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FORM APPROVED Form 3160-5 UNITED STATES Budget Bureau No. 1004-0135 DEPARTMENT OF THE INTERIOR (June 1990) Expires: March 31, 1993 **BUREAU OF LAND MANAGEMENT** 5. Lease Designation and Serial No. SUNDRY NOTICES AND REPORTS ON WELLS If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT - " for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE Type of Well X Gas 8. Well Name and No. 2. Name of Operator Federal "N" #1 Santa Fe Energy Resources, Inc. 9. API Well No. 3. Address and Telephone No. 30-015-25965 550 W. Texas, Suite 1330, Midland, TX 79701915/687-3551 10. Field and Pool, or exploratory Area 1. Location of Well (Footage, Sec., T., R., M., or Survey Description) Hackberry Hills (Atoka) (M), 467' FSL and 660' FWL. Sec. 6. T-22S. R-26E 11. County or Parish, State Eddy Co.. NM CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Abandonment Change of Plans Recompletion New Construction Subsequent Report Non-Routine Fracturing Plugging Back Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) 13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) It is planned to add additional Atoka perforations from 10.512-18': 10.522-26': and 10,543-49' (67 holes) w/ a 1-11/16" strip gun at 4 SPF. New Atoka perfs and the existing Atoka perfs will be acidized w/ 3000 gals 15% NEFE & 50% CO2 dropping 95 ball sealers. If productive, the well will be returned to production. If the Atoka proves to be non-productive, a CIBP will be set at 9750' and capped w/ 35' of The Bone Spring formation will be perforated w/ 1 SPF from 6651'-6658' & 6670'-6681' (total of 20 holes). This Bone Spring interval will be acidized & fracture treated. A 2nd Bone Spring interval (6507'-12' & 6516'-30') will be perforated w/ 21 shots, acidized and fracture treated separately. The Bone Spring will then be pump tested and if successful recompletion papers will be filed. MAY 2 0 1996 Placed Title Sr. Production Clerk (This space for Federal or State office use)

Approved by **CORIG. SEV.** Conditions of approval, if any: