

Form 3160-3
(July 1992)

NM OIL CONS COMMISSION
Drawer DD

SUBMIT IN TRIPLICATE
(Other instructions on reverse side)

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

ARTESIA ZONE 88210
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUN 17 10 57 AM '94

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. TYPE OF WORK
 DRILL DEEPEN

B. TYPE OF WELL
 OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
 Santa Fe Energy Operating Partners, L.P. ✓

3. ADDRESS AND TELEPHONE NO.
 550 W. Texas, Suite 1330, Midland, TX 79701 915/687-3551

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface: (A), 1800' (note) FNL and 1980' FEL, Sec. 7, T-24S, R-31E
 At proposed prod. zone: UT. 6

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 17 miles East of Loving, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 1650'

16. NO. OF ACRES IN LEASE 600

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1600'

19. PROPOSED DEPTH 8200'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3490' GR

22. APPROX. DATE WORK WILL START*
 August 1, 1994

5. LEASE DESIGNATION AND SERIAL NO.
 NM-57273

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO. 1403/
 Palladium 7 Federal #7

9. API WELL NO.
 30-015-28177

10. FIELD AND POOL, OR WILDCAT SAND DMTS. SOUTH 538/8
 Undesignated (Delaware)

11. SEC., T., E., M., (OR BLEK AND SURVEY OR AREA) Potash
 Sec. 7, T-24S, R-31E

12. COUNTY OR PARISH Eddy

13. STATE NM

OCT 28 1994
O. C. D. OFFICE
ARTESIA ZONE

23. PROPOSED CASING AND CEMENTING PROGRAM Secretary's Potash

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48.0	400'	400 sx to circulate
11"	8-5/8"	32.0	4000'	1350 sx to circulate
7-7/8"	5-1/2"	15.5 & 17.0	8200'	To tie back to 3800'

We propose to drill to a depth sufficient to test the Delaware formation for oil. If productive, 5-1/2" casing will be cemented at 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 Diagram
- Exhibit C - Drilling Fluid Program
- Exhibit D - Auxiliary Equipment
- Exhibit E - Topo Map of Location
- Exhibit F - Map Showing Existing Locations
- 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 Daniel Polito TITLE Division Drilling Engineer DATE 6/16/94

(This space for Federal or State office use)
 PERMIT NO. _____ APPROVAL DATE _____
 APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

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 operations thereon.
 CONDITIONS OF APPROVAL, IF ANY:
 APPROVED BY H. Gilbert J. Durso TITLE Associate SD DATE 10-14-94

*See Instructions On Reverse Side