

Notes

UNIT
DEPARTMENT

OPER. OGRID NO. 20305

PLICATE

ONE ON
MISSION

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

BUREAU OF

PROPERTY NO. 18928

POOL CODE 96665

5. LEASE DESIGNATION AND SERIAL NO.

NM-69596

APPLICATION FOR PERMIT

EFF. DATE 6/18/97

ICD 88240

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

TYPE OF WORK

DRILL ☒

API NO. 30-025-34026

7. UNIT AGREEMENT NAME

Gaicho

b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

SINGLE ZONE ☒

MULTIPLE ZONE ☐

8. FARM OR LEASE NAME, WELL NO.

Gaicho Unit #2-Y

2. NAME OF OPERATOR

Santa Fe Energy Resources, Inc.

9. API WELL NO.

3. ADDRESS AND TELEPHONE NO.

550 W. Texas, Suite 1330; Midland, Texas 79701 (915)682-6373

RECEIVED

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

(K) 1650' FSL & 1725' FWL

At proposed prod. zone

APR 29 97

10. FIELD AND POOL, OR WILDCAT

North Bell Lake - Morrow

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec. 29, T-22-S, R-34-E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

20 miles west of Jal, New Mexico

ROSWELL, NM

12. COUNTY OR PARISH 13. STATE

Lea New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

(Also to nearest drilg. unit line, if any)

990'

16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

NA

19. PROPOSED DEPTH

13600'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3426' GR

22. APPROX. DATE WORK WILL START*

April 4, 1997

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	H-40 13 3/8"	48.0	800'	850 sx to circulate
12 1/4"	K-55 9 5/8"	40.0	5000'	1550 sx to circulate
8 3/4"	S-95 & P-110 7"	26.0	11800'	800 sx to TOC @ 6000'
6 1/8"	S-95 4 1/2"	13.5	13600'	225 sx (circ to liner top)

We propose to drill to a depth sufficient to test the Morrow formation for gas. If productive, a 4 1/2" liner will be run to TD. If non-productive, the well will be plugged and abandoned in a manner consistent with Federal Regulations.

Specific programs as per Onshore Oil and Gas Order No. 1 are in the following attachments:

Drilling Program

Exhibit A - Operations Plan

Exhibit B - BOP and Choke Schematic 5-M

Exhibit B(A) - BOP and Choke Schematic 10-M

Exhibit C - Drilling Fluid Program

Exhibit D - Auxiliary Equipment

Exhibit E - Topo Map at Location

Exhibit F - Map Showing Existing Wells

Exhibit F (A) - Plat of Location

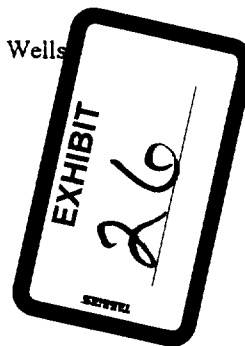
Exhibit G - Well Site Layout

Surface Use and Operations Plan

Santa Fe Energy Resources, Inc. accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof, as described above.

Bond Coverage: Blanket Bond

BLM Bond File No.: MT 0750



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED Michael R. Butts

TITLE Division Oper. Manager

DATE 4/28/97

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY [Signature]

TITLE

PETROLEUM ENGINEER

DATE

6/12/97

*See Instructions On Reverse Side

68241-1980

State of New Mexico
Energy, Minerals, and Natural Resources Department

Revised 02-10-94

Instructions on back

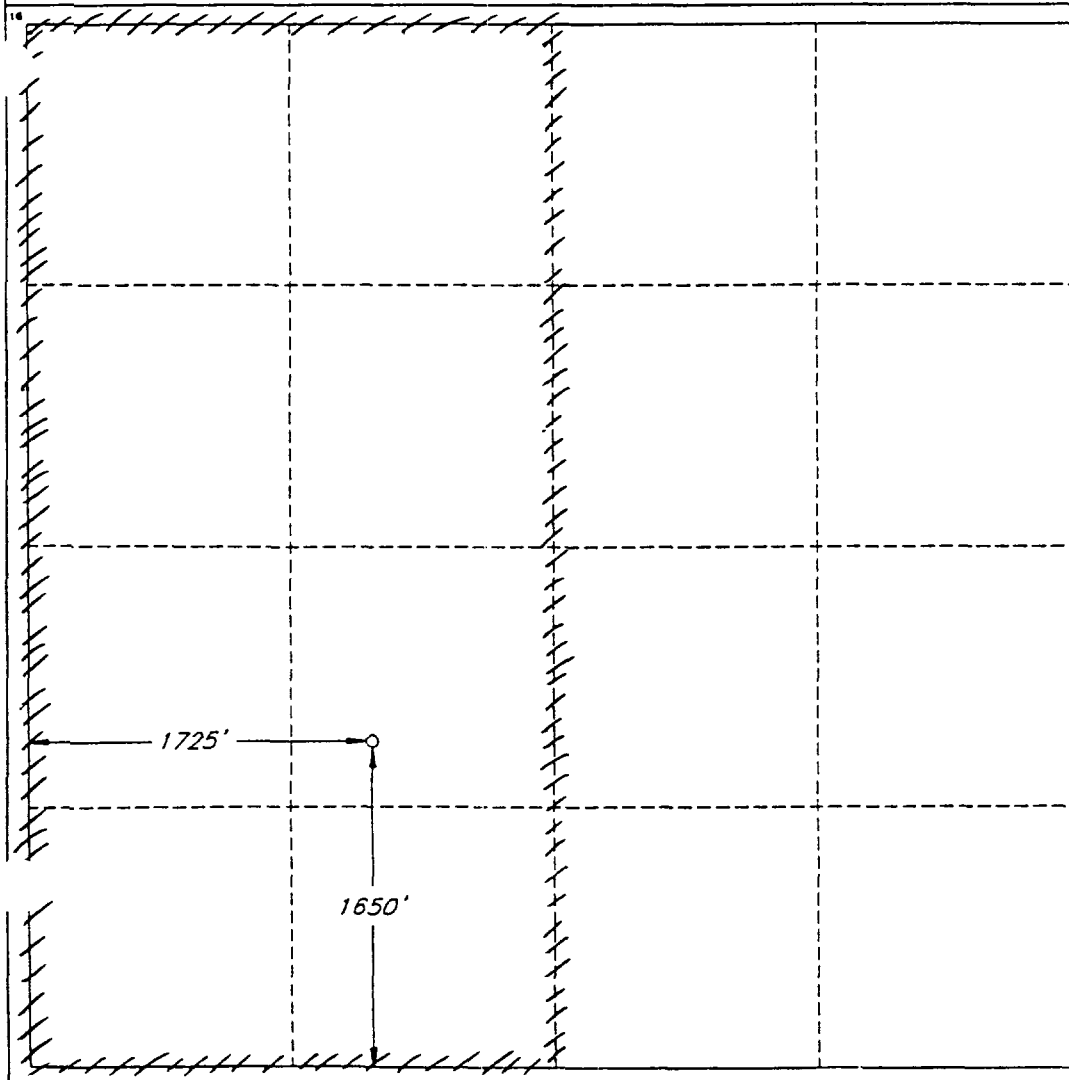
DISTRICT II
O. Drawer DD
Artesia, NM 88211-0719DISTRICT III
300 Rio Brazos Rd.
Aztec, NM 87410DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

OIL CONSERVATION DIVISION

P. O. Box 2088
Santa Fe, New Mexico 87504-2088Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 3D-025-34026		2 Pool Code 96665		3 Pool Name West Ojo Chiso North Bell Lake (Morrow)					
4 Property Code 19928		5 Property Name GAUCHO UNIT						6 Well Number 2-Y	
7 OGRID No. 020305		8 Operator Name SANTA FE ENERGY RESOURCES, INC.						9 Elevation 3426'	
10 SURFACE LOCATION									
UL or lot no. K	Section 29	Township 22 SOUTH	Range 34 EAST, N.M.P.M.	Lot Ida	Feet from the 1650'	North/South line SOUTH	Feet from the 1725'	East/West line WEST	County LEA
11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 320		13 Joint or Infill		14 Consolidation Code		15 Order No.			

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN
CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

OPERATOR CERTIFICATION

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

Signature

Printed Name

Terry McCullough

Title

Sr. Production Clerk

Date

April 28, 1997

SURVEYOR CERTIFICATION

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 belief.

Date of Survey

MARCH 31, 1997

Signature and Seal of
Professional Surveyor

Certificate No.

ROGER M. ROBBINS, P.S. #12128

JOB #51003 / 46 SW / V.H.B.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

(See other in-
structions on
reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

a. TYPE OF WELL:		OIL WELL <input type="checkbox"/>	GAS WELL <input checked="" type="checkbox"/>	DRY <input type="checkbox"/>	Other <input type="checkbox"/>		
b. TYPE OF COMPLETION:		NEW WELL <input checked="" type="checkbox"/>	WORK OVER <input type="checkbox"/>	DEEP-EN <input type="checkbox"/>	PLUG BACK <input type="checkbox"/>	DIFF. RESVR. <input type="checkbox"/>	Other <input type="checkbox"/>
2. NAME OF OPERATOR Santa Fe Energy Resources, Inc.						8. FARM OR LEASE NAME, WELL NO. Gaucho Unit No. 2-Y	
3. ADDRESS AND TELEPHONE NO. 550 W. Texas, Suite 1330, Midland, TX 79701						9. API WELL NO. 30-025-34026	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface (K), 1650' FSL and 1725' FWL, Sec. 29, T-22S, R-34E At top prod. interval reported below						10. FIELD AND POOL, OR WILDCAT North Bell Lake (Morrow)	
At total depth						11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 29, T-22S, R-34E	
14. PERMIT NO.				DATE ISSUED		12. COUNTY OR PARISH Lea	
						13. STATE NM	
15. DATE SPUDDED 4/4/97		16. DATE T.D. REACHED 6/04/97		17. DATE COMPL. (Ready to prod.) 6/18/97		18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 3426' GL	
19. ELEV. CASINGHEAD		20. TOTAL DEPTH, MD & TVD 13,340'		21. PLUG, BACK T.D., MD & TVD 13,305'		22. IF MULTIPLE COMPL., HOW MANY* N/A	
23. INTERVALS DRILLED BY A11		24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)* 13,288' - 13,294' (Morrow)		25. WAS DIRECTIONAL SURVEY MADE No		26. TYPE ELECTRIC AND OTHER LOGS RUN CNL/LDT/GR; DLL/GR	
27. WAS WELL CORED No							

28. CASING RECORD (Report all strings set in well)					
CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
3/8" J-55	61.0 & 54.5	1759'	17-1/2"	1700 sx Lite & "C" (circ)	None
10-3/4" K-55	45.5#	3077'	12-1/4"	530 sx 50:50 Poz & "C"	(Circ) None
5-1/2" P-110	17.0#	11,840'	7-7/8"	1100 sx 50:50 Poz (TOC @ 6800')	None

29. LINER RECORD				30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SIZE	DEPTH SET (MD)	PACKER SET (MD)
8-5/8" K-55	2909'	5109'	655 SX	2-3/8"	11,482'	11,524'
3-1/2" L-80	11,573'	13,340'	110 SX "H"			

31. PERFORATION RECORD (Interval, size and number) 13,288' - 13,294' (12 holes)		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
		DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
		13,288-13,294'	500 gals 7-1/2% Morrow acid.

33.* PRODUCTION							
DATE FIRST PRODUCTION 6/16/97		PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) Flowing				WELL STATUS (Producing or shut-in) Shut-in	
DATE OF TEST 6/18/97	HOURS TESTED 4 hrs.	CHOKE SIZE varied	PROD'N. FOR TEST PERIOD →	OIL - BBL. 0	GAS - MCF. 97	WATER - BBL. 0	GAS - OIL RATIO N/A
FLOW TUBING PRESS. 5250-3490#	CASING PRESSURE Pkr.	CALCULATED 24-HOUR RATE →	OIL - BBL. 0	GAS - MCF. 1670 AOF	WATER - BBL. 0	OIL GRAVITY - API (CORR.) N/A	

34. DEPOSITION OF GAS (Solid, used for fuel, vented, etc.)
Vented during test. Shut-in waiting on pipeline.

35. LIST OF ATTACHMENTS
Is. Deviation Survey, C-122 + attachments, C-104, C-103

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED James McCallister TITLE Sr. Production Clerk DATE 6/19/97

*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF PROUS ZONES: (Show all important zones of porosity and contents thereof; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

GEOLOGIC MARKERS				
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME
38.	12884	12917	Gas	Rustler
				Delaware
				Bone Spring
	13058	13088	Water	Wolfcamp
				Strawn
	13289	13298	Gas	Atoka
				Morrow
				1874
				5223
				8470
				11401
				11865
				12084
				12218
				TRUE VERT. DEPTH