

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☐

DEEPEN ☐

PLUG BACK ☒

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER ☐

SINGLE ZONE ☒

RECEIVED

2. NAME OF OPERATOR

Santa Fe Energy Operating Partners, L.P.

3. ADDRESS OF OPERATOR

500 W. Illinois, Suite 500, Midland, TX 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface 1980' FSL, 1980' FEL, J-SEC 3, T-24S, R-29E

C. C. D.

ARTESIA, OFFICE

At proposed prod. zone same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

6 miles east of Malaga, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1980

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

NA

19. PROPOSED DEPTH

7862-7896'

20. ROTARY OR CABLE TOOLS

NA

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3052.2' GL

22. APPROX. DATE WORK WILL START*

As soon as approved

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	54.5	714	750 sx (circ to surf)
12 1/4	9 5/8	43.5	3082	2300 sx (circ to surf)
8 1/2	7	29	10,385	800 sx (TOC 5060' by T.S.)
6	4 1/2	11.6 & 13.5	9690-13,934	600 sx (TOC 9690')

Presently, a permanent packer is set at 12,930' and a retrievable packer is set at 12,788'. Atoka perms are open behind the tbg at 12,503-16', and Morrow perms open below the packer at 13,041-13,494'. Neither the Atoka or Morrow is currently commercially productive.

PROCEDURE: (Recomplete to 1st B. Spring SN 7862-96')

1. Kill well, Circ 10 ppq mud from 12,900' to 8000'. TOH w/ tbg.
2. Set CIBP's at 12,900', 12,475', and 9650', Cap each with 50' of cmt.
3. Perf the 1st Bone Spring Sand 7862-96' with 4" csq gun, 1 spf.
4. Breakdown perms with acid, and stimulate with a propped hydraulic fracture. Hole is vertical, and all depths are measured.

BOP: All work will be done with a standard pulling unit w/ 3000 psi manual BOP. The Atoka & Morrow are not productive, & the Bone Spring is normal press.

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 blowout preventer program, if any.

24.

SIGNED

C. Robert W. [Signature]

TITLE

Sp. Production Engineer

DATE

9-7-90

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DEVELOPMENT ENGINEER

DATE

9-12-90

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

MEXICO OIL CONSERVATION COMMISS
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
 Supersedes C-128
 Effective 1-1-65

All distances must be from the outer boundaries of the Section

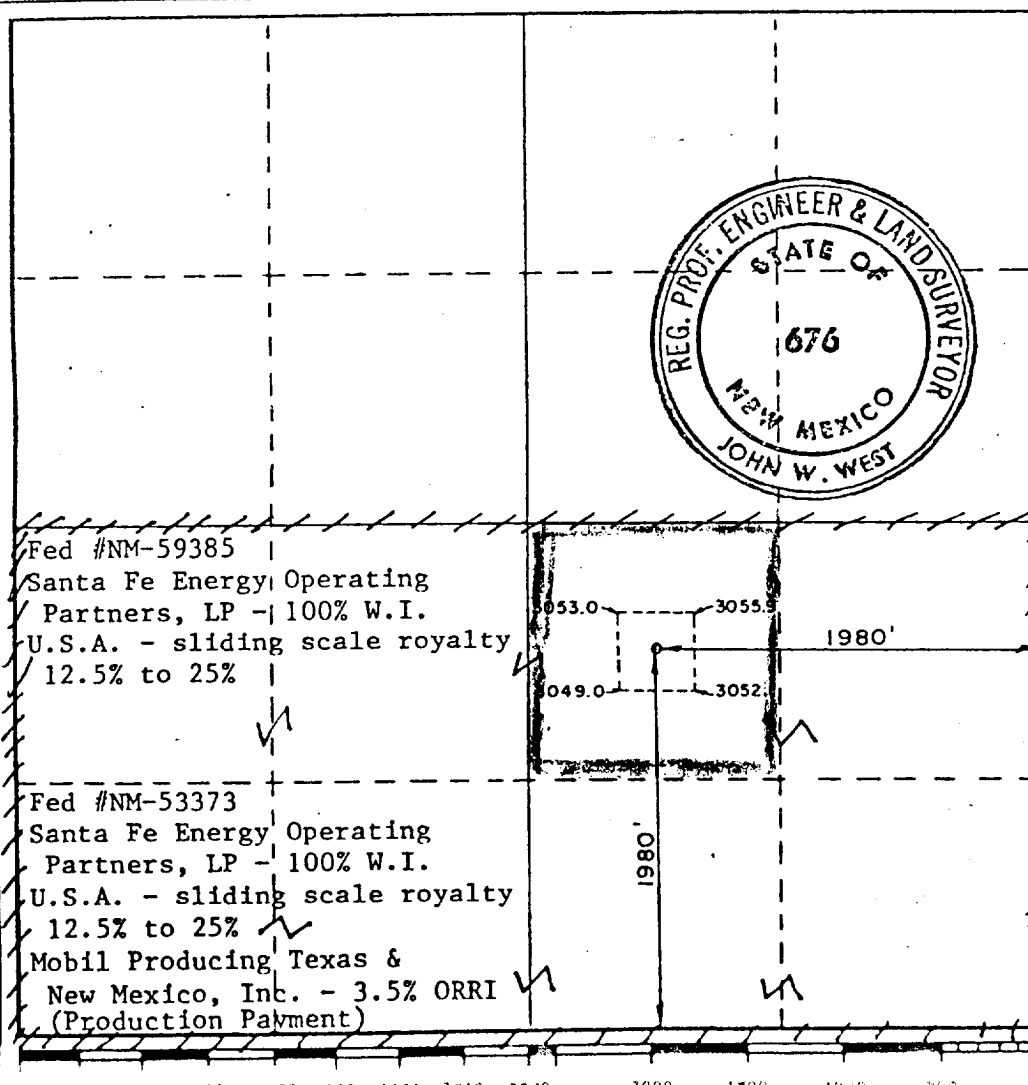
Operator Santa Fe Energy Operating Partners LP			Lease HB 3 Federal		Well No. 1
Unit Letter J	Section 3	Township 24 South	Range 29 East	County Eddy	
Actual Footage Location of Well: 1980 feet from the South line and 1980 feet from the East line					
Ground Level Elev. 3052.2	Producing Formation 1st Bone Spring		Pool wildcat		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

C. Robert Winkler III

Name

C. ROBERT WINKLER III

Position

Sr. Production Engineer

Company **Santa Fe Energy Operating Partners, LP**

Date **9-7-90**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

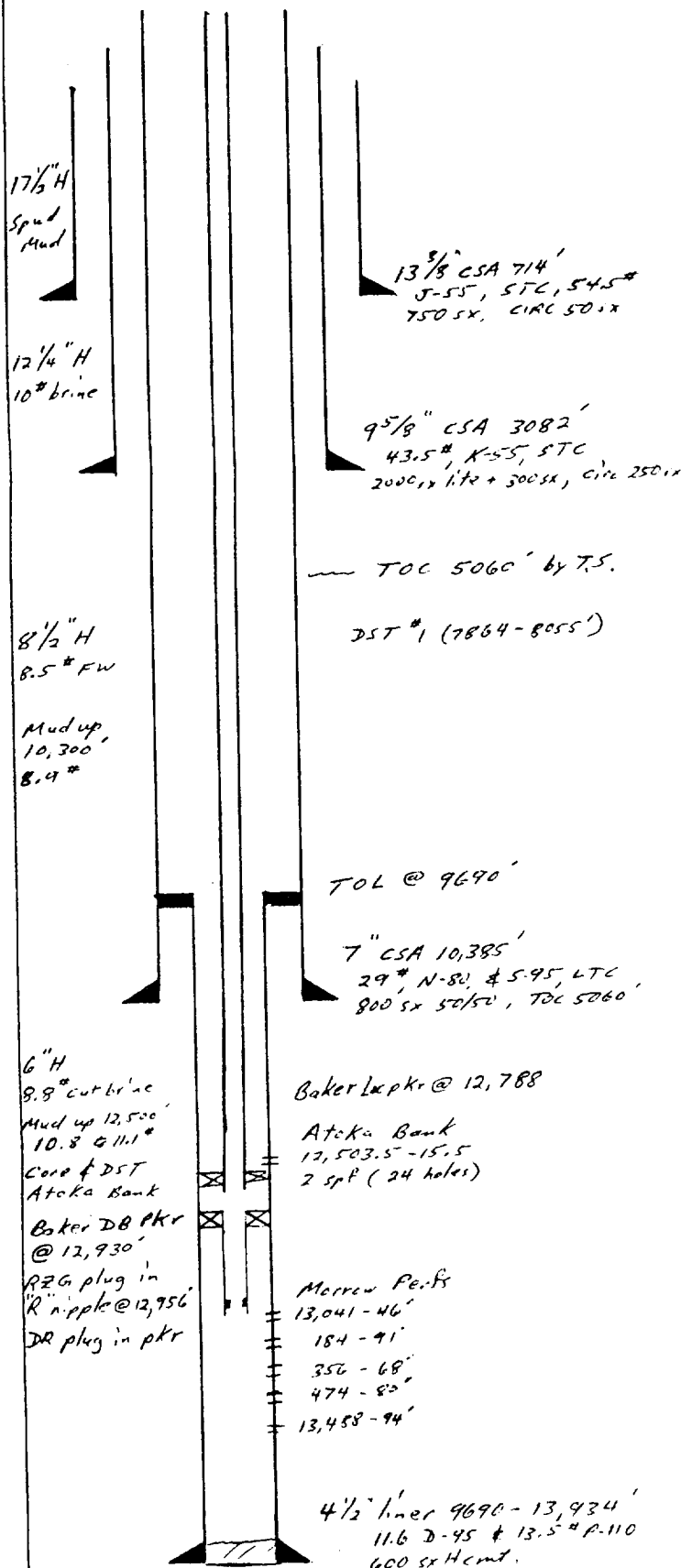
Date Surveyed

May 18, 1987

Registered Professional Engineer and/or Land Surveyor

Certificate No. **JOHN W. WEST, 676**

RONALD J. EDISON



H. B. 3 FEDERAL No. 1
COM

CEDAR CANYON MORROW FIELD
Hash Brown Prospect - AFE J57621
Eddy County, NM

1980' FSL & 1980' FEL
J- Sec 3 - T245 - R29E

83 x 80 : WI 52.71% NRI 43.93%
A3 x 80 : WI 41.14% NRI 34.28%

SPUD: 7-22-87
GL: 3052.2

TD: 4-16-87
KB: 3077.6' (25.4')

Initial Completion:

10-17-87: Morrow 13,488-94, 474-80
13,184-91, 041-46 (34H) 3 1/8" CSG gun.
Acid w/ 2400 gal 7 1/2% Morrow Acid
Frac w/ 18,000 gal 10% Meth and 28,000"
20/40 ISP, 1-3 ppg, in 3 sty.
Perf 13,356-68 thru tbg.
11-24-87: CAOF 1251 MCFD.

Recompletion:

3-1-90: Atoka Bank 12,503.5-15.5'
(24H) using Vann Gun.
Swb 53 BW w/ trace of gas
Shut in.

Tubing Detail:

241 jts 2 3/8" N-80 8' L Mod AG.
X-OVR 8' L to Hyd 501TD
138 jts L-80 501TD Hydrl thg.
Guib. XL 90 w/ 1.781" profile
Guib. UNI VI 10X pkr
1 jt 2 3/8" N-80
2 3/8" - 2 7/8" mule shoe.