

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**N.M. Cons. Division** FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires July 31, 1996  
P.O. Box 1980  
Hobbs, NM 88241

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-92781
2. Name of Operator Santa Fe Energy Resources, Inc.		6. If Indian, Allottee or Tribe Name
3a. Address 550 W. Texas, Suite 1330, Midland, TX 79701	3b. Phone No. (include area code) 915/687-3551	7. If Unit or CA Agreement, Name and/or No. Gaucho Unit No. 7
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) (K), 1650' FSL & 1980' FWL, Sec. 17, T-22S, R-34E		8. Well Name and No. No. 7
		9. API Well No. 30-025-34440
		10. Field and Pool, or Exploratory Area Ojo Chiso (Morrow)
		11. County or Parish, State Lea NM

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

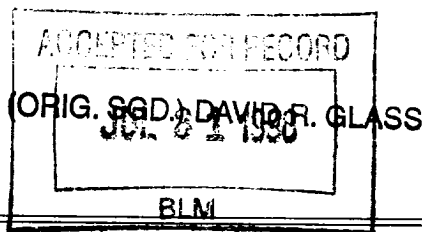
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other <u>Set casing string</u>

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

7/20/98: TD 12-1/4" hole at 5172'. Circ hole clean. POOH. RU LD machine. LD 9" DCs & BHA. RU csg crew and ran 126 jts 9-5/8" 40.0# N-80 & K-55 csg and set at 5172', FC @ 5083'.

7/21/98: Cemented csg w/ 1450 sx C1 "C" Lite containing 1/4 pps Flocele followed by 250 sx C1 "C" + 2% CaCl2. Bumped plug, float held. Press up to 700 psi, float held ok. Circ'd 50 sx to pit. WOC. RD BOPs. PU stack, set slips w/ 220K#. Cut csg off and NU head and BOP, cross test to 1500 psi, ok. Tested BOP & casing to 1500 psi, ok. PU BHA. Change out kelly.

7/22/98: TIH w/ BHA. Drilling plug, float, cement and shoe. Resume drilling formation.



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Terry McCullough	Title Sr. Production Clerk
<i>Terry McCullough</i>	Date 7/27/98

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice 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.	Office	

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.