

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		7. UNIT AGREEMENT NAME 26683	
2. NAME OF OPERATOR Santa Fe Snyder Corp. 20305		8. FARM OR LEASE NAME, WELL NO. Riverside "31" Fed Com #1	
3. ADDRESS AND TELEPHONE NO. 550 W. Texas, Suite 1330; Midland, Texas 79701 (915) 682-6373		9. API WELL NO. 30-015-31351	
4. LOCATION OF WELL (Report location clearly and in accordance with any State Requirements.) At surface (G) 1980' FNL & 1980' FEL At proposed prod. zone		10. FIELD AND POOL, OR WILDCAT Riverside (Morrow)	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 3 miles N of Riverside, New Mexico		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 31, T-16-S, R-27-E	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1980'		12. COUNTY OR PARISH 13. STATE Eddy New Mexico	
16. NO. OF ACRES IN LEASE 280		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. NA		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3355' GR		22. APPROX. DATE WORK WILL START* June 12, 2000	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	K-55 8 5/8"	24.0	WITNESS 300'	400 sx to circulate
7 7/8"	K-55 4 1/2"	11.60	8600'	950 sx to circulate

We propose to drill to a depth sufficient to test the Morrow formation for gas. If productive, 4 1/2" casing will be cemented to 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:

Notify OCD at SPUD & TIME to witness cementing the 8 3/8" casing.

Drilling Program

Exhibit A - Operations Plan
Exhibit B - BOP and Choke Schematic
Exhibit C - Drilling Fluid Program
Exhibit D - Auxiliary Equipment
Exhibit E - Topo Map at Location

Exhibit F - Plat Showing Existing Wells
Exhibit G - Well Site Layout
Surface Use and Operations Plan

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

Santa Fe Snyder Corp. accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof described above.

Bond Coverage: Blanket Bond

BLM Bond File No.: UT-0855

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.

24. SIGNED James P. Philpott TITLE Agent for Santa Fe Snyder Corp. DATE 5-30-2000
(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:

APPROVED BY /S. LARRY D. DRAKE TITLE Assistant Field Manager, Lands And Minerals DATE SEP 18 2000

*See Instructions On Reverse Side

RECEIVED
MAY 31 2000
BLM
ROSWELL, NM