2000
TWX 910-898-4111



February 18, 1982

Re: Waiver Request

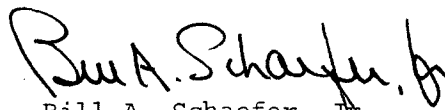
Joel Wigley
Read & Stevens
P. O. Box 1518
Roswell, NM 88201

Dear Mr. Wigley:

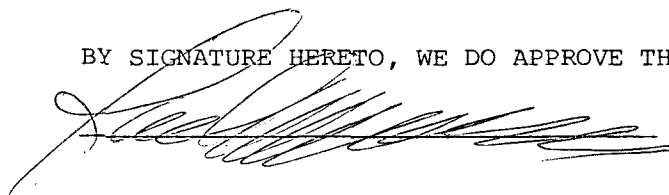
This is to inform you of our Request for Administrative Approval of Santa Fe Energy Company's unorthodox location for a well to be drilled 990' FEL and 1980' FSL in Section 21, Township 22 South, Range 27 East, Eddy County, New Mexico. (Plat attached, for your convenience)

We would appreciate your responding to this Waiver as quickly as possible as we plan to spud the well on or before April 1, 1983. Please send one executed copy to: Division Director, Oil Conservation Division, Energy and Minerals Department, State of New Mexico, P. O. Box 2088, Santa Fe, New Mexico 87501, and return the copy so marked to us.

Yours truly,


Bill A. Schaefer, Jr.
Exploration Manager

BY SIGNATURE HERETO, WE DO APPROVE THIS WAIVER REQUEST:

 Date 2/18/83

attchmt

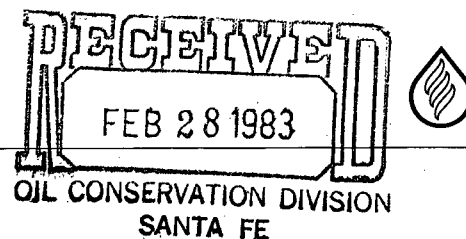
WAS/MB/tw

RETURN THIS COPY TO:
SANTA FE ENERGY CO.



A Santa Fe Industries Company

Santa Fe Energy Company



Central Division-Permian Basin District
7200 I-40 West
Amarillo, Texas 79106
806/359-2000
TWX 910-898-4111

February 18, 1982

Re: Waiver Request

Leonard McCarty
Petro-Lewis
1111 W. Loop 289
P. O. Box 16200
Lubbock, Texas

Dear Mr. McCarty:


This is to inform you of our Request for Administrative Approval of Santa Fe Energy Company's unorthodox location for a well to be drilled 990' FEL and 1980' FSL in Section 21, Township 22 South, Range 27 East, Eddy County, New Mexico. (Plat attached, for your convenience)

We would appreciate your responding to this Waiver as quickly as possible as we plan to spud the well on or before April 1, 1983. Please send one executed copy to: Division Director, Oil Conservation Division, Energy and Minerals Department, State of New Mexico, P. O. Box 2088, Santa Fe, New Mexico 87501, and return the copy so marked to us.

Yours truly,


Bill A. Schaefer, Jr.
Exploration Manager

BY SIGNATURE HERETO, WE DO APPROVE THIS WAIVER REQUEST:


Date 2/22/83

attchmt

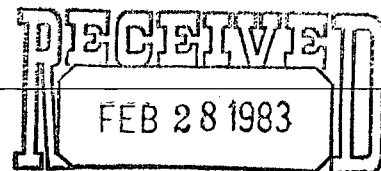
WAS/MB/tw



A Santa Fe Industries Company

Santa Fe Energy Company

Central Division-Permian Basin District
7200 I-40 West
Amarillo, Texas 79106
806/359-2000
TWX 910-898-4111



OIL CONSERVATION DIVISION
SANTA FE



February 18, 1982

Re: Waiver Request

L. Shulz
Delta Drilling
P. O. Box 3467
Midland, Texas 79702

Dear Mr. Shulz:

This is to inform you of our Request for Administrative Approval of Santa Fe Energy Company's unorthodox location for a well to be drilled 990' FEL and 1980' FSL in Section 21, Township 22 South, Range 27 East, Eddy County, New Mexico. (Plat attached, for your convenience)

We would appreciate your responding to this Waiver as quickly as possible as we plan to spud the well on or before April 1, 1983. Please send one executed copy to: Division Director, Oil Conservation Division, Energy and Minerals Department, State of New Mexico, P. O. Box 2088, Santa Fe, New Mexico 87501, and return the copy so marked to us.

Yours truly,

Bill A. Schaefer, Jr.
Exploration Manager

BY SIGNATURE HERETO, WE DO APPROVE THIS WAIVER REQUEST:

Date 2-23-83

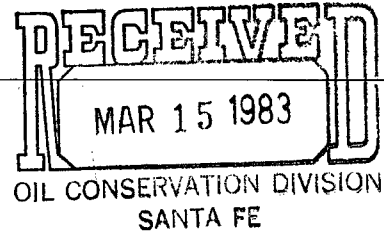
attchmt

WAS/MB/tw



Santa Fe Energy Company

7200 I-40 West
Amarillo, Texas 79106
806/359-2000
TWX 910-898-4111



March 9, 1983

Joe D. Ramey, Director
Oil Conservation Division
Energy and Minerals Department
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

Please find the enclosed waivers from all offset operators of proration or spacing units of our proposed Morrow test well to be located 990' FEL and 1980' FSL of Section 21, T22S, R27E, Eddy County, New Mexico.

On February 22, 1983, we applied for Administrative approval of this unorthodox location. If there is any other information you need, please contact us.

Sincerely,

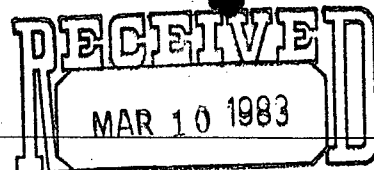
A handwritten signature in cursive script that reads "Michael R. Burton".

Michael R. Burton
Senior Drilling Engineer

MRB/lcs
attachment



Santa Fe Energy Company



OIL CONSERVATION DIVISION
SANTA FE

Central Division-Permian Basin District
7200 I-40 West
Amarillo, Texas 79106
806/359-2000
TWX 910-898-4111

February 18, 1982

Re: Waiver Request

W. A. Atlee
Belco
411 Petroleum Bldg.
Midland, Texas 79701

Dear Mr. Atlee:

This is to inform you of our Request for Administrative Approval of Santa Fe Energy Company's unorthodox location for a well to be drilled 990' FEL and 1980' FSL in Section 21, Township 22 South, Range 27 East, Eddy County, New Mexico. (Plat attached, for your convenience)

We would appreciate your responding to this Waiver as quickly as possible as we plan to spud the well on or before April 1, 1983. Please send one executed copy to: Division Director, Oil Conservation Division, Energy and Minerals Department, State of New Mexico, P. O. Box 2088, Santa Fe, New Mexico 87501, and return the copy so marked to us.

Yours truly,

Bill A. Schaefer, Jr.
Bill A. Schaefer, Jr.
Exploration Manager

BY SIGNATURE HERETO, WE DO APPROVE THIS WAIVER REQUEST:

Donald L. Peters
Senior Landman Belco
Petroleum Corporation

Date 3-7-83

attchmt

WAS/MB/tw



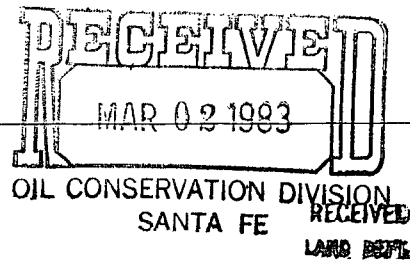


CARLSBAD AREA
Eddy Co., New Mexico

Scale: 1"=4000'

Date: 2-83

Central Division-Permian Basin District
7200 I-40 West
Amarillo, Texas 79106
806/359-2000
TWX 910-898-4111



February 18, 1982 3

Re: Waiver Request

R. L. Davis
Monsanto Oil & Gas
1330 Midland National Bank Tower
500 W. Texas
Midland, Texas 79701

Dear Mr. Davis:

This is to inform you of our Request for Administrative Approval of Santa Fe Energy Company's unorthodox location for a well to be drilled 990' FEL and 1980' FSL in Section 21, Township 22 South, Range 27 East, Eddy County, New Mexico. (Plat attached, for your convenience)

We would appreciate your responding to this Waiver as quickly as possible as we plan to spud the well on or before April 1, 1983. Please send one executed copy to: Division Director, Oil Conservation Division, Energy and Minerals Department, State of New Mexico, P. O. Box 2088, Santa Fe, New Mexico 87501, and return the copy so marked to us.

Yours truly,


Bill A. Schaefer, Jr.
Exploration Manager

BY SIGNATURE HERETO, WE DO APPROVE THIS WAIVER REQUEST:

Randall L Davis Date 2-28-83

attchmt

WAS/MB/tw