

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Santa Fe Energy Operating Partners, L.P.

3. ADDRESS OF OPERATOR

550 W. Texas, Suite 1330, Midland, Texas 79701

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

At surface

1980' FSL & 1980' FWL, Sec. 5, T-18S, R-33E

At proposed prod. zone

Same

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

10 miles southeast of Maljamar, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

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

1980'

16. NO. OF ACRES IN LEASE

320

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

2113'

19. PROPOSED DEPTH

11,500'

17. NO. OF ACRES ASSIGNED

TO THIS WELL

80

20. ROTARY OR CABLE TOOLS

Potary

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

3972.0' GR

22. APPROX. DATE WORK WILL START*

January 28, 1992

23.

PROPOSED CASING AND CEMENTING PROGRAM

Capitan Controlled Water Basin

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48.0	450'	450 sx CIRCULATE
12-1/4"	8-5/8"	32.0	3,100'	1,450 sx } SEE
7-7/8"	5-1/2"	15.5 & 17.0	11,500'	See below } STIPS.

Move in drilling rig. Drill 17-1/2" hole to 450'. Run 13-3/8" casing and cement to surface with 450 sx "C" cement w/2% CaCl₂ and 1/4 pps celloflake. WOC 6 hours. Nipple up BOP and test BOP and casing to 600 psi. Drill 12-1/4" hole to 3100'. Run 8-5/8" casing and cement with 1200 sx 35/65 Poz/"C" cement w/6% gel, 10% NaCl and 1 pps celloflake followed by 250 sx of "C" cement w/2% CaCl₂. Install BOP and test rams and choke to 5000 psi, annular to 1000 psi. Drill 7-7/8" hole to 11,500'. Run logs. Run 5-1/2" casing and cement with 50/50 Poz/"H" cement, 2% gel, 6 pps NaCl and 0.75% fluid loss additive. Sufficient cement will be used to cover all potentially productive zones.

600' ABOVE

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

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 preventer program, if any.

24.

SIGNED

Daniel Roberts

TITLE Sr. Drilling Engineer

DATE 1-6-92

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

CARLEAD RES. GROUP INC.

APPROVED BY

TITLE

DATE 1-21-92

CONDITIONS OF APPROVAL, IF ANY:

*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.

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

ITEM 21: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

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JAN 24 1992

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq, 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill, deepen, or plug back an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation or surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

Response to this request is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT II

1000 Rio Brazos Rd., Artec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator SANTA FE ENERGY OPERATING PARTNERS LP			Lease KACHINA "5" FEDERAL		Well No. 3
Unit Letter K	Section 5	Township 18 SOUTH	Range 33 EAST NMPM		County LEA
Actual Footage Location of Well:					
- L980 feet from the SOUTH line and		1980 feet from the WEST line			
Ground Level Elev. 3972.0	Producing Formation Wolfcamp		Pool South Corbin (Wolfcamp)		Dedicated Acreage: 80 Acres
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.					
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).					
3. If more than one lease of different ownership is dedicated to the well, have <u>the</u> interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?					
☐ Yes ☒ No If answer is "yes" type of consolidation _____					
If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.) _____					
No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.					
Federal Lease No. LC-062391 Santa Fe Energy Operating Partners, L.P. et.al. - 100% USA - 12.5% Royalty Oxy - 12.5% ORRI 1980' 3977.8 3974.7 3968.6 3966.9 1980'				OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <i>Darrell Roberts</i> Printed Name Darrell Roberts Position Sr. Drilling Engineer Company Santa Fe Energy Operating Partners, L.P. Date 1-6-92	
				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 knowledge and belief. Date Surveyed DEC. 30, 1991 Signature & Seal of Professional Surveyor Certificate No. JOHN W. WEST, 876 RONALD J. EDSON, 3336 BARY LYONES, 7877 W.O. 87-10-0553	

APPLICATION FOR DRILLING
SANTA FE ENERGY OPERATING PARTNERS, L.P.
Kachina "5" Federal No. 3

In conjunction with Form 3160-3, Application to Drill subject well, Santa Fe Energy Operating Partner, L.P., submits the following ten items of pertinent information in accordance with BLM requirements.

1. The geologic surface formation is sand.
2. The estimated tops of geologic markers are as follows:

Rustler	1,400'
Base Salt	2,830'
Yates	3,070'
Seven Rivers	3,320'
Queen	4,150'
Penrose	4,500'
Delaware	5,540'
Bone Spring	6,460'
First Bone Spring Sand	8,190'
First Carbonate	8,440'
2nd Sand	8,790'
2nd Carbonate	9,290'
3rd Sand	9,500'
Wolfcamp	9,830'
Total Depth	11,500'

3. The estimated depth at which water, oil, or gas formations are expected to be encountered:

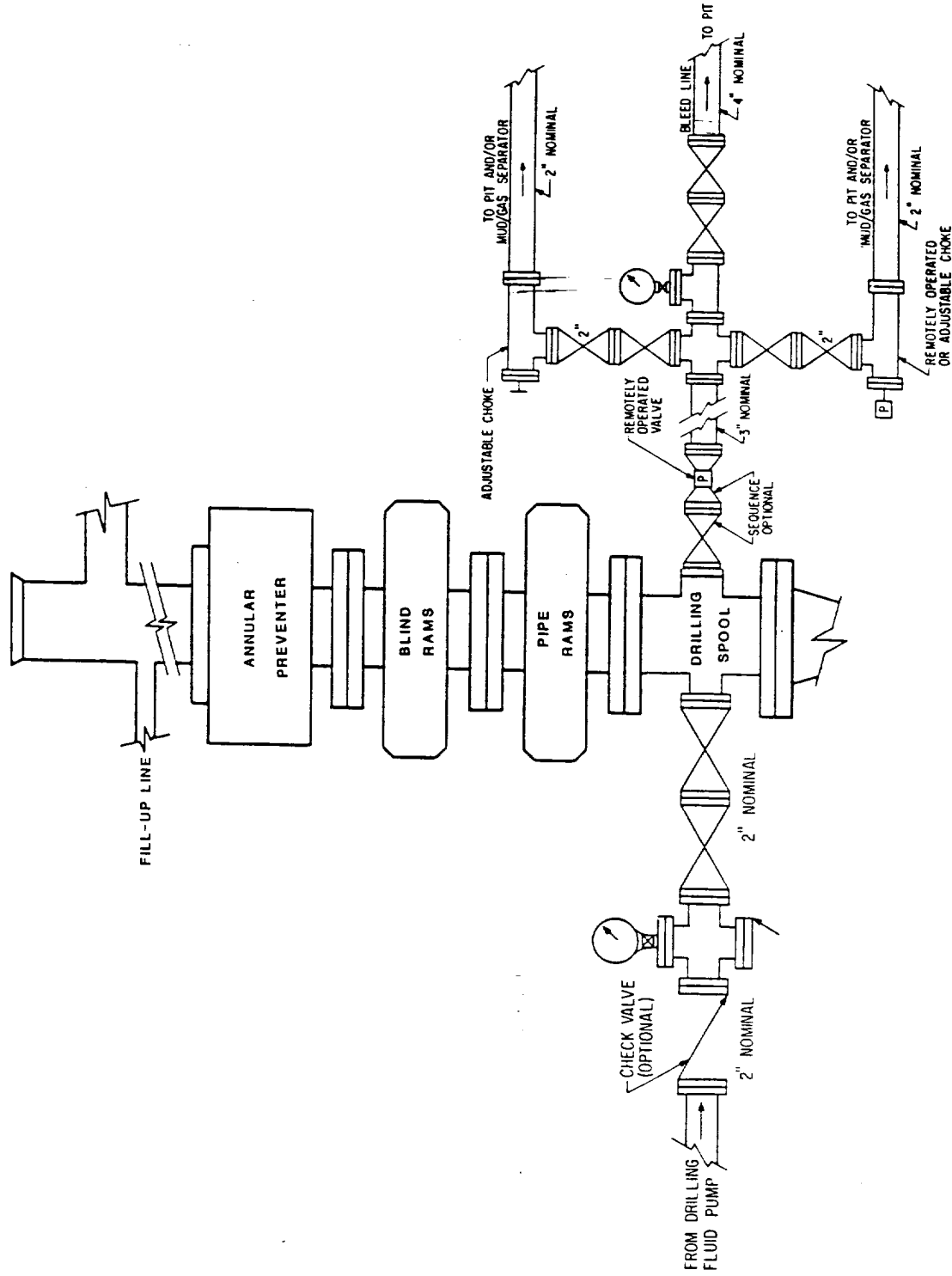
Water	Water is not expected to be encountered	
Oil or Gas	Wolfcamp	10,000' - TD

4. Proposed Casing Program: See Form 3160-3 and Exhibit A.
5. Pressure Control Equipment: See Form 3160-3 and Exhibit B.
6. Drilling Fluid Program: See Exhibit C.
7. Auxiliary Equipment: See Exhibit D.
8. Testing, Logging and Coring Programs:

Drill Stem Tests (all DST's to be justified by a valid show of oil or gas):

Bone Spring	8,600 - 8,800'
Wolfcamp	10,000 - 11,000'

PROPOSED BOPE AND CHOKE ARRANGEMENT



SANTA FE ENERGY OPERATING PARTNERS, LP.
 KACHINA "5" FED NO. 3
 SEC 5, T18S, R33F
 1980' FSL & 1980' FWL
 LEA COUNTY, NEW MEXICO

10285-592
ELF

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JAN 24 1992

CC
HOBBS OFFICE