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FAX (505) 768-1529

401 WEST 15TH STREET, SUITE 800
AUSTIN, TEXAS 78701
(512) 476-7137
FAX (512) 476-5431

*NOT LICENSED IN NEW MEXICO

June 23, 1994

Mr. Jim Morrow
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87503

JUN 23 1994

HAND DELIVERED

Re: Case No. 10,977, the Application of Santa Fe Energy for an Unorthodox Gas Well Location, (consolidated with Case Nos. 10,986-10989).

Dear Mr. Morrow:

Enclosed for your information is an APD for the Old Ranch Canyon 7 Federal Well No. 1, located 660 feet from the north line and 1980 feet from the east line of Section 7-22S-24E, approved by the Bureau of Land Management. Santa Fe Energy anticipates receiving approved APDs on the other four (4) wells shortly.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

James Bruce

Enclosure

jgb\623mrrw.ltr

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM-81219		
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
2. NAME OF OPERATOR Santa Fe Energy Operating Partners, L.P.			7. UNIT AGREEMENT NAME		
3. ADDRESS OF OPERATOR 550 W. Texas, Suite 1330, Midland, Texas 79701			8. FARM OR LEASE NAME Old Ranch Canyon 7 Fed		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface (H), 2188' FNL and 660' FEL, Sec. 7, T-22S, R-24E At proposed prod. zone			9. WELL NO. 1		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 17 miles West of Carlsbad, New Mexico			10. FIELD AND POOL, OR WILDCAT Indian Basin (Upper Per		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 660'			11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA Sec. 7, T-22S, R-24E		
16. NO. OF ACRES IN LEASE 640			12. COUNTY OR PARISH Eddy		
17. NO. OF ACRES ASSIGNED TO THIS WELL 320			13. STATE NM		
18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. N/A			19. PROPOSED DEPTH 8400'		
20. ROTARY OR CABLE TOOLS Rotary			21. APPROX. DATE WORK WILL START* March 21, 1994		
22. ELEVATIONS (Show whether DF, RT, GR, etc.) 4026' GR					

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48.0 H-40	350'	400 sx to circulate
12-1/4"	9-5/8"	36.0 K-55	2500'	1200 sx to circulate
8-3/4"	7"	26.0 K-55	8400'	TOC at 6000' (see slips)

We propose to drill to a depth sufficient to test the Cisco/Canyon formation for oil. If productive, 7" casing 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 outlined in the following attachments:

Drilling Program

Exhibit A - Operations Plan
Exhibit B - BOP and Choke
Exhibit C - Drilling Fluid Program
Exhibit D - Auxiliary Equipment

Exhibit E - Topo Map of Location
Exhibit F - Plat Showing Existing Wells
Exhibit G - Well Site Location
Surface Use and Operations Plan
H2S Drilling Plan

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

SIGNED Danell Roberts TITLE Division Drilling Engineer DATE Feb. 21, 1994

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE
APPROVED BY Realt. Warner TITLE AREA MANAGER DATE 6/15/94
CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

*See Instructions On Reverse Side

THE BUREAU OF LAND MANAGEMENT makes it a condition for any person knowingly and willfully to make to any department or agency of the

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

Type of Well
☒ Oil Well ☐ Gas Well ☐ Other
Name of Operator
Santa Fe Energy Operating Partners, L.P.
Address and Telephone No.
550 W. Texas, Suite 1330, Midland, Texas 79701
Location of Well (Footage, Sec., T., R., M., or Survey Description)
(B), 660' FNL and 1980' FEL, Sec. 7, T-22S, R-24E

5 Lease Designation and Serial No.

NM-81219

6 If Indian, Allottee or Tribe Name

7 If Unit or CA, Agreement Designation

8 Well Name and No.

Old Ranch Canyon 7 Fed

9 API Well No

Not yet assigned

10 Field and Pool, or Exploratory Area

Indian Basin (Upper Per

11 County or Parish, State

Eddy Co., NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Move Location

☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form)

13 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

We respectfully request that the location of the subject well be moved to Unit Letter B, 660' FNL and 1980' FEL, Sec. 7, T-22S, R-24E. The location is being moved due to topographic reasons. Attached is an amended form C-102 and plat showing proposed location and lease road.

14 I hereby certify that the foregoing is true and correct.

Signed

(This space for Federal or State office use)

Approved by
Conditions of approval, if any:

Title

Sr. Production Clerk

Date May 12, 1994

Title

AREA MANAGER

Date 6/15/94

DISTRICT I
P. O. Box 1980
Hobbs, NM 88241-1980

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

Form C-102
Revised 02-10-94

Instructions on back

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

☐ AMENDED REPORT

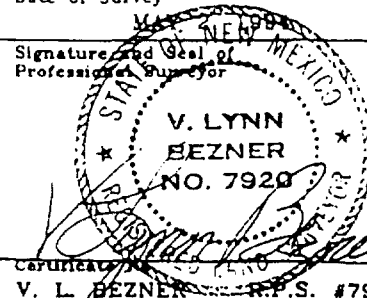
DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name Indian Basin (Upper Penn)					
4 Property Code		5 Property Name OLD RANCH CANYON '7' FEDERAL						6 Well Number 1	
7 OGRUD No.		8 Operator Name SANTA FE ENERGY OPER. PART, L.P.						9 Elevation 4001'	
10 SURFACE LOCATION									
UL or lot no. B	Section 7	Township 22 SOUTH	Range 24 EAST, N.M.P.M.	Lot Ida	Feet from the 860'	North/South line NORTH	Feet from the 1980'	East/West line EAST	County EDDY
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 N		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 <i>Terry McCullough</i>	
	Printed Name Terry McCullough	
	Title Sr. Production Clerk	
	Date May 12, 1994	
	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 May 12, 1994	
	Signature and Seal of Professional Surveyor <i>V. Lynn Beznor</i>	



Certification
V. L. BEZNER, R.P.S. #7920

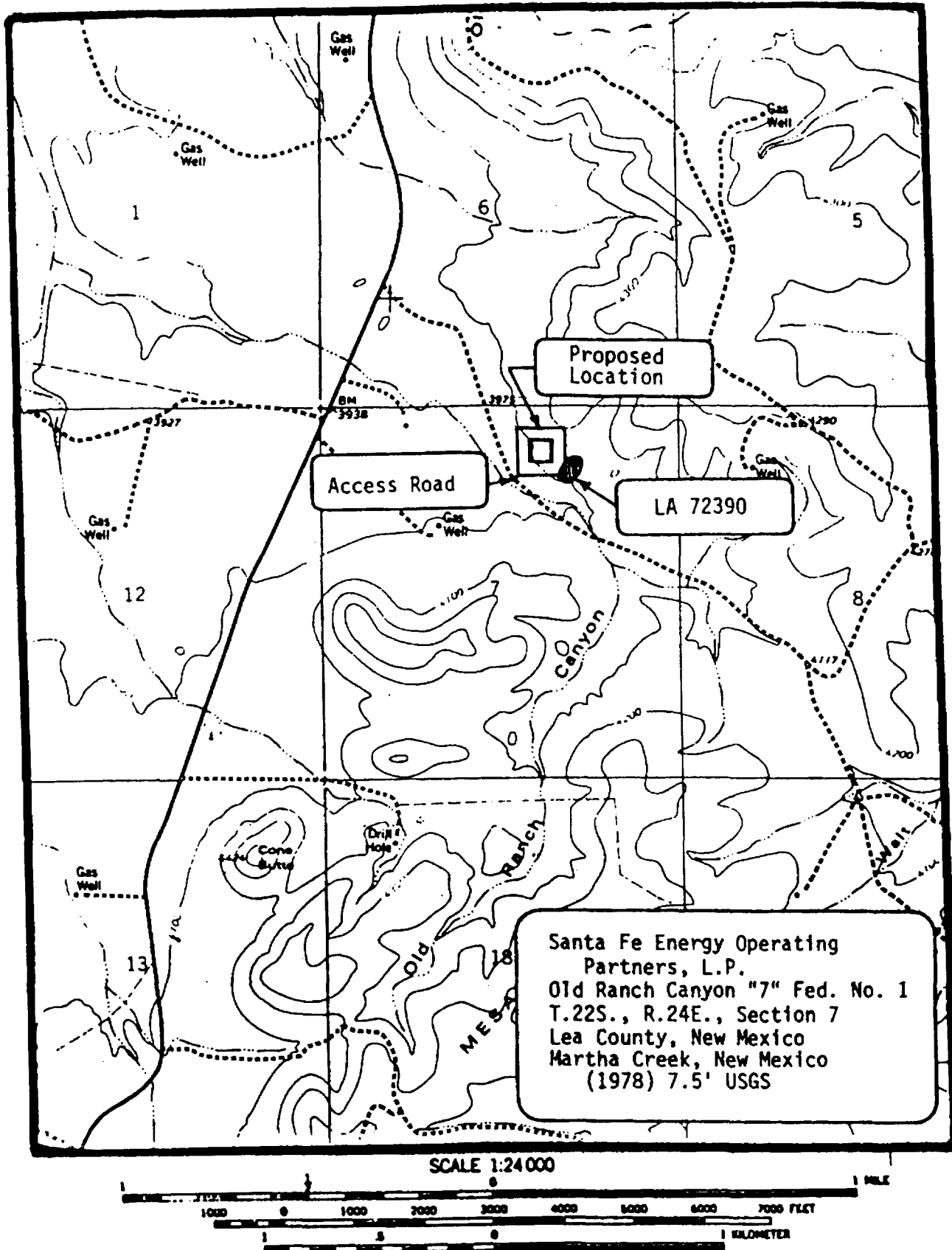


Figure 2. Project Location.

PLAT SHOWING PROPOSED
WELL LOCATION AND LEASE ROAD IN
SECTION 7, T-22-S, R-24-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

