

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM 63361		
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
2. NAME OF OPERATOR Santa Fe Energy Operating Partners, L.P.			7. UNIT AGREEMENT NAME		
3. ADDRESS OF OPERATOR 500 W. Illinois, Suite 500, Midland, Texas 79701			8. FARM OR LEASE NAME Lusk 15 Fed Com		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' FSL & 660' FEL, Sec. 15, T19S, R31E At proposed prod. zone same			9. WELL NO. 1		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 23 miles east of Carlsbad, New Mexico			10. FIELD AND POOL, OR WILDCAT Lusk/Strawn		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 15, T19S/R31E		
16. NO. OF ACRES IN LEASE 160			12. COUNTY OR PARISH Eddy		
17. NO. OF ACRES ASSIGNED TO THIS WELL 160			13. STATE NM		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. None			19. PROPOSED DEPTH 11,500'		
20. ROTARY OR CABLE TOOLS Rotary			21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3539 GR		
22. APPROX. DATE WORK WILL START* June 10, 1988			23. PROPOSED CASING AND CEMENTING PROGRAM		

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48.0	450'	474 sx CIRCULATE
12-1/4"	8-5/8"	28.0	2,800'	1,523 sx CIRCULATE
7-7/8"	5-1/2"	17.0	11,500'	See below

Move in drilling rig. Drill 17-1/2" hole to 450'. Run 13-3/8" casing and cement to surface with 474 sx "C" cement w/2% CaCl₂ and 1/4 lbs/sx celloflake. WOC 6 hours. Nipple up BOP and test BOP and casing to 600 psi. Drill 12-1/4" hole to 2800'. Run 8-5/8" casing and cement with 1373 sx 35/65 Poz/"C" cement w/6% gel, 10% NaCl and 1 lbs/sx celloflake followed by 150 sx of "C" cement w/2% CaCl₂. Install BOP and test rams and choke to 5000 psi, annular to 1000 psi. Drill 7-7/8" hole to 11,500'. Run logs. Run 5-1/2" casing and cement with 50/50 Poz/"H" cement, 2% gel, 6 lbs/sx NaCl and 0.75% fluid loss additive. Sufficient cement will be used to cover all potentially productive zones.

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give flowout preventer program, if any.

24. SIGNED <u>Michael R. Burton</u> TITLE <u>Sr. Drilling Engineer</u> DATE <u>5-15-88</u>		RECEIVED MAY 16 1988 CARLSBAD RESOURCE AREA
(This space for Federal or State office use)		
PERMIT NO. _____	APPROVAL DATE _____ AREA MANAGER _____ CARLSBAD RESOURCE AREA	RECEIVED MAY 16 1988 CARLSBAD RESOURCE AREA
APPROVED BY <u>[Signature]</u> TITLE _____	DATE <u>4-17-88</u>	
CONDITIONS OF APPROVAL, IF ANY:		

*See Instructions On Reverse Side