

Santa Fe Energy Company



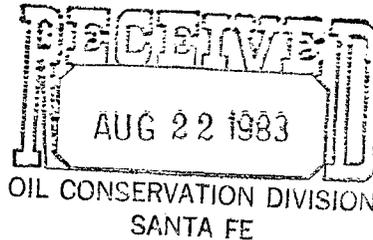
Central Division-Permian Basin District
7200 I-40 West
Amarillo, Texas 79106
806/359-2000
TWX 910-898-4111

*NSL 1732
Morrow fm
Bul. 104 F
9-11-83*

August 11, 1983

Re: Geologic Exhibits

Mr. Richard L. Stamets
Technical Support Chief
Oil Conservation Division
Energy and Minerals Department
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501



Dear Sir:

Santa Fe Energy, Exploration Department, is proposing an unorthodox location (990' FEL, 990' FNL) in Section 28, T22S, R27E, Eddy County, New Mexico. Reasons for this location are as follows:

- (1) Isopaching of clean Morrow Sands indicates the trend of sand reservoirs trends in a northwest-southeast direction.
- (2) A cumulative gas production map of the Morrow sands indicates best production is oriented in a northwest-southeast direction. This information supports the Morrow sand isopach (Map 1).
- (3) The Morris Antweil #1 Randall (1980' FNL and 1980' FSL) Section 21, T22S, R27E is a poor well. It was plugged in 1976 after producing 49,612,000 CFG. Santa Fe Energy's proposed location would be 3700' southeast and 3000' south of the productive Santa Fe #1 Walker.
- (4) The Santa Fe #1 Walker (990' FEL, 1980' FSL Section 21) encountered an excellent Morrow reservoir. The well potential for 8.4 million cubic feet of gas per day, CAOF).

The location Santa Fe Energy Company has proposed is the most logical one based upon knowledge of sand trends, good reservoir conditions, and production data in extending gas production to the southeast in the South Carlsbad Field.

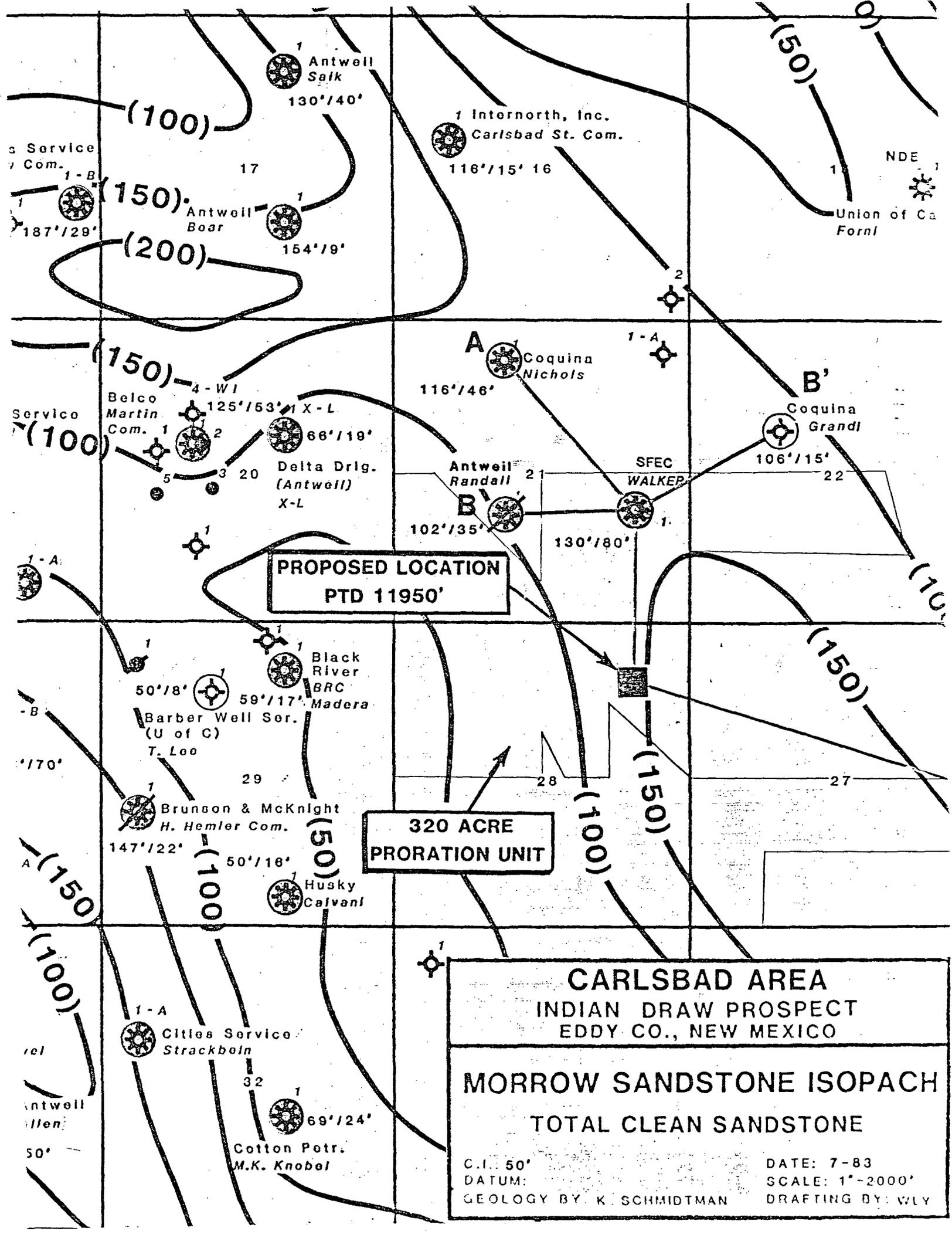
Yours truly,

Bill A. Schaefer, Jr.
Exploration Manager

KHS:aa



A Santa Fe Industries Company



**PROPOSED LOCATION
PTD 11950'**

**320 ACRE
PRORATION UNIT**

**CARLSBAD AREA
INDIAN DRAW PROSPECT
EDDY CO., NEW MEXICO**

**MORROW SANDSTONE ISOPACH
TOTAL CLEAN SANDSTONE**

C.I.: 50'
 DATUM:
 GEOLOGY BY: K. SCHMIDTMAN
 DATE: 7-83
 SCALE: 1"-2000'
 DRAFTING BY: WLY

1 Antweil Salk
3.4 BCF
(1974)

1 Internorth, Inc.
Carlsbad St. Com.
280 MMCF (1980)

17
1 Antweil Bear
1.0 BCF
(1975)

15
NDE
Union of Calif.
Fornl

4-W1
1 X-L
(1977)
1.1 BCF
(1975)
1.3 BCF Delta Drig.
(Antweil)
X-L

1 Coquina Nichols
18.6 MM CAOF
(1982)

1-A

Coquina Grandt

50 MMCF
Abdn 1976
8.3 MM CAOF
(1983)
SFEC Walker
Antweil Randall

3-5 BCF
> 5 BCF

ACRE
ATION UNIT

1 Black River
BRC
1.7 BCF
Madera
er Well Ser.
(C)

PROPOSED LOCATION
PTD 11950'

29
Johnson & McKnight
Hemler Com.
W ABDN.
MCF 1976

1 Husky
Calvani
(1982)

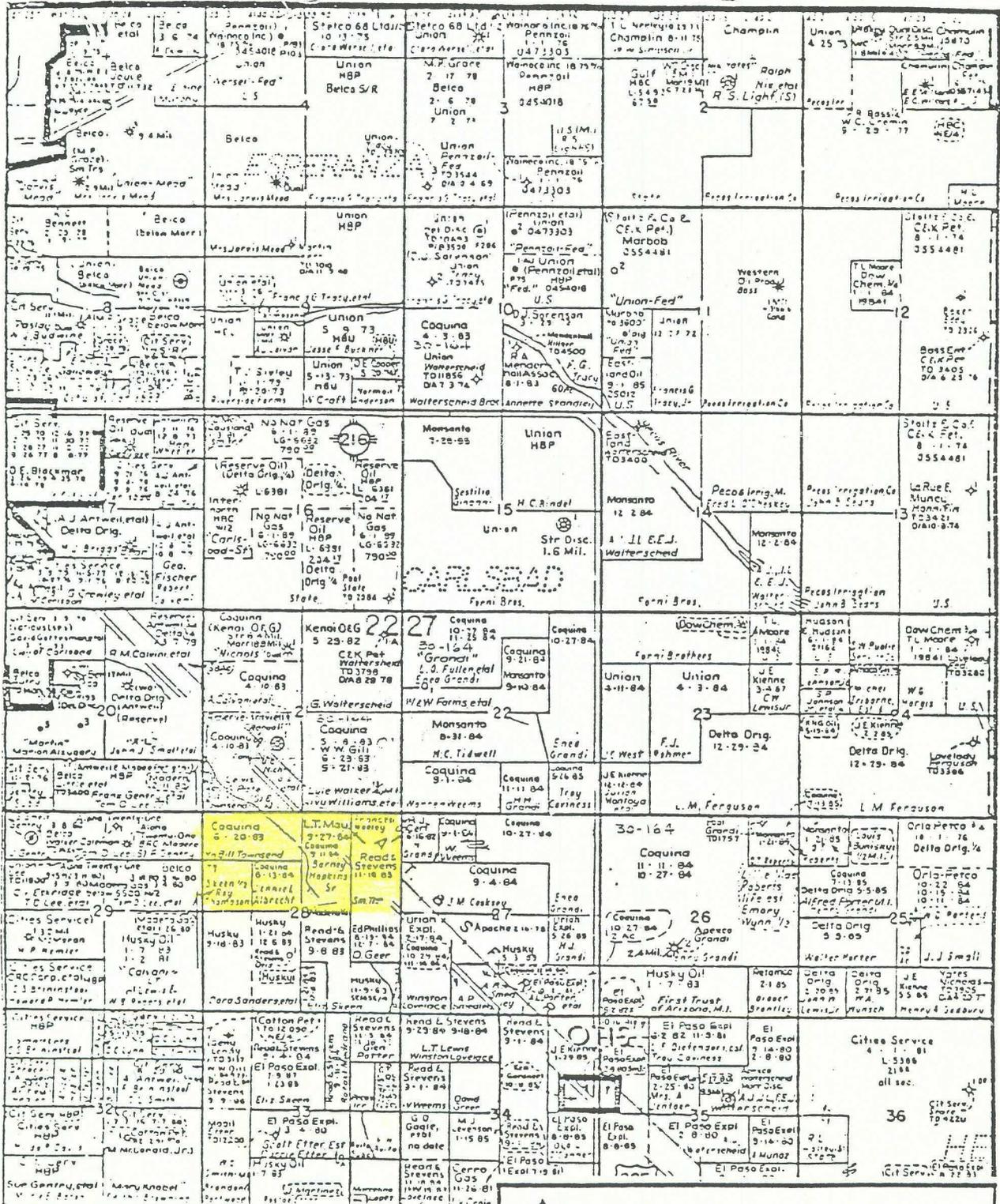
CARLSBAD AREA INDIAN DRAW PROSPECT EDDY CO., NEW MEXICO

CUMULATIVE PRODUCTION MORROW SANDSTONE TO 1-1-83

ies Service
ackbein
3CF
32
1 Cotton Petr (1975)
M.K. Knobel

33
1 Mobil
Etter

C.I.:
DATUM:
GEOLOGY BY: K. SCHMIDTMAN
DATE: 7-83
SCALE: 1"-2000'
DRAFTING BY: WLY



T
22
S



SANTA FE ENERGY COMPANY
 PERMIAN BASIN DISTRICT
 AMARILLO, TEXAS

INDIAN DRAW AREA
 Eddy Co., New Mexico

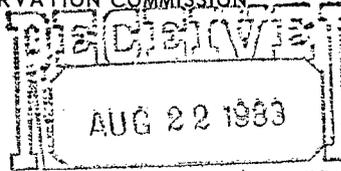
INDIAN DRAW PROSPECT
 (SFEC-Coquina)

Date: 1-83

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65



5A. Indicate Type of Lease
STATE FEE
5. State Oil & Gas Lease No.

OIL CONSERVATION DIVISION

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK A FE

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name	
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Neeley	
2. Name of Operator Santa Fe Energy Company		9. Well No. 1	
3. Address of Operator 7200 I-40 West		10. Field and Pool, or Wildcat Undesignated South Carlsbad Morrow	
4. Location of Well UNIT LETTER <u>A</u> LOCATED <u>990</u> FEET FROM THE <u>north</u> LINE AND <u>990</u> FEET FROM THE <u>east</u> LINE OF SEC. <u>28</u> TWP. <u>22S</u> RGE. <u>27E</u> NMPM		12. County Eddy	
		19. Proposed Depth 12,200'	19A. Formation Morrow
		20. Rotary or C.T. Rotary	
21. Elevations (Show whether DF, RT, etc.)	21A. Kind & Status Plug. Bond Blanket, Current	21B. Drilling Contractor To be determined	22. Approx. Date Work will start September 15, 1983

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2	13 3/8	48	600	375	Circulated
12 1/4	9 5/8	36	5325	900	Circulated
7 7/8	5 1/2	20	12,200	1500	500' above top of possible producing zone

Drill a 26" hole with rathole machine. Run and cement 40' of 20" conductor. Move in and rig up rotary tools. Drill a 17 1/2" hole to 600' with fresh water spud mud. Run, set and cement 13 3/8" casing. WOC 12 hours (compressive strength of cement to be 500 psi or greater). Install casinghead and nipple up BOP stack with choke manifold. Test BOP and casing to 600 psi. Drill 12 1/4" hole to 5325' with brine. Run open hole logs from TD to 2000'. Run, set and cement 9 5/8" casing. WOC 12 hours (compressive strength of cement to be 500 psi or greater). Test BOP and choke manifold to 5000 psi. Test spherical preventer to 2500 psi. Test casing to 2500 psi. Drill shoe and test casing seat to 14 ppg MWE. Drill 7 7/8" hole to 11,860' allowing hole conditions to dictate mud properties. Run DST's and core as indicated by samples and shows. Run open hole logs from TD to 5325'. Run, set and cement 5 1/2" casing.

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Michael R. Buxton Title Senior Drilling Engineer Date 8/16/83

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

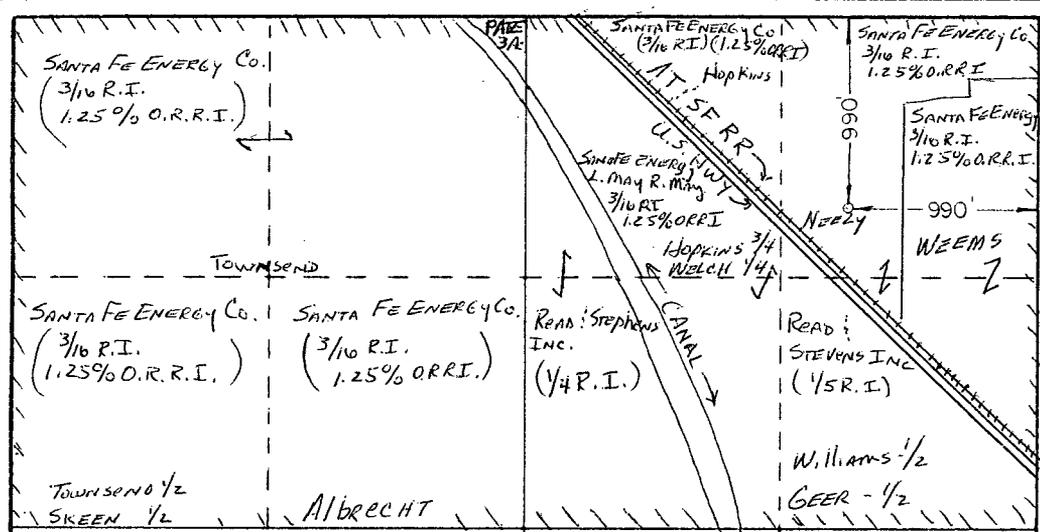
Operator Santa Fe Energy Company			Lease Neeley		Well No. 1
Unit Letter A	Section 28	Township 22 South	Range 27 East	County Eddy County	
Actual Footage Location of Well: 990 feet from the North line and 990 feet from the East line					
Ground Level Elev. 3116.7	Producing Formation Undesignated		Pool South Carlsbad Morrow	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation Designation of consolidated gas leasehold estate

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

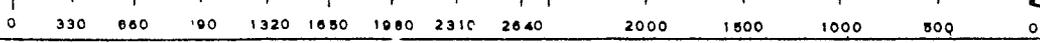
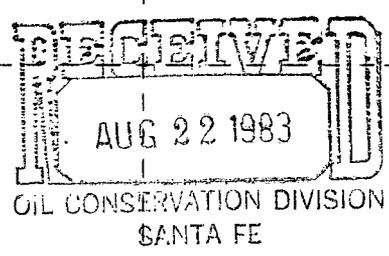
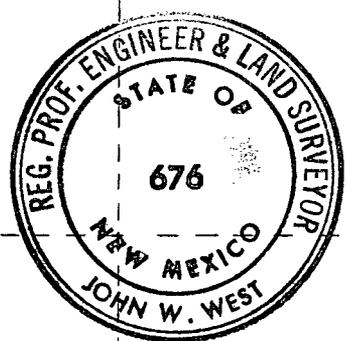
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Michael R. Burton
 Name
Senior Drilling Engineer
 Position
Santa Fe Energy Company
 Company
August 11, 1983
 Date

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
August 9, 1983
 Registered Professional Engineer and/or Land Surveyor

John W. West
 Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239



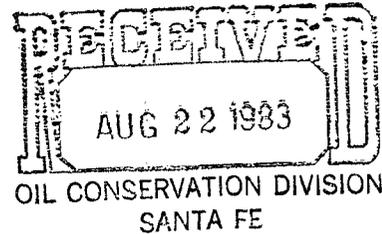
Santa Fe Energy Company



Permian Basin District
500 West Ohio
Midland, Texas 79701
915/687-3551

August 15, 1983

Mr. Richard L. Stamets
Technical Support Chief
Oil Conservation Division
Energy and Minerals Department
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico
87501



Dear Sir:

Please find the enclosed seven (7) copies of the following:

1. Letter requesting administrative approval of unorthodox location.
2. Platt showing acreage dedicated
3. Geologic exhibits
4. Form C-101
5. Form C-102

Two copies of all of this has been sent to the District Office in Artesia.

Sincerely,

Michael R. Burton
Michael R. Burton
Senior Drilling Engineer

MRB:dm

Encl.



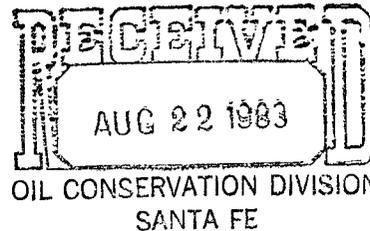
Santa Fe Energy Company



Permian Basin District
500 West Ohio
Midland, Texas 79701
915/687-3551

August 15, 1983

Mr. Joe D. Ramey, Director
Oil Conservation Division
Energy and Minerals Department
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico
87501



Dear Sir:

Santa Fe Energy Company requests administrative approval of an unorthodox location 990' FNL, 990' FEL, Section 28, T22S, R27E, Eddy County, New Mexico.

The reasons for this request are geologic. The relevant geologic exhibits are enclosed.

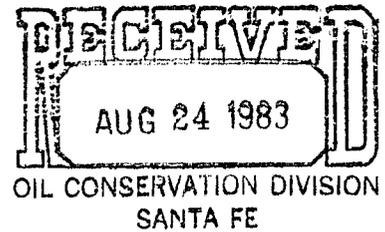
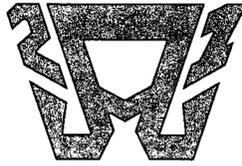
A list of offset operators of proration or spacing units is enclosed. Each has been notified by certified or registered mail of this request for administrative approval of an unorthodox location.

Sincerely,

Michael R. Burton
Senior Drilling Engineer

MRB:dm





ALPHA TWENTY-ONE CORPORATION

2100 FIRST NATIONAL BANK BUILDING
MIDLAND, TEXAS 79701

915/683-5384

August 22, 1983

State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Division Director
Oil Conservation Division
Energy and Minerals Department

Re: Section 28, T-22-S, R-27-E
Eddy County, New Mexico

Dear Sir:

Enclosed herewith you will find Alpha Twenty-One Corporation's approval for Request for Administrative Approval of Santa Fe Energy Company's unorthodox location for a well to be drilled 990' FEL and 990' FNL in Section 28, Township 22 South, Range 27 East, Eddy County, New Mexico.

Very truly yours,

Carolyn Hartzoge
Land Records Supervisor

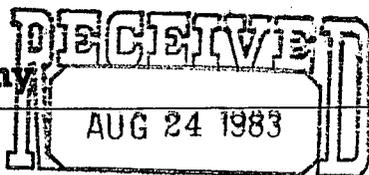
CH:hs

xc: Santa Fe Energy Company
500 West Ohio
Midland, Texas 79701

Attention: Mr. Bill A. Schaefer, Jr.
Exploration Manager

w/attachment

Santa Fe Energy Company



Permian Basin District
500 West Ohio
Midland, Texas 79701
915/687-3551

OIL CONSERVATION DIVISION
SANTA FE

AUG 19 1983

August 15, 1983

Re: Waiver Request

Alpha Twenty-One Corporation
2100 First National Bank Building
Midland, Texas 79701

ATTN: Carolyn Hartzoge

Dear Ms. Hartzoge:

This is to inform you of our Request for Administrative Approval of Santa Fe Energy Company's unorthodox location for a well to be drilled 990' FEL and 990' FNL in Section 28, Township 22 South, Range 27 East, Eddy County, New Mexico. (Plat attached, for your convenience)

We would appreciate your responding to this Waiver as quickly as possible as we plan to spud the well on or before September 8, 1983. Please send one executed copy to: Division Director, Oil Conservation Division, Energy and Minerals Department, State of New Mexico, P.O. Box 2088, Santa Fe, New Mexico 87501, and return the copy so marked to us.

Yours truly,

Bill A. Schaefer, Jr.
Bill A. Schaefer, Jr.
Exploration Manager

BY SIGNATURE HERETO, WE DO APPROVE THIS WAIVER REQUEST:

Alpha Twenty-one Corp.

J.P. Lynn, Exec. V.P.

Date 8-19-83

Attchmt

/efw



CHARLES B. READ
PRESIDENT

NORMAN L. STEVENS, JR.
VICE-PRESIDENT

*msl
1732*

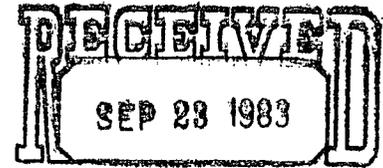
Read & Stevens, Inc.

Oil Producers

P. O. Box 1518

Roswell, New Mexico 88201

September 20, 1983



OIL CONSERVATION DIVISION
SANTA FE

Division Director
Oil Conservation Division
Energy and Minerals Department
State of New Mexico
P.O. Box 2088
Santa Fe, NM 87501

Waiver

Re: Unorthodox Location
Waiver Request
Section 28: 22-S, 27-E
Eddy County, New Mexico

Gentlemen:

Pursuant to a request by Santa Fe Energy Company, please find enclosed a waiver request letter which has been agreed to by Read & Stevens, Inc.

Very truly yours,

READ & STEVENS, INC.

Joe Wigley, Land Manager

Randall Fort
Randall R. Fort
Land Representative

RF:lc

Enclosure

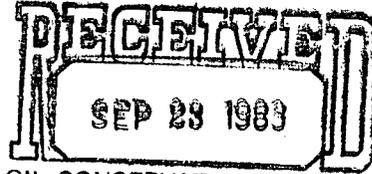
XC: Santa Fe Energy Company
Permian Basin District
500 West Ohio
Midland, Texas 79701

Attention: Bill Schaefer, Jr.

Santa Fe Energy Company



Permian Basin District
500 West Ohio
Midland, Texas 79701
915/687-3551



OIL CONSERVATION DIVISION
SANTA FE

August 15, 1983

Re: Waiver Request

Mr. Joel Wigley
Read & Stevens
P.O. Box 1518
Roswell, New Mexico 88201

Dear Mr. Wisley:

This is to inform you of our Request for Administrative Approval of Santa Fe Energy Company's unorthodox location for a well to be drilled 990' FEL and 990' FNL in Section 28, Township 22 South, Range 27 East, Eddy County, New Mexico. (Plat attached, for your convenience)

We would appreciate your responding to this Waiver as quickly as possible as we plan to spud the well on or before September 8, 1983. Please send one executed copy to: Division Director, Oil Conservation Division, Energy and Minerals Department, State of New Mexico, P.O. Box 2088, Santa Fe, New Mexico 87501, and return the copy so marked to us.

Yours truly,

Bill A. Schaefer, Jr.
Exploration Manager

BY SIGNATURE HERETO, WE DO APPROVE THIS WAIVER REQUEST:

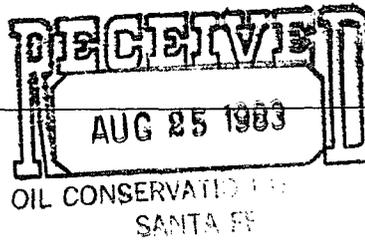
Date 9/20/83
Randall R. Fort
Land Representative
Attchmt

/efw

**RETURN THIS COPY TO:
SANTA FE ENERGY CO.**



Santa Fe Energy Company



Permian Basin District
500 West Ohio
Midland, Texas 79701
915/687-3551

August 15, 1983

Re: Waiver Request

Mr. V.H. Westbrook
P.O. Box 2264
Hobbs, New Mexico 88240

Dear Mr. Westbrook:

This is to inform you of our Request for Administrative Approval of Santa Fe Energy Company's unorthodox location for a well to be drilled 990' FEL and 990' FNL in Section 28, Township 22 South, Range 27 East, Eddy County, New Mexico. (Plat attached, for your convenience)

We would appreciate your responding to this Waiver as quickly as possible as we plan to spud the well on or before September 8, 1983. Please send one executed copy to: Division Director, Oil Conservation Division, Energy and Minerals Department, State of New Mexico, P.O. Box 2088, Santa Fe, New Mexico 87501, and return the copy so marked to us.

Yours truly,


Bill A. Schaefer, Jr.
Exploration Manager

BY SIGNATURE HERETO, WE DO APPROVE THIS WAIVER REQUEST:

 Date Aug. 18, 1983

Attchmt

/efw

