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

5. Lease Designation and Serial No.: NM-68084
6. If Indian, Allottee or Tribe Name:
7. If Unit or CA, Agreement Designation:

1. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other
2. Name of Operator: Santa Fe Energy Resources, Inc.
3. Address and Telephone No.: 550 W. Texas, Suite 1330, Midland, TX 79701 915-686-6614
4. Location of Well (Footage, Sec., T., R., M., or Survey Description): (D), 330' FNL & 990' FWL, Sec. 7, T-24S, R-32E

8. Well Name and No.: Mesa Verde "7" Federal #7
9. API Well No.: 30-025-33103
10. Field and Pool, or exploratory Area: Mesa Verde (Bone Spring) Mesa Verde(Delaware)
11. County or Parish, State: Lea NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
[X] Notice of Intent	[ ] Abandonment	[ ] Change of Plans
[ ] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[X] Other Downhole commingle	[ ] 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.)*

Santa Fe Energy resources recently completed the Mesa Verde 7 Federal #7 in the Bone Spring formation (perfs 8522'-8544') and produced the interval for 1-1/2 months. The production from the zone was economic, but would not payout the well. A RBP was set above the Bone Spring interval and a Delaware zone at 7284'-7303' was perforated, acidized and swab tested. The production from the Delaware interval swab tested at 16 BOPD and 48 BWPD. It was decided not to fracture treat the Delaware zone for fear of high water production and the RBP was pulled to produce the Bone Spring. We are now respectfully submitting a request to commingle the two zones instead of squeezing off the Delaware.

RECEIVED
JAN 30 11 26 AM '96
CARLSBAD AREA

SUBJECT TO LIKE APPROVAL BY STATE

14. I hereby certify that the foregoing is true and correct
Signed Terry McCullough Title Sr. Production Clerk Date Jan. 26, 1996

(This space for Federal or State office use)
Approved by Orig. Signed by Shannon J. Shaw Title PETROLEUM ENGINEER Date 3/8/96
Conditions of approval, if any:

-Submit completion report for Delaware completion-

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.

* See Instruction on Reverse Side

MESA VERDE "7" FEDERAL #7
DOWN HOLE COMMINGLING REQUEST DATA

1) The total combined daily oil production from the zones will be less than 50 BOPD. The Bone Spring zone at 8600' had a stabilized production averaging 45 BOPD and the Delaware zone at 7300' swab tested at 16 BOPD declining daily.

2) Both zones require artificial lift.

3) The Bone Spring zone produced 3 BWPD and the Delaware tested at 60 BWPD.

4) The fluids are compatible with the oil 41 to 42 gravity in each zone.

5) The total value of the crude will not be reduced by commingling. The oil is currently commingled at the battery from the two intervals in different wells. Both zones have API gravity oil in the 41 to 42 degree range.

6) Ownership of the zones is common.

7) The commingling will not jeopardize the efficiency of the recovery operations. It will allow each zone to be produced to a lower level than if the zones were produced separately. If the Delaware zone has to be squeezed, it could risk the recovery of the Bone Spring production.

Santa Fe Energy Resources, Inc.

RECEIVED
JAN 30 11 26 AM '96
CARL
AREA

January 29, 1996

Michael Stogner
New Mexico Oil Conservation District
P. O. Box 1980
Hobbs, NM 88240

Dear Mr. Stogner:

Santa Fe Energy Resources hereby requests approval to commingle Bone Spring and Delaware production in the Mesa Verde "7" Federal #7, located 990' FWL & 330' FNL of Sec 7, T24S, R32E, in Lea County, NM. A plat of the area is attached. Daily production from December for the Bone Spring zone is also attached. The Delaware was only swab tested for a short time. The estimated bottom-hole pressure for each zone is around 1500 psi. Both zones produce 42° to 41° API gravity oil and the water analysis from each zone is attached. The value of the commingled oil will be the same. The oil is currently commingled at the battery from different wells.

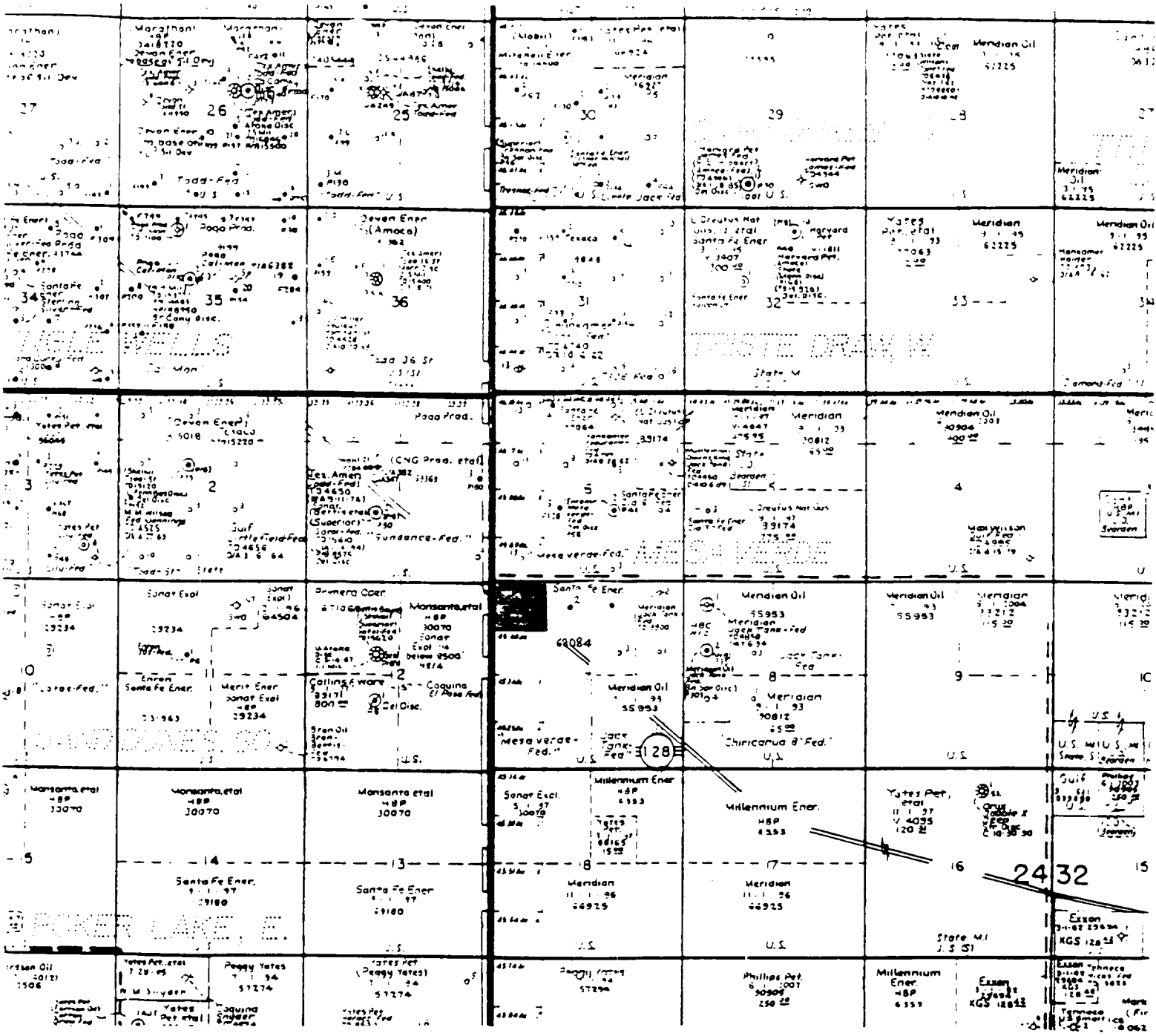
The production will be allocated on a percent basis with 20% allocated to the Delaware and 80% to the Bone Spring.

Santa Fe Energy Resources operates all the offset proration units and the BLM has been notified in writing of the proposed commingling.

Sincerely.

James Blount
Production Engineer

Central Division
550 W Texas Suite 1330
Midland Texas 79701
915/687-3551


Mesa Verde "7" Fed # 7
330' FNL & 990' FWL
Section 7, T-24-S, R-32-E
40 Acre Proration
SFER, INC. Offset Acreage
Santa Fe Energy Resources, Inc.
Central Division
Midland, Texas
LEA COUNTY, NEW MEXICO
OSPREY PROSPECT
DATE: 10/31/95
SCALE: 1":4000'
FILE:


Received
Hobbs

Laboratory Services, Inc.
1831 Tasker Drive
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

WATER ANALYSIS

COMPANY Enron Oil & Gas Company

SAMPLE Mesa Verde 7 Federal #2 BONE SPRING
SAMPLED BY Ray Gallagher - Pro Well

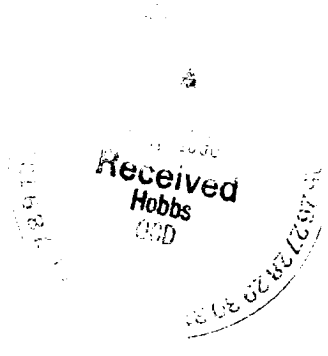
DATE TAKEN 9/23/94 4:30PM
REMARKS

Barium as Ba	0.00	
Carbonate alkalinity PPM	0	
Bicarbonate alkilinity PPM	1,680	
pH at Lab	7.39	
Specific Gravity @ 60° F	1.079	
Magnesium as Mg	2,842	
Total Hardness as CaCO3	4,900	
Chlorides as Cl	62,481	
Sulfate as SO4	1,775	
Iron as Fe	40.25	
Potassium	16.25	
Hydrogen Sulfide	0.00	
Resistivity Ohms	0.1150	23.4° C
Total Dissolved Solids	91,750	
Calcium as CA	2,058	
Nitrate	33.00	

Results reported as Parts per Million unless stated

Langelier Saturation Index +1.89

Analysis by Rolland Perry
Date 09-25-94


Received
Hobbs
OCD

Laboratory Services, Inc.

1331 Tasker Drive
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

RECEIVED NOV 9 1995

WATER ANALYSIS

COMPANY Santa Fe Energy

SAMPLE Mesa Verde 7-2

SAMPLED BY

DATE TAKEN

REMARKS

Barium as Ba	5.00	
Carbonate alkalinity PPM	0	
Bicarbonate alkilinity PPM	104	
pH at Lab	6.45	
Specific Gravity @ 60° F	1.165	
Magnesium as Mg	22,910	
Total Hardness as CaCO3	39,500	
Chlorides as Cl	150,025	
Sulfate as SO4	375	
Iron as Fe	186.25	
Potassium	53.75	
Hydrogen Sulfide	0.00	
Resistivity Ohms	0.0420	23.3° C
Total Dissolved Solids	213,750	
Calcium as CA	16,590	
Nitrate	13.20	

Results reported as Parts per Million unless stated

Langelier Saturation Index +0.9

Analysis by Rolland Perry
Date: 11-01-95

HISTORY
RUN DATE : 01/24/96

THE OILFIELD WORKSTATION
MONTHLY WELL DETAIL
SANTA FE ENERGY RESOURCES
31-DAY PRODUCTION

FOREMAN NAME : ROY HANNIGAN
PUMPER NAME : CARLSBAD ROUTE 1 (JOE H.)
LEASE NAME : MESA VERDE 7 FED #7
WELL NAME : MESA VERDE 7 FED #7
PRODUCING METHOD : SR - SUCKER ROD

DAY	CHOKE SPM	--SITP--- PSI	HRS	TUB PSI	CAS PSI	SEP PSI	LINE PRESS	DOWN HRS	RS	REASON DESCRIPTION	OIL PROD	GAS PROD	WATER PROD	COMMENTS
2	8.0	0	0	250	120	0	0	0			35.11	209.38	5.80	
3	8.0			250	120		0	0			41.17	211.48	7.19	
4	8.0			250	120		0	0			49.45	211.62	8.29	
5	8.0	0	0	250	120	0	0	0			47.68	207.28	4.86	
6	8.0			250	120		0	0			53.75	205.82	4.77	
7	8.0			250	120		0	0			44.78	201.47	3.68	
8	8.0			250	120		0	0			29.61	192.78	3.68	
	8.0			250	120		0	0			3.30	175.38	0.65	
-	8.0			250	120		0	0			34.12	154.37	3.80	
11	8.0	0	0	250	120	0	0	0			39.48	129.54	1.70	
12	8.0			250	120		0	0			55.78	129.43	0.54	
13	8.0			250	120		0	0			32.92	122.44	0.87	
14	7.0	0	0	250	120	0	0	0			35.58	125.05	3.70	
15	6.5			250	120		0	0			26.69	126.26	1.06	
16	6.5			250	120		0	0			43.12	138.83	10.96	
17	6.5			250	120		0	0			43.61	144.05	14.32	
18	6.5	0	0	250	120	0	0	0			50.16	127.74	14.35	
19	6.5			250	120		0	0			47.60	132.06	9.05	
20	6.5			250	120		0	0			44.59	140.20	5.72	
21	6.5			250	120		0	0			39.01	133.90	8.18	
22	6.5			250	120		0	0			44.58	131.08	9.87	
23	6.5			250	120		0	0			44.59	117.61	6.87	
24	6.5	0	0	250	120	0	0	0			37.31	106.97	17.72	
25	6.5	0	0	250	120	0	0	0			42.91	102.92	2.14	
26	6.5			250	120		0	0			56.21	109.93	2.40	
27	6.5			250	120		0	0			50.59	109.35	1.75	
28	6.5			250	120		0	0			54.88	108.18	3.70	
29	6.5			250	120		0	0			44.71	104.67	3.55	
30	6.5			250	120		0	0			42.67	102.34	3.80	
	6.5			250	120		0	0			50.87	101.17	3.85	
.	6.5			250	120		0	0			45.52	106.43	2.42	
										TOTALS :	1312.35	4419.73	171.24	