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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

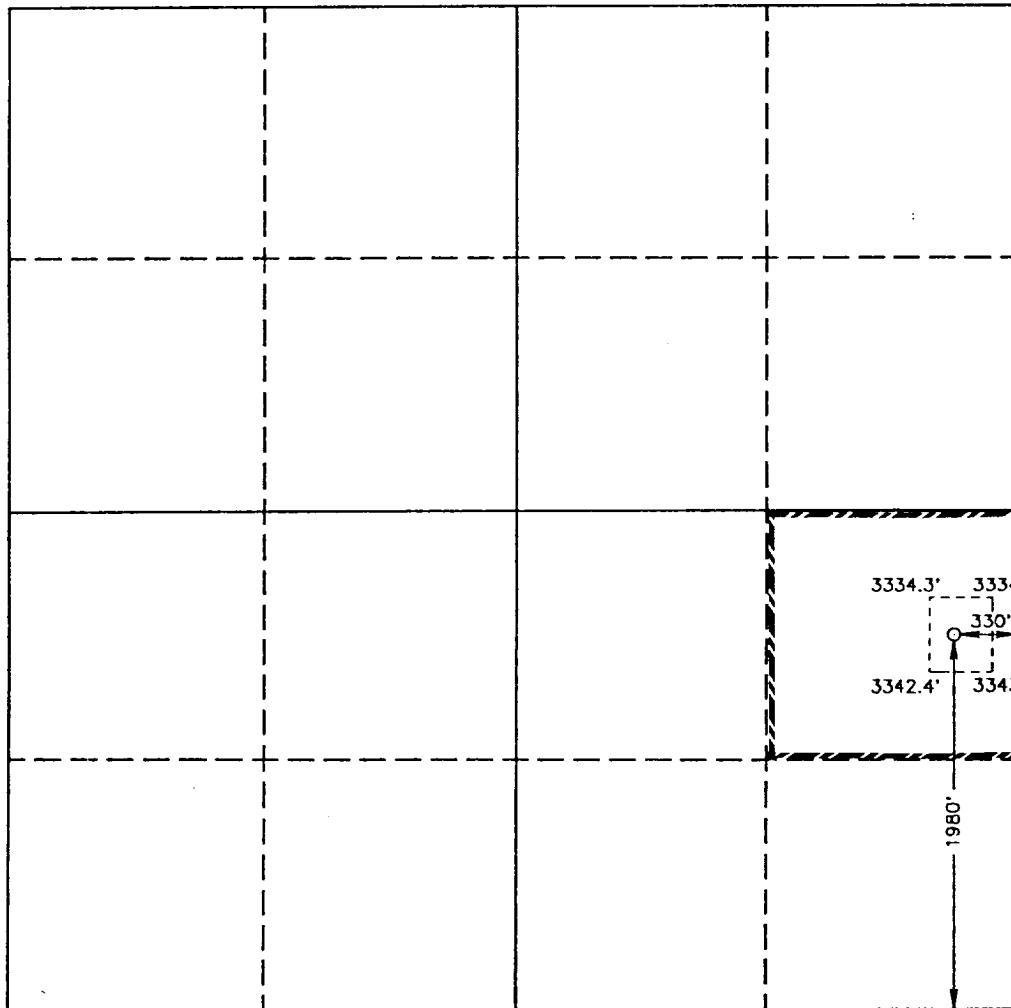
DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator SANTA FE ENERGY RESOURCES, INC.			Lease PURE GOLD C-17		Well No. 3
Unit Letter I	Section 17	Township 23 SOUTH	Range 31 EAST	County EDDY	
Actual Footage Location of Well: 1980 feet from the SOUTH line and 330 feet from the EAST line					
Ground Level Elev. 3336.2'	Producing Formation DELAWARE		Pool SAND DUNES WEST DELAWARE		Dedicated Acreage: 40 Acres
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.</p> <p>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).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)</p> <p>No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>					



OPERATOR CERTIFICATION

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

Signature

Darrell Roberts

Printed Name

DARRELL ROBERTS

Position

SR. DRILLING ENGINEER

Company SANTA FE ENERGY

OPERATING PARTNERS, L.P.

Date

8-28-92

SURVEYOR CERTIFICATION

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

JULY 22, 1992

Signature & Seal of
Professional Surveyor

Ronald J. Eidson
Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239
GARY L. JONES, 7877

92-11-0893

DRILLING PROGRAM

Pure Gold C-17 No.3

Page 2

9 Abnormal Conditions. Pressures, Temperatures, & Potential Hazards:

DRILLING PROGRAM

SANTA FE ENERGY OPERATING PARTNERS, L.P.
Pure Gold C-17 No.3

In conjunction with Form 3160-3, Application to Drill the subject well, Santa Fe Energy Operating Partners, L.P., submits the following ten items of pertinent information in accordance with Onshore Oil & Gas Order No. 10.

1. Geologic Name of Surface Formation: Alluvium

2. Estimated Tops of Significant Geologic Markers:

Rustler Anhydrite	750'
Base of Salt	3840'
Delaware "Ramsey" Sand	4170'
Cherry Canyon	5070'
Brushy Canyon	7790'
Bone Spring	8060'
Total Depth	8200'

3. The estimated depths at which water, oil, or gas formations are expected:

Water	None expected in area
Oil	Delaware Sand @ 4170'
Oil	Lower Brushy Canyon @ 7790'

4. Proposed Casing Program: See Form 3160-3 and Exhibit A.

5. Pressure Control Equipment: See Exhibit B.

6. Drilling Fluid Program: See Exhibit C.

7. Auxiliary Equipment: A mud logging unit will be utilized to monitor penetration rate and hydrocarbon shows while drilling below the intermediate casing at 4100'.

8. Testing, Logging and Coring Program:

Drill Stem Tests: (all DST's to be justified on the basis of a valid show of oil or gas):

Ramsey Sand	4170'-4300'
Lower Brushy Canyon	7790'-7900'

SANTA FE ENERGY OPERATING PARTNERS, L.P.
OPERATIONS PLAN
Pure Gold C-17 No.3

1. Drill a 17 1/2" hole to approximately 600'.
2. Run 13 3/8" 48.0 ppf H-40 ST&C casing. Cement with 600 sx Class "C" cement containing 2% CaCl₂. Run centralizers on every other joint above the shoe. Apply thread lock to bottom two joints and guide shoe.
3. Wait on cement four hours prior to cutting off.
4. Nipple up a annular BOP system and test casing to 600 psi.
5. Drill a 12 1/4" hole to approximately 4130'.
6. Run 8 5/8" 32.0 ppf K-55 ST&C casing. Cement with 1750 sx CI "C" Lite containing 12 pps salt and 1/4 pps celloflake followed by 250 sx Class "C" with 2% CaCl₂. Run guide shoe on bottom and float collar two joints of bottom. Centralize every other joint for bottom 400' of casing and place two centralizers in surface casing. Thread lock bottom 2 joints.
7. Wait on cement for six hours prior to cutting off.
8. Nipple up and install a 3000 psi. Double Ram and Annular BOP system with choke manifold.
9. Test BOP system to 3000 psi. Test casing to 1500 psi.
10. Drill 7 7/8" hole to 8200'. Run logs.
11. Either run and cement 5 1/2" 15.50 ppf K-55 LT&C casing or plug and abandon as per BLM requirements.

Exhibit A
Santa Fe Energy Operating Partners, L.P.
Pure Gold C-17 No.3
Section 17, T-23S, R-31E
Eddy County, New Mexico

DDR:PGC173

PROPOSED 3-M BOPE AND CHOKE ARRANGEMENT

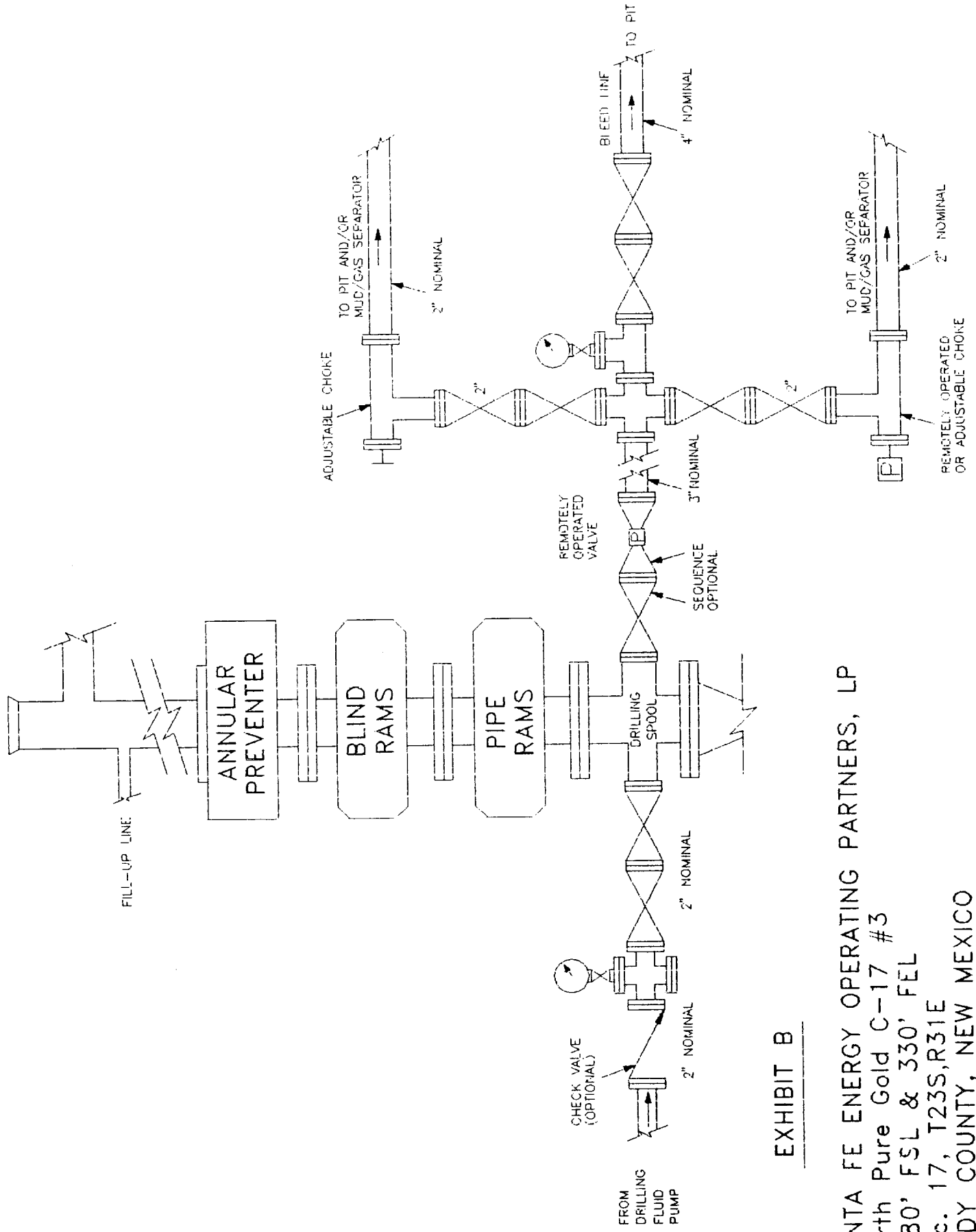


EXHIBIT B

SANTA FE ENERGY OPERATING PARTNERS, LP
 North Pure Gold C-17 #3
 1980' FSL & 330' FEL
 Sec. 17, T23S, R31E
 EDDY COUNTY, NEW MEXICO

PROPOSED DRILLING FLUID PROGRAM

0 - 600'

Spud mud consisting of fresh water gel flocculated with Lime. Use ground paper for seepage control and to sweep the hole. MW-8.5 ppg and Vis-40.

600-4130'

Drill out with brine water circulating the inner portion of the reserve pit. Utilize ground paper mixed in prehydrated fresh gel to sweep the hole. MW-10.0 ppg and Vis-28.

4130-8200'

Drill out with cut brine (30,000 ppm chlorides minimum) circulating the outer portion of the reserve pit. Maintain pH at 8.5-9.5 with caustic and sweep the hole as necessary with ground paper. If it becomes necessary to mud up due to hole conditions, utilize a cut brine/Drispac system for 15-20 WL and a Vis of 30-32. MW-8.5/8.9 ppg.

Exhibit C
Santa Fe Energy Operating Partners,L.P.
Pure Gold C-17 No.3
Section 17,T-23S,R-31E
Eddy County, New Mexico

DDR:PGC173

AUXILIARY EQUIPMENT

DRAWWORKS	BDW 650M 650 HP, with Parmac Hydromatic brake
ENGINES	Two Caterpillar D-353 diesels rated at 425 HP each
ROTARY	Ideco 23", 300 ton capacity
MAST/SUB	Ideal 132', 550,000 lb rated static hook load with 10 line Wagner 15' high substructure
TRAVELLING EQUIPMENT	Gardner-Denver, 300 ton, 5 sheave w/ BJ 250 ton hook. Brewster Model 7 SX 300 ton swivel.
PUMPS	Continental-EMSCO DC-700 and DB-550, 5 1/2 X 16" Duplex, Compound driven.
PIT SYSTEM	1-Shale Pit 6X7X35', 1-Settling Pit 6X7X38', 1-Suction Pit 6X7X34' w/ 5 mud agitators. Two centrifugal mud mixing pumps and a Double Screen Shale Shaker.
LIGHT PLANT	Two CAT 3306 diesel electric sets 180 KW prime power.
BOP EQUIP	13 5/8" 5000 psi WP double ram and 13 5/8" 5000 psi WP Shaffer Annular Preventer. Choke manifold rated at 5000 psi. Valvcon 5-station 80 gallon closing unit.

Exhibit D
Santa Fe Energy Operating Partners, L.P.
Pure Gold C-17 No.3
Section 17, T-23S, R-31E
Eddy County, New Mexico

DDR:PGC173

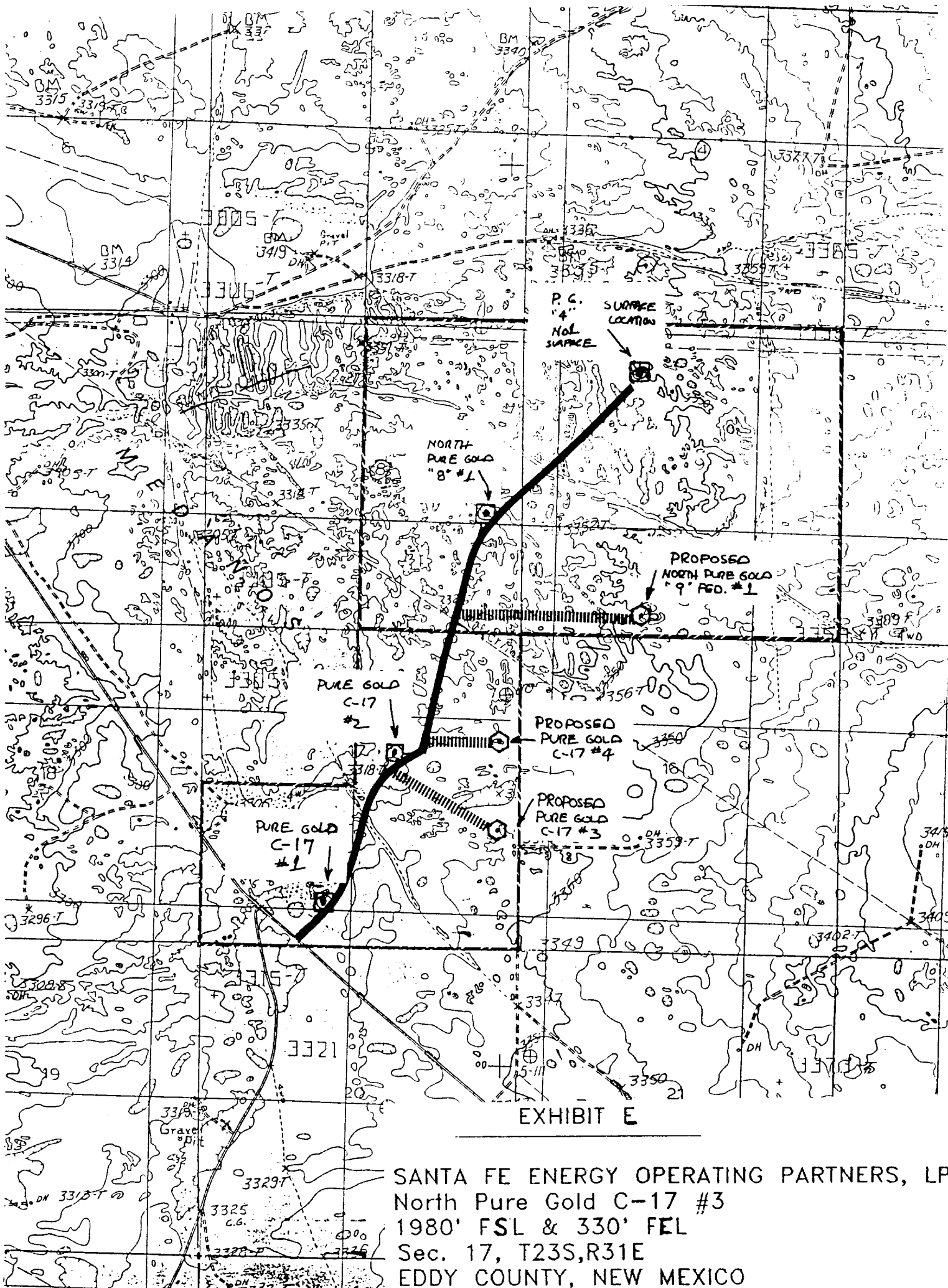


EXHIBIT E

SANTA FE ENERGY OPERATING PARTNERS, LP
North Pure Gold C-17 #3
1980' FSL & 330' FEL
Sec. 17, T23S,R31E
EDDY COUNTY, NEW MEXICO

T 23 S

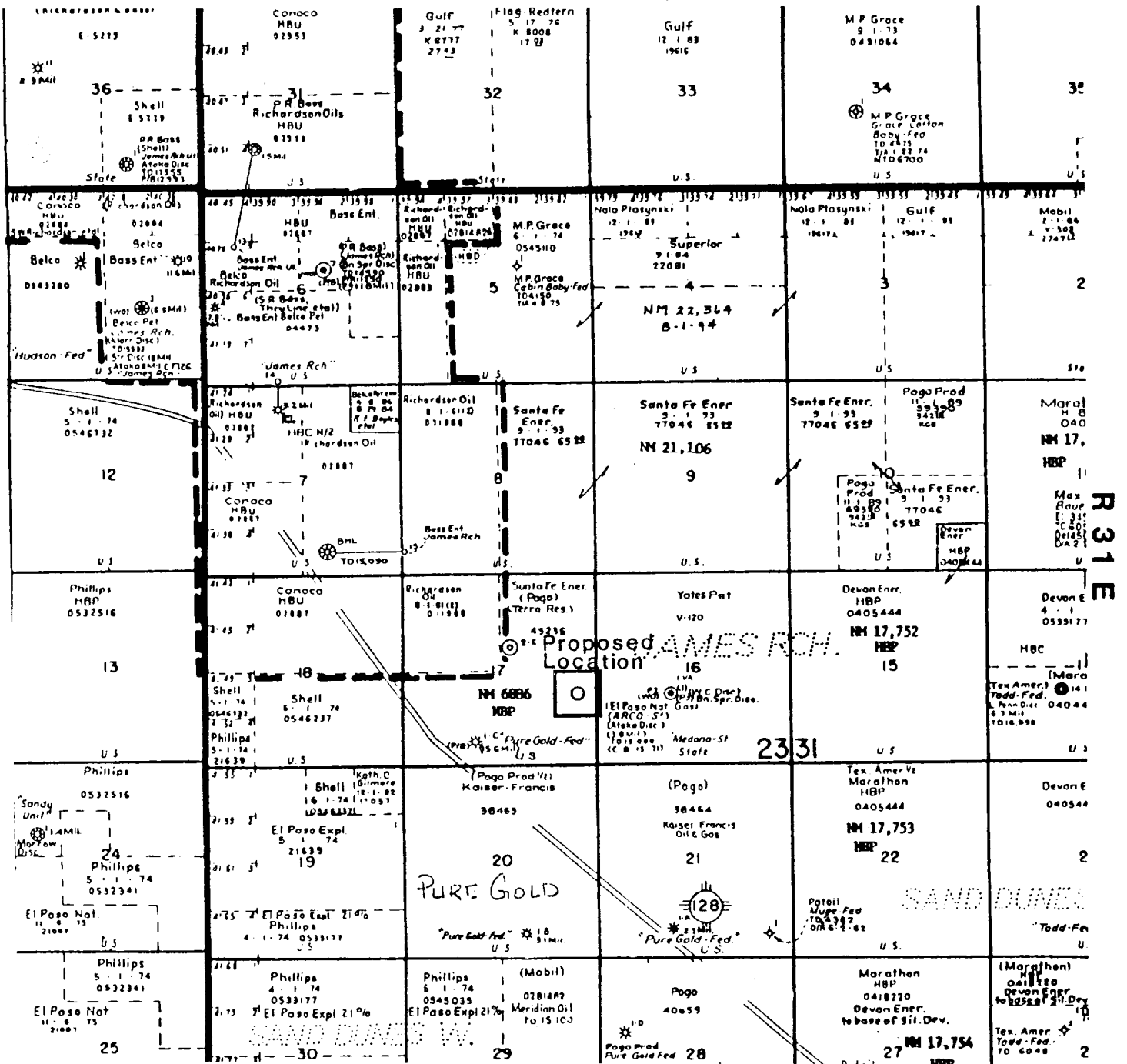
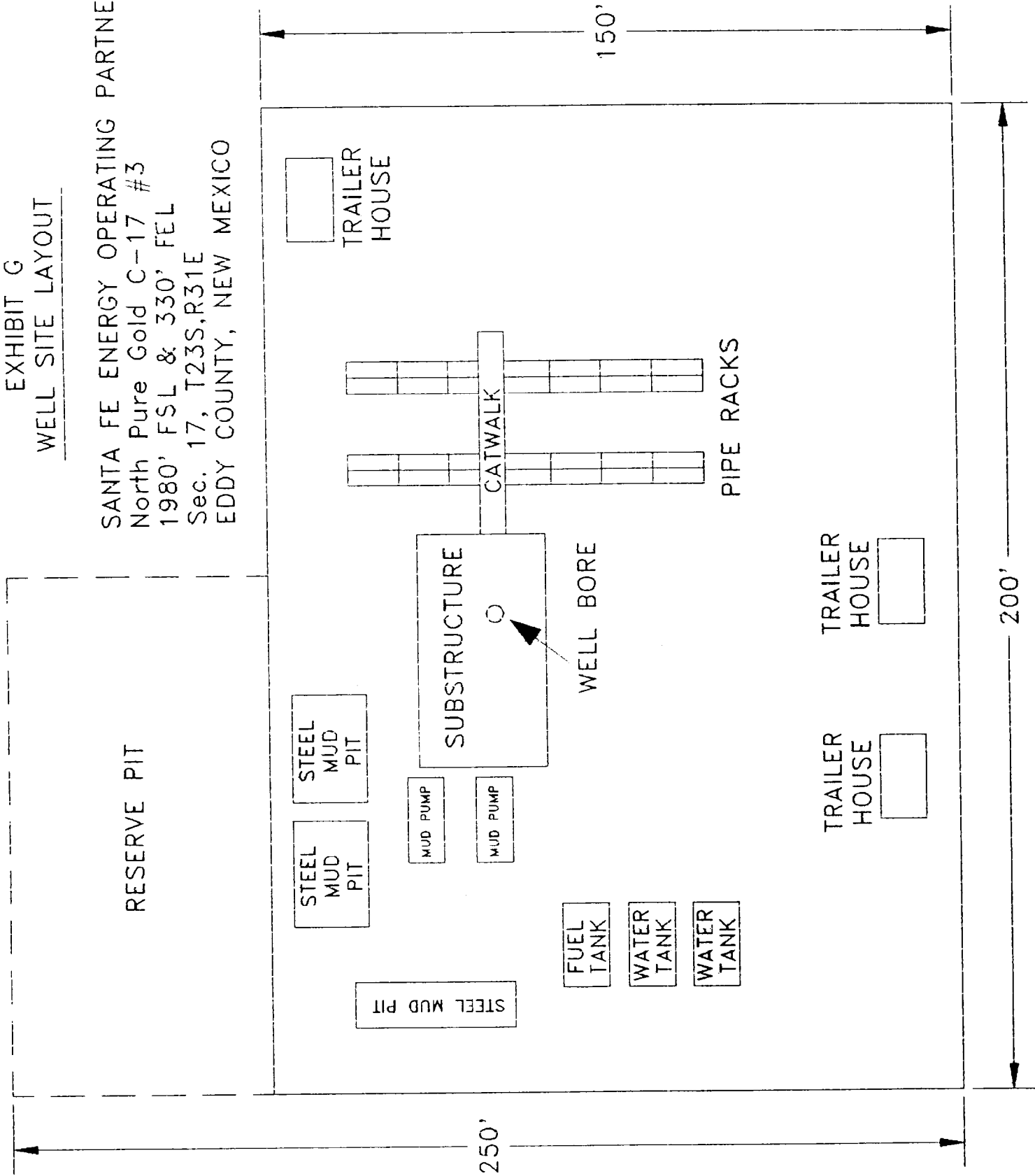


EXHIBIT F

SANTA FE ENERGY OPERATING PARTNERS, LP
North Pure Gold C-17 #3
1980' FSL & 330' FEL
Sec. 17, T23S,R31E
EDDY COUNTY, NEW MEXICO

EXHIBIT G
WELL SITE LAYOUT

SANTA FE ENERGY OPERATING PARTNERS, LP
North Pure Gold C-17 #3
1980' FSL & 330' FEL
Sec. 17, T23S,R31E
EDDY COUNTY, NEW MEXICO



6. SOURCES OF CONSTRUCTION MATERIALS.

- A. Any caliche required for construction of the drilling pad will be obtained from a pit located of the wellsite.

7. METHODS OF HANDLING WASTE DISPOSAL

**MULTI-POINT SURFACE USE AND OPERATIONS PLAN
SANTA FE ENERGY OPERATING PARTNERS,L.P.
Pure Gold C-17 No.3
1980' FSL & 330' FEL
Section 17, T-23S, R-31E
Eddy County, New Mexico**

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed by rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS.

- A. Exhibit E is a 15 minute topographic map which shows location of the proposed wellsite and roads in the vicinity. The proposed location is situated approximately 18 miles northeast of Loving, New Mexico.

DIRECTIONS:

1. From the junction of Highway 31 and Highway 128, go east on Highway 128 for 12.8 miles.
2. Turn left (North) onto lease road and continue 3/4 mile to the Pure Gold C-17 No.2 location and turn southeast and go 3/8 mile to location.

2. PLANNED ACCESS ROAD.

A 14' wide access road will extend from an existing lease road 2000' west of the proposed well.

3. LOCATION OF EXISTING WELLS.

- A. The well Locations in the vicinity of the proposed well are shown Exhibits E & F.

4. LOCATION OF EXISTING AND/ OR PROPOSED FACILITIES.

- A. There are two existing producing gas wells on this lease at this time.
- B. In the event the well is productive, the necessary production equipment will be installed on the drilling pad. If the well is productive of oil, a gas or diesel self-contained unit will be used to the necessary power.

- B. Unguarded pits, if any, containing fluid will be fenced until they have been filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management and the United States Geological Survey will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and levelled within 300 days after abandonment.

11. TOPOGRAPHY

- A. The wellsite and access route are located in a relatively flat area.
- B. The top soil at the wellsite is sandy.
- C. The vegetation cover at the wellsite is moderately sparse, with prairie grasses, some mesquite bushes, and shinnery oak.
- D. No wildlife was observed but it is likely that deer, rabbits, coyotes, and rodents traverse the area.
- E. There are no ponds, lakes, streams, or rivers within one mile of the wellsite.
- F. There is no evidence of any archaeological, historical, or cultural sites in the vicinity of the location.

12. OPERATOR'S REPRESENTATIVES.

- A. The field representatives responsible for assuring compliance with the approved surface use plan are:

Michael R. Burton	Darrell Roberts
Division Operations Manager	Senior Drilling Engineer
Santa Fe Energy Operating	Santa Fe Energy Operating
Partners, L.P.	Partners, L.P.
550 W. Texas, Suite 1330	550 W. Texas, Suite 1330
Midland, Texas 79701	Midland, Texas 79701
915-687-3551 - office	915-687-3551 - office
915-699-1260 - home	915-684-4130 - home
915-523-1474 - cellular	915-553-1214 - cellular

13. CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Santa Fe Energy Operating Partners, L.P., and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

SIGNED this 31ST day of August, 1992. Darrell Roberts
Darrell Roberts, Senior Drilling Engineer