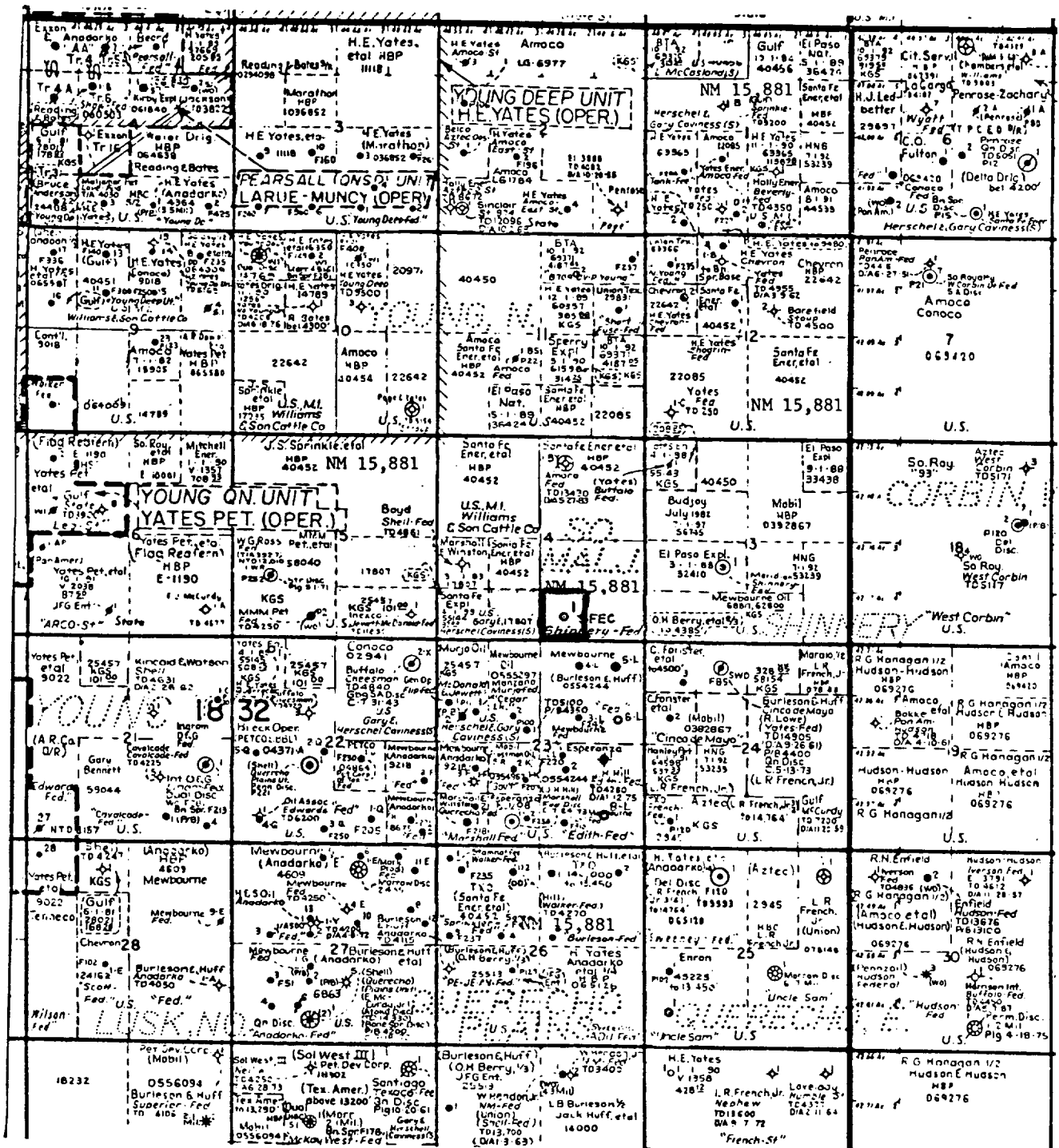




**SANTA FE ENERGY
OPERATING PARTNERS, LP.**
PERMIAN BASIN DISTRICT
MIDLAND, TEXAS

CARLSBAD AREA

LEA CO., NEW MEXICO

SHINNERY PROSPECT

SCALE 1"=4000'

DATE 7-1-88

BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

Santa Fe

Energy

EXHIBIT NO. 1

CASE NO. 9433

24-Mar-88

SANTA FE ENERGY COMPANY

WELL COST ESTIMATE

NAME: Shinnery No. 1
 LOC: 660' FSL & 1980' FEL, Sec 14-18S-32E, Lea County, N.M.
 DESC: Drill and Complete a 8,800' Bone Springs Well

ACCOUNT	DESCRIPTION OF COSTS	DRY HOLE	PRODUCER
511-000	TANGIBLE WELL COSTS		
-001	CONDUCTOR CSG 20" @ 40'	3,000	3,000
-002	SURFACE CSG 13-3/8" 48.0 ppf H-40 @ 400'	7,420	7,420
-003	PROTECTION CSG 8-5/8" 28.0 ppf S-80 @ 2850'	37,050	37,050
-004	PROD CSG 5-1/2" 17.0 ppf N-80 LT&C @ 8800'		74,360
-005	PROD LINER		
-012	CSG EQUIP	3,090	5,260
-015	TUBING		28,100
-021	TUBING EQUIP		1,300
-024	RODS		11,000
-026	ROD EQUIP		1,250
-029	SUBSURFACE PMPS		1,250
-031	OTHER DWN HOLE EQUIP		
-038	WELLHEAD	1,000	12,000
-042	PMPG UNIT		30,000
-046	PRIME MOVER		
-054	ELECTRICAL		10,000
-064	MISC. TANGIBLES		
	TOTAL TANGIBLE COSTS	51,560	221,990
54X-000	LEASE FACILITY COSTS		
-075	FLOW LINES		1,000
-079	TANK FACILITIES		12,500
	OTHER PROD EQUIP		10,000
	LABOR		10,000
	TOTAL LEASE FACILITY COSTS	0	33,500
521-000	INTANGIBLE WELL COSTS		
-127	LOCATION	11,000	11,000
-200	CONTRACTOR MOVING EXP	20,000	20,000
-201	CONT FOOTAGE OR TURNKEY		
-202	CONTRACTOR DAY WORK 21 @ \$4000/d	84,000	84,000
-205	COMPLETION UNIT 14 @ \$1500/d		21,000
-208	DRLC FLUID & ADDITIVES	11,000	11,000
-212	WTR & FUEL FOR RIG		
-215	BITS & REAMERS	16,000	16,000
-217	CORING & CORE ANALYSES	15,000	15,000
-219	CEMENT	9,300	20,100
-221	OPEN HOLE LOGGING	10,440	10,440
-223	DRILL STEM TSTG	5,000	5,000
-225	MUD LOGGING	6,300	6,300
-227	DIRECTIONAL DRLC SURVEYS		
-229	COMPLETION TOOL RENTAL		3,900
-230	DRILLING EQUIP RENTAL	11,050	11,050
-231	TRANSPORTATION	5,000	5,000
-236	TESTING: BHP, COR, 4 PT. POT		2,000
-238	CASED HOLE LOGS & PERFING		3,500
-241	STIMULATION		5,000
-244	INSPECTION & TSTG OF TANG	5,000	5,000
-246	RIG SITE SUPERVISION	6,600	9,600
-251	FENCING	1,000	1,000
-256	FSHC TOOLS & EXPENSES		
-664	ADMINISTRATIVE OVERHEAD	6,160	12,320
	ABANDONMENT COST	10,000	
	OTHER INTANGIBLES		
0	CONTINGENCY (5%)	11,643	13,911
	TOTAL INTANGIBLES	244,493	292,121
	TOTAL COSTS	296,053	547,611

Estimated By: Michael R. BantaDate: 3/24/88SFEC Approved By: Thomas E. Denton for HCBDate: 3-24-88

Non Operator Approval By: _____

Date: _____

BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

Santa Fe

Energy

EXHIBIT NO. 2

CASE NO. 9433



Santa Fe Energy Operating Partners, L.P.

Santa Fe Pacific Exploration Company
Managing General Partner

CERTIFIED MAIL
RETURN RECEIPT

June 29, 1988

TO: (See Addressee List)

Re: OD-NM-617,183 (O/A)
Shinnery Fed. #1 Well
Sec. 14, T-18-S, R-32-E,
Lea County, New Mexico

Gentlemen:

Enclosed for your information please find a copy of Santa Fe Energy Operating Partners, L.P.'s Application for an Order Pooling all interests from the surface to the base of the Bone Springs Formation in the SW/4SE/4 Section 14, T-18-S, R-32-E, N.M.P.M., Lea County, New Mexico, for the drilling of the referenced well. The Hearing is set before the New Mexico Oil Conservation Division on July 20, 1988.

It is anticipated that voluntary agreements will be secured with all the parties, however, to insure the timely drilling of this well, Santa Fe plans to continue with the pooling until all the proper agreements have been signed.

Should you have any questions, feel free to give me a call.

Sincerely yours,

SANTA FE ENERGY OPERATING PARTNERS, L.P.
By Santa Fe Pacific Exploration Company
as Managing General Partner

By Patrick J. Tower
Patrick J. Tower, Senior Landman

PJT/efw
1 Encl a/s

EFW547
Permian Basin District
500 W. Illinois
Suite 500
Midland, Texas 79701
915/687-3551

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
<u>Santa Fe</u> <u>Energy</u>	EXHIBIT NO. <u>3</u>
CASE NO. <u>9433</u>	

SHINNERY FED. #1
FORCED POOLING LIST

✓ Statex Petroleum Inc.
300 East Carpenter Fwy.
Suite 1100
P.O. Box 152011
Irving, Texas 75015
ATTN: Bill Brown

✓ Petro-Atlas Corporation
999 18th Street
Suite 2908
✓ Denver, Colorado 80202
ATTN: James L. Harden

✓ Mr. C. Daniel Walker
✓ P.O. Box 12508
Ft. Worth, Texas 76116

✓ Mr. J. Cecil Rhodes
511 West Texas
Midland, Texas 79701

✓ Esperanza Energy Corporation
Suite 210, 7400 Dallas Pkwy.
The Lakes at Bent Tree
Dallas, Texas 75252
ATTN: Edith L. Petty

✓ James L. Harden — .00001 %
999 18th Street
Suite 2908
Denver, Colorado 80202

Mr. Jack Huff
✓ P.O. Box 50190
Midland, Texas 79710-0190

✓ Heyne Oil & Gas Interests
(Heyne Investments, Ltd.,
a Partnership; Heirs or Devisees
of Fred J. Heyne, Jr. and
wife, Marie Flack Heyne)
3820 West Alabama
Suite 100
Houston, Texas 77027
ATTN: Fred Heyne, Jr.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P., FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

Case No. _____

APPLICATION

Santa Fe Energy Operating Partners, L.P., hereby makes application for an order pooling all interests from the surface to the base of the Bone Springs formation in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 14, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show:

1. Applicant is a working interest owner in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 14.

2. Applicant proposes to drill its Shinnery Federal Well No. 1 in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 14, at a location 660 feet from the south line and 1980 feet from the east line, to a depth of approximately 8800 feet or the base of the Bone Springs formation, and seeks to dedicate the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 14 to the well.

3. Applicant has in good faith sought to join all other mineral interest owners in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 14 for the purposes set forth herein.

4. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have refused to join in dedicating their acreage. Therefore, Applicant seeks an order

pooling all mineral interest owners underlying the SW¼SE¼ of Section 14, pursuant to N.M. Stat. Ann. § 70-2-17 (1987 Repl.).

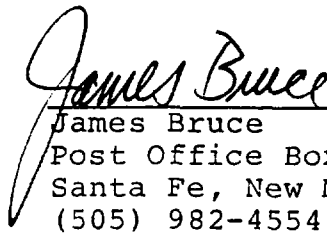
5. Applicant requests the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty of 200% for the risk involved in drilling the well.

6. The pooling of all interests underlying the SW¼SE¼ of Section 14 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. Applicant requests that this matter be heard at the July 20, 1988 Examiner hearing.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By


James Bruce

Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Applicant

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

☒ Show to whom delivered, date, and addressee's address. ☐ Restricted Delivery.

Article Addressed to: Speranza Energy Corp. Suite 210, 7400 Dallas Pkwy. The Lakes at Bent-Tree Dallas, Texas 75252 ATTN: Edith L. Petty	4. Article Number P-566 806 438
Type of Service: ☐ Registered ☒ Certified ☐ Express Mail	☐ Insured ☐ COD
Always obtain signature of addressee or agent and DATE DELIVERED.	
8. Addressee's Address (ONLY if requested and fee paid)	
Signature - Addressee <i>[Signature]</i>	
Signature - Agent <i>[Signature]</i>	
Date of Delivery 7-5-88	

Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

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Article Addressed to: Statex Petroleum Inc. 300 East Carpenter Fwy. Suite 1100 P.O. Box 152011 Irving, Texas 75015 ATTN: Bill Brown	4. Article Number P-566 806 437
Type of Service: ☐ Registered ☒ Certified ☐ Express Mail	☐ Insured ☐ COD
Always obtain signature of addressee or agent and DATE DELIVERED.	
8. Addressee's Address (ONLY if requested and fee paid)	
Signature - Addressee <i>[Signature]</i>	
Signature - Agent <i>[Signature]</i>	
Date of Delivery 7/6/88	

Form 3811, Feb. 1986

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☒ Show to whom delivered, date, and addressee's address. ☐ Restricted Delivery.

Article Addressed to: Petro-Atlas Corporation 999 18th Street Suite 2908 Denver, Colorado 80202 ATTN: James L. Harden	4. Article Number P0566 806 439
Type of Service: ☐ Registered ☒ Certified ☐ Express Mail	☐ Insured ☐ COD
Always obtain signature of addressee or agent and DATE DELIVERED.	
8. Addressee's Address (ONLY if requested and fee paid)	
Signature - Addressee <i>[Signature]</i>	
Signature - Agent <i>[Signature]</i>	
Date of Delivery 7-1-88	

PS Form 3811, Feb. 1986

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Article Addressed to: Mr. C. Daniel Walker P.O. Box 12508 Ft. Worth, Texas 76116	4. Article Number P-566 806 441
Type of Service: ☐ Registered ☒ Certified ☐ Express Mail	☐ Insured ☐ COD
Always obtain signature of addressee or agent and DATE DELIVERED.	
8. Addressee's Address (ONLY if requested and fee paid)	
Signature - Addressee <i>[Signature]</i>	
Signature - Agent <i>[Signature]</i>	
Date of Delivery 7-6-88	

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS
Print your name, address, and ZIP Code in the space below.
• Complete items 1, 2, 3, and 4 on the reverse.
• Attach to front of article if space permits, otherwise affix to back of article.
• Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE, \$300



RETURN TO

Print Sender's name, address, and ZIP Code in the space below.

OD-NM-617,183

Patrick J. Tower - Santa Fe Energy Company
500 West Illinois, 5th Floor
Midland, Texas 79701

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS
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1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to:
James L. Harden
999 18th Street
Suite 2908
Denver, Colorado 80202

4. Article Number
P-566 806 440

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee
James L. Harden

6. Signature — Agent
James L. Harden

7. Date of Delivery
7-1-88

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

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1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to:
Mr. J. Cecil Rhodes
111 West Texas
Midland, Texas 79701

4. Article Number
P-566 806 443

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee
James L. Rhodes

6. Signature — Agent
James L. Rhodes

7. Date of Delivery
6-30-88

8. Addressee's Address (ONLY if requested and fee paid)
James L. Rhodes

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

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1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery.

3. Article Addressed to:
Mr. Jack Huff
P.O. Box 50190
Midland, Texas 79710-0190

4. Article Number
P-566 806 442

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee
James L. Huff

6. Signature — Agent
James L. Huff

7. Date of Delivery
7-1-88

8. Addressee's Address (ONLY if requested and fee paid)
James L. Huff

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

in the space below.

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USE, \$300



10

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OD-NM-617, 183

ralph J. Jover - Santa Fe Energy Company

500 West Illinois, 5th Floor

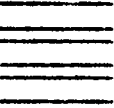
Midland, Texas 79701

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PENALTY FOR PRIVATE
USE. \$300

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JD-NM-617, 183

Patrick J. Tower - Santa Fe Energy Company

500 West Illinois, 5th Floor

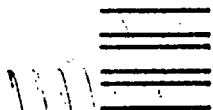
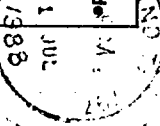
Midland, Texas 79701

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USE. \$300

To

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OD-NM-617, 183

Patrick J. Tower - Santa Fe Energy Company

500 West Illinois, 5th Floor

Midland, Texas 79701

[illegible]

R 32 E

A'

15

14

13

18

Proposed Location

IPP: 31 BO
29 MCFG

10-1-87
7 MBO
6 MM

2-1-87
37 MBO
81 MM

11-1-86
16 MBO
34 MM

12-1-86
25 MBO
60 MM

8-1-87
44 MBO
68 MM

12-1-87
25 MBO
46 MM

IPP: 251 BO
432 MCFG
90 BW

11-1-86
36 MBO
82 MM

5-1-86
64 MBO
109 MM

4-1-86
11 MBO

2-1-86
27 MBO
37 MM

3-1-86
6 MBO
20 MM

24

18

19

T
S

22

4-1-86
22 MBO
107 MM

2-1-86
36 MBO
107 MM

6-1-86
12 MBO
48 MM

11-1-86
36 MBO
82 MM

4-1-86
11 MBO

10-1-87
8 MBO
4 MM

11-1-81
85 MBO
257 MM

27
30 MBO
70 MM

4-1-86
23 MBO
73 MM

1-1-86
19 MBO
22 MM

8-1-85
63 MBO
133 MM

11-1-85
17 MBO
34 MM

12-1-85
40 MBO
39 MM

4-1-86
3 MBO
4 MM

2-1-86
27 MBO
37 MM

3-1-86
6 MBO
20 MM



SFEOPLP ACREAGE



FIRST BONE SPRINGS SAND PRODUCER

1-1-81

DATE OF FIRST PRODUCTION

85 MBO
257 MM

TOTAL CUM



SANTA FE ENERGY COMPANY
PERMIAN BASIN DISTRICT
MIDLAND, TEXAS

LEA SOUTH AREA
SHINNERY (SPRINKLE) PROSPECT
LEA COUNTY, NEW MEXICO

PRODUCTION MAP
CUM TO 4-1-88

Date: 4-18-88
Scale: 1"=2000'

C. Anderson

BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

Santa Fe

Energy EXHIBIT NO. 4

CASE NO. 9433