

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"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 81219	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" 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 Snyder Corp. 203205		7. UNIT AGREEMENT NAME 16774	
3. ADDRESS AND TELEPHONE NO. 550 W. Texas, Suite 1330; Midland, Texas 79701 (915) 682-6371		8. FARM OR LEASE NAME, WELL NO. Old Ranch Canyon "7" Fed #4	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface (E) 1599' FNL & 1248' FWL At proposed prod. zone (L) 1360' FSL & 990' FWL		9. API WELL NO. 30-CIS-31151	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 16 3/4 miles west of Carlsbad, New Mexico		10. FIELD AND POOL, OR WILDCAT Indian Basin (Upper Penn) Assoc.	
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 7, T-22-S, R-24-E		12. COUNTY OR PARISH Eddy	
13. STATE New Mexico		13. STATE New Mexico	
19. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 990'		16. NO. OF ACRES IN LEASE 640	
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2346		17. NO. OF ACRES ASSIGNED TO THIS WELL 320	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3996' GR		20. ROTARY OR CABLE TOOLS Rotary	
22. APPROX. DATE WORK WILL START April 1, 2000		23. PROPOSED CASING AND CEMENT	

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 3/4"	K-55 9 5/8"	36#	1600'	775 sx to circulate
8 3/4"	K-55 7"	26#	8500'	400 sx TOC @ 6000'

We propose to drill to a depth sufficient to test the Cisco/Canyon formation for oil. If productive, 7" casing will be run to TD. If non-productive, the well will be plugged and in a manner consistent with Federal Regulations. Specific programs as per Onshore Oil and Gas Order No. 1 are outlined in the following attachments:

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 F (A) - Plat of Location
- Exhibit G - Well Site Layout
- Surface Use and Operations Plan
- H2S Drilling Operations Plan

Santa Fe Snyder Corp. accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof, as 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 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 B. "Phil" Johnson

TITLE

Agent for Santa Fe Snyder Corp.

DATE

3-2-00

(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

(ORIG. SCD) ANTONIO A. LOPEZ

TITLE

Assistant Field Manager,
Lands And Minerals

DATE

APR 17 2000

*See Instructions On Reverse Side

APPROVED FOR 1 YEAR