

Form 2160-3  
(July 1992)

N.M. OIL  
P.O. BOX  
HOBBS, NM

PROPERTY NO. 9989  
POOL CODE 13185  
EFF. DATE 11-4-94

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

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-40452	
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 AND TELEPHONE NO. 550 W. Texas, Suite 1330, Midland, Texas 79701		8. FARM OR LEASE NAME, WELL NO. Shinnery "14" Federal No. 8	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface (E) 1980' FNL & 660' FWL, Sec 14, T-18-S, R-32-E At proposed prod. zone		9. API WELL NO. 11125 52721	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 15 miles east of Loco Hills, New Mexico		10. FIELD AND POOL, OR WILDCAT Und. West Corbin (Delaware)	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'	16. NO. OF ACRES IN LEASE 920	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 14, T-18-S, R-32-E	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1320'	19. PROPOSED DEPTH 5200'	12. COUNTY OR PARISH Lea	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3807' GR		13. STATE New Mexico	
22. APPROX. DATE WORK WILL START* November 20, 1994		20. ROTARY OR CABLE TOOLS Rotary	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	K-55 8-5/8"	24.0	500' <del>525'</del>	275 sx to circulate
7-7/8"	K-55 5-1/2"	15.5	5200'	650 sx to circulate

We propose to drill to a depth sufficient to test the Grayburg formation for oil. If productive 5-1/2" 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 Manifold  
Exhibit C - Drilling Fluid Program  
Exhibit D - Auxiliary Equipment

Exhibit E - Topo Map of Location  
Exhibit F - Plat Showing Existing Wells  
Exhibit F(A) - Plat of Location  
Exhibit G - Well Site Layout  
Surface Use and Operations Plan

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.

24. SIGNED <u>James B. Phil "Hinson"</u>		TITLE <u>Agent for Santa Fe Energy</u>	DATE <u>9-28-94</u>
(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 <u>James A. Amos</u>		TITLE <u>AREA MANAGER</u>	DATE <u>10-31-94</u>

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

State of New Mexico  
Ene. Minerals, and Natural Resources Department

Form G-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**

<sup>1</sup> API Number 31-226-00	<sup>2</sup> Pool Code 3195	<sup>3</sup> Pool Name Und. West Corbin (Delaware)
<sup>4</sup> Property Code E	<sup>5</sup> Property Name SHINNERY '14' FEDERAL	<sup>6</sup> Well Number 8
<sup>7</sup> OGRID No. 25216	<sup>8</sup> Operator Name SANTA FE ENERGY OPER. PART, L.P.	<sup>9</sup> Elevation 3807'

**<sup>10</sup> SURFACE LOCATION**

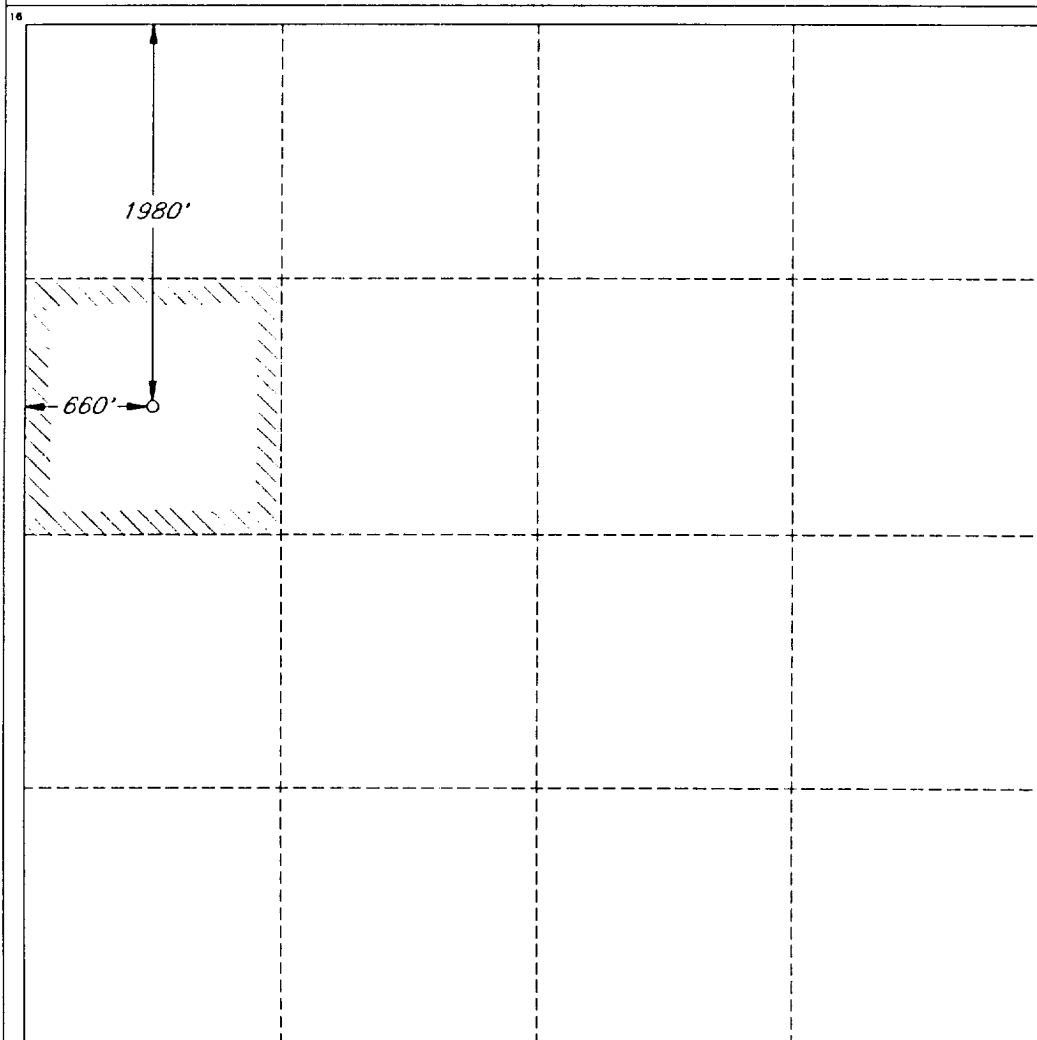
UL or lot no.	Section 14	Township 18 SOUTH	Range 32 EAST, N.M.P.M.	Lot Ida	Feet from the 1980'	North/South line NORTH	Feet from the 660'	East/West line WEST	County LEA
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**"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE**

UL or lot no. E	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
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<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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  
James P. (Phil) Stinson

Printed Name  
James P. (Phil) Stinson

Title  
Agent for Santa Fe Energy

Date  
9-28-94

**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  
SEPTEMBER 1, 1994

Signature and Seal of  
Professional Surveyor  
V. LYNN BEZNER  
Certification No. #7920  
V. LYNN BEZNER, S.S. #7920  
JOB # 3040 LAND 2 NM / V.H.B.

**DRILLING PROGRAM**  
**SANTA FE ENERGY OPERATING PARTNERS, L.P.**  
**SHINNERY "14" FEDERAL NO. 8**

In conjunction with Form 3160-3, Application For Permit to Drill the subject well, Santa Fe Energy Operating Partners, L.P. submits the following ten items of pertinent information in accordance with Onshore Oil & Gas Order No. 1.

1. **Geologic Name of Surface Formation:** Alluvium

2. **Estimated Tops of Significant Geologic Markers:**

Rustler	1250'
Base of Salt	2800'
Yates	3200'
Queen	3970'
Grayburg	4580'
Total Depth	5200'

3. **The estimated depths at which water, oil, or gas formations are expected:**

Water	None expected in area
Oil	Grayburg @ 4500'-TD

4. **Proposed Casing Program:** See Form 3160-3 and Exhibit A.

5. **Pressure Control Equipment:** See Exhibit B.

6. **Drilling Fluid Program:** See Exhibit C.

7. **Auxiliary Equipment:** A mud logging unit will be utilized to monitor penetration rate and hydrocarbon shows while drilling below the salt at 2800'.

8. **Testing, Logging, and Coring Program:**

Drill Stem Tests: None Planned.

Logging:

Dual Laterolog w/MSFL and Gamma Ray	425'-5200'
Compensated Neutron/Litho-Density/Gamma Ray	425'-5200'
Compensated Neutron/Gamma Ray (thru csg)	Surface-425'

Coring: Rotary sidewall coring planned in the Grayburg

**DRILLING PROGRAM**

Shinnery "14" Federal No. 8

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**9. Abnormal Conditions, Pressures, Temperatures, & Potential Hazards:**

No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature is 115° psi and the estimated bottom hole pressure is 2400 psi. No Hydrogen Sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. No major lost circulation zones have been reported in the offsetting wells.

**10. Anticipated Starting Date and Duration of Operations:**

Road and location work will not begin until approval has been received from the BLM. The anticipated spud date is November 1, 1994. Once spudded the drilling operation should be completed in approximately 15 days. If the well is productive, an additional 30 days will be required for completion and testing before permanent facilities are installed.

**EXHIBIT A**  
**OPERATIONS PLAN**  
SANTA FE ENERGY OPERATING PARTNERS, L.P.  
Shinnery "14" Federal No. 8  
Section 14, T-18-S, R-32-E  
Lea County, New Mexico

1. Drill a 12-1/4" hole to approximately ~~425'~~ <sup>500'</sup>. ~~SJS~~
2. Run 8-5/8" 24.0 ppf K-55 ST&C casing. Cement with 275 sx Class "C" cement containing 2% CaCl<sub>2</sub>. Run centralizers on every other joint above the shoe. Apply thread lock to bottom two joints and guide shoe.
3. Wait on cement twelve hours prior to cutting off.
4. Nipple up and install a 3000 psi. Double Ram and Annular BOP system with choke manifold. WOC 24 hours prior to drilling out.
5. Test BOP system to 1500 psi with a rig pump. Test casing to 1500 psi.
6. Drill 7-7/8" hole to 5200'. Run logs.
7. Either run and cement 5200' of 5-1/2" 15.5 ppg K-55 LT&C casing or plug and abandon as per BLM requirements.

# EXHIBIT B

**BOP AND CHOKE ARRANGEMENT**  
**SANTA FE ENERGY OPERATING PARTNERS, L.P.**  
 SHINNEY "14" FEDERAL NO. 8  
 1980' FNL & 660' FWL  
 SEC 14, T-18-S, R-32-E  
 LEA COUNTY, NEW MEXICO

