

July 1992

OPER. UGMD NO. 20305

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

UNI. PROPERTY NO. 17309 DEPARTMENT POOL CODE 83280 BUREAU OF LANDS EFF. DATE 7/27/95 APPLICATION FOR PERMITS API NO. 30-025-22564

3. LEASE DESIGNATION AND SERIAL NO. NM 0550543 6. IF INDIAN, ALLOTTEE OR TRIBE NAME 7. UNIT AGREEMENT NAME 8. FARM OR LEASE NAME, WELL NO. Sinagua "19" Fed No. 2 9. AN WELL NO. 10. FIELD AND POOL, OR WILDCAT Quail Ridge (Morrow) 11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA Sec 19, T-20-S, R-34-E 12. COUNTY OR PARISH Lea 13. STATE New Mexico

1a. TYPE OF WORK

DRILL

b. TYPE OF WELL

OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR

Santa Fe Energy Resources, Inc.

3. ADDRESS AND TELEPHONE NO.

550 W. Texas, Suite 1330; Midland, TX 79701 (915) 682-6373

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

At surface (N) 660' FSL & 2083' FWL At proposed prod. zone (K) 1060' FSL & 2083' FWL

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

8 mi NE from Halfway Bar, New Mexico

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

660

16. NO. OF ACRES IN LEASE

80

17. NO. OF ACRES ASSIGNED TO THIS WELL

320

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

19. PROPOSED DEPTH

14,000

20. ROTARY OR CABLE TOOLS

Rotary

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

3662 GR

22. APPROX. DATE WORK WILL START*

May 15, 1995

23. PROPOSED CASING AND CEMENTING PROGRAM

Table with 5 columns: SIZE OF HOLE, GRADE SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 26", 17 1/2", 12 1/4", and 8 3/4" hole sizes with corresponding casing and cement details.

We propose to re-enter the former Cities Service Oil Co. Government N #1-Y, sidetrack and drill to a depth sufficient to test the Morrow formation for gas. 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 F - Plat Showing Existing Wells Exhibit B - BOP Choke Schematic Exhibit F (A) - Plat of Location Exhibit C - Drilling Fluids Program Exhibit G - Well Site Layout Exhibit D - Auxiliary Program Surface Use and Operations Plan Exhibit E - Topo Map of Location H2S Drilling 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.

SIGNED James P. Phil Titus TITLE Agent for Santa Fe Energy DATE 4-19-95

(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: APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

APPROVED BY Gilbert J. Lucero TITLE Acting State Director DATE 7-21-95

*See Instructions On Reverse Side

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JUL 27 1995

U O D HOBBS
OFFICE

DISTRICT I
P.O. Box 1987, Hobbs, NM 86240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 86210

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

AMENDED REPORT

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-22564	Pool Code 83280	Pool Name Quail Ridge (Morrow)
Property Code 17309	Property Name SINAGUA "19" FEDERAL Com.	Well Number 2
OGRID No. 20305	Operator Name SANTA FE ENERGY RESOURCES, INC.	Elevation 3662

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	19	20 S	34 E		660	SOUTH	2083	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	19	20-S	34-E		1060'	South	2083' <i>SJS</i>	FWL	Lea

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 1 40.03 AC.				<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>James P. "Phil" Stinson</i> Signature</p> <p>James P. "Phil" Stinson Printed Name</p> <p>Agent for Santa Fe Energy Title</p> <p>4-19-95 Date</p>
LOT 2 40.06 AC.				
LOT 3 40.08 AC				
LOT 4 40.11 AC.				
				<p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>MARCH 28, 1995 Date Surveyed</p> <p><i>John W. West</i> Signature & Seal of Professional Surveyor</p> <p>John W. West Professional Surveyor</p> <p>3-30-95 Date</p> <p>Num. 95-1160474</p> <p>Certificate No. JOHN W. WEST 676 RONALD L. EDSON 3239 GARY J. JOHNSON 1254</p>

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JUL 27 1999

**UCD HUBBARD
OFFICE**