

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FREE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-3789
7. Lease Name or Unit Agreement Name Rock Waterhole Canyon 16 State
8. Well No. 1
9. Pool name or Wildcat Indian Basin (Upper Basin)

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	
2. Name of Operator Santa Fe Energy Resources, Inc.	
3. Address of Operator 550 W. Texas, Suite 1330, Midland, TX 79701	
4. Well Location Unit Letter <u>D</u> : <u>1240</u> Feet From The <u>North</u> Line and <u>660</u> Feet From The <u>West</u> Line Section <u>16</u> Township <u>22-South</u> Range <u>24-East</u> NMPM <u>Eddy</u> County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 4160' GR	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <u>Submit Directional Plan</u> <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Santa Fe Energy Resources, Inc. plans to directionally drill the captioned well from the surface location listed above to a bottomhole location of 660' FNL & 660' FWL. Our plans are to kick-off at approximately 7,000' at a due north azimuth and build angle at 3 degrees/100' to an inclination of 24 degrees and hold that angle to a total displacement of 580 ft at a total depth of 8,700'. (See Attached Direction Plan).

Santa Fe Energy Resources, Inc. owns 100% of the lease on the SW/4 of NW/4 of Section 16, the 1/4 section south of the surface location.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

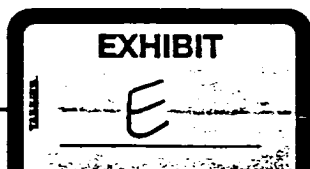
SIGNATURE Darrell Roberts TITLE Division Drilling Engineer DATE 7/11/96

TYPE OR PRINT NAME Darrell Roberts

TELEPHONE NO. 915-686-6614

(This space for State Use)

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY:



TITLE DATE