

Case 12178

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

April 23, 1999

Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Administrative application of Santa Fe Energy Resources,
Inc. for approval of an unorthodox oil well location:

Maljamar "15" Fed. Well No. 1
1310 feet FNL & 1310 feet FEL
E $\frac{1}{2}$ NE $\frac{1}{4}$ S15, Township 17 South, Range 32 East, NMPM
Lea County, New Mexico

Dear Mr. Stogner:

Enclosed, regarding the above well, are a completion report and the
notice sent to offset lessees. Please call me if you have any
questions. Thank you.

Very truly yours,



James Bruce

Attorney for Santa Fe
Energy Resources, Inc.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(See other instructions on reverse side)

UMB NO. 1004-8137
Expires: February 28, 1995

1. LEASE DESIGNATION AND SERIAL NO.

NM-0315712

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

7. UNIT AGREEMENT NAME

1b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP EN PLUG BACK DIFF. DRIVE Other _____

8. FARM OR LEASE NAME, WELL NO.

Maljamar "15"
Federal #1

3. NAME OF OPERATOR
Santa Fe Energy Resources, Inc.

9. API WELL NO.

30-025-34549

3. ADDRESS AND TELEPHONE NO.
550 W. Texas, Suite 1330, Midland, TX 79701 915/686-6612

10. FIELD AND POOL, OR WILDCAT

Undesignated Wolfcamp

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface
(A) 1310' FNL and 1310' FEL, Sec. 15, T-17S, R-32E
At top prod. interval reported below
At total depth

11. SEC., T., R., N., OR BLK. AND SURVEY OR AREA
Sec. 15, T-17S, R-32E

12. COUNTY OR TOWNSHIP
Lea

13. STATE
NM

14. PERMIT NO. _____ DATE ISSUED _____

15. DATE SPUNDED 12/10/98 16. DATE T.D. REACHED 1/25/99 17. DATE COMPL. (Ready to prod.) 3/24/99 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 4074' GR 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 13,861' 21. PLUG. BACK T.D., MD & TVD 11,930' 22. IF MULTIPLE COMPL., HOW MANY? N/A 23. INTERVALS DRILLED BY _____ ROTARY TOOLS ALL CABLE TOOLS N/A

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)* 10,440' - 10,682' (Wolfcamp) 25. WAS DIRECTIONAL SURVEY MADE? No

26. TYPE ELECTRIC AND OTHER LOGS RUN Platform Express CNL/Three Detector Density/GR; ALL/MCFL/GR 27. WAS WELL CORRED? No

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLES IN	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13-3/8" H-40	48.0#	668'	17-1/2"	525 sx Poz & "C" (Circ'd)	None
9-5/8" J-55 & K58	36.0 & 40.0#	4,615'	12-1/4"	1200 sx Lite & "C" (Circ'd)	None
5-1/2" N-80 & J55	20.0 & 17.0#	12,662'	7-7/8"	1st stage 1800 sx 50/50 Poz H	None
		DV tool set @ 6,505'		2nd stage 525 sx 50/50 Poz C	None

29. LINES RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
N/A					2-3/8"	10,432'	10,326'

31. PERFORATION RECORD (Interval, size and number)

INTERVAL (MD)	ACID, SHOT, FRACTURE, CEMENT SOURCE, ETC.
12,033' - 12,050' - plugged	
10,440' - 10,682' (1 SPF 133 holes)	
	DEPTH INTERVAL (MD) AMOUNT AND KIND OF MATERIAL USED
	12,033-12,050' CTBP set @ 11,950' w/ 20' cmt on top.
	10,440-10,682' 8550 gals 15% NEFF HC1 and 193 ball sealers

33. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump)	WELL STATUS (Producing or shut-in)					
3/24/99	Flowing	Producing					
DATE OF TEST	HOURS TESTED	CHOICE SIZE	PROD'N. FOR TEST PERIOD	OIL - BBL.	GAS - MCF.	WATER - BBL.	GAS - OIL RATIO
4/12/99	24 hrs	12/64"		240	142	0	592
FLOW, TURBO PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL - BBL.	GAS - MCF.	WATER - BBL.	OIL GRAVITY - API (CORR.)	
450	pkf.		240	142	0	37.4	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold to BPM TEST WITNESSED BY _____

35. LIST OF ATTACHMENTS C-104, Deviation Survey, Logs

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED: [Signature] TITLE Sr. Production Clerk DATE 4/20/99

* (See Instructions and Rules for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; core intervals, and all drill-stem, tests, including depth interval tested, cushion used, time test open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	GEOLOGIC MARKERS		
				NAME	MEAS. DEPTH	TOP TRUB VENT DEPTH
Devonian	13,770	13,815	(Rec. 24.7 8b) cush. 211' MCN 2593' Water IF 1175-1289 ISI 5422 2nd F 1326-2239 2nd SI 5424	Rustler	963	963
				San Andres	3,820	3,820
				Glorieta	5,500	5,500
				Tubb	6,922	6,922
				Abo	7,628	7,628
				Helfcamp	9,106	9,106
				Strawn	11,506	11,506
				Atoka	11,772	11,772
				Hutton	12,102	12,102
				Mississippien	12,596	12,596
				Woodford	13,640	13,640
Devonian	13,758	13,758				

U.S. GOVERNMENT PRINTING OFFICE: 1967 O 348-111

Well Name and Number: Majamar "15" Federal #1

Location: Sec. 15, T17S, R32E, Lea County, New Mexico

Operator: Santa Fe Energy Resources

Drilling Contractor: McVay Drilling Company

The undersigned certifies that he is an authorized representative of the drilling contractor who drilled the above described well and that he has conducted deviation tests and obtained the following results:

<u>Degrees @ Depth</u>		<u>Degrees @ Depth</u>		<u>Degrees @ Depth</u>	
1/4	207	1/4	8367	1/4	12629
1 1/4	414	1/4	8842	1/4	13602
1	668	1/4	7318		
1/4	1157	1/4	7762		
1/2	1604	3/4	8240		
1/2	2082	1/4	8653		
1/2	2558	1/2	9139		
1/2	3057	1/2	9634		
3/4	3356	3/4	9920		
1	3972	3/4	10411		
1/4	4460	1 1/4	10844		
1/4	4941	1 1/4	11287		
1/2	5410	1/4	11838		
1/4	5887	1/4	12338		

Drilling Contractor: McVay Drilling Company

By: [Signature]

Subscribed and sworn to before me this 2nd day of February, 1999.

[Signature]
Notary Public

My Commission Expires: 8-16-01

Lea County, New Mexico

JAMES BRUCE
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

(505) 982-2043
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April 23, 1999

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

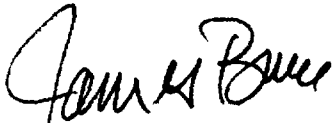
To: Persons on Exhibit A

Gentlemen:

Santa Fe Energy Resources, Inc. ("Santa Fe") filed an application for an unorthodox oil well location with the New Mexico Oil Conservation Division regarding its Maljamar "15" Fed. Well No. 1, located 1310 feet from the North and East lines of Section 15, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico. The well has been completed in the Wolfcamp formation (Baish-Wolfcamp Pool), and the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 15 will be dedicated to the well. Copies of the application and completion report are enclosed.

Santa Fe's records indicate you are an offset interest owner. Although this application was filed administratively, the pool rules for the subject pool require that a hearing be held on the application. Thus, this matter has been set for hearing on Thursday, May 13, 1999 at 8:15 a.m. at the Division's offices at 2040 South Pacheco Street, Santa Fe, New Mexico 87505. A copy of the proposed advertisement is also enclosed. Failure to enter an appearance in the case and object at the hearing will preclude you from objecting to the location at a later date.

Very truly yours,



James Bruce

Attorney for Santa Fe
Energy Resources, Inc.

EXHIBIT A

Marathon Oil Company
P.O. Box 552
Midland, Texas 79702

Marbob Energy Corporation
P.O. Drawer 227
Artesia, New Mexico 88211

Ram Energy Inc.
Suite 560, Meridian Tower
5100 East Skelly Drive
Tulsa, Oklahoma 74135-6549

Conoco Inc.
10 Desta Drive West
Midland, Texas 79705

Maralo, Inc.
P.O. Box 832
Midland, Texas 79702

Altura Energy Ltd.
P.O. Box 4294
Houston, Texas 77210

Hope Oil Co.
703 Navajo Road
Hobbs, New Mexico 88240