Form 3150-3 (November 1983) (formeriy 9-331C)	DEPARTMEN	PED STATE	S INTERIO	SUBMIT IN (Other instr. reverse)	ions on	30-015-2 Form approved. Budget Bureau I Expires August 5. LEASE DESIGNATION NM-45236	No. 1004-0136
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK						6. IF INDIAN, ALLOTTER	
DRI D. TYPE OF WELL		DEEPEN		PLUG BA	ск 🗆	7. UNIT AGREEMENT N.	
WELL A W	ELL OTHER)9 <u>1993</u>	SINGLE			8. FARM OR LEASE NAME	
2. NAME OF OPERATOR Santa	Fe Energy Oper	-	1	1111 9 0 40	93	Sterling Silv 9. WELL NO.	er 33 Federa
3. ADDRESS OF OPERATOR 550 W.	Texas, Suite	1330, Midla	nd, Texa	C. (. D. Is 79701	Г.	10. FIELD AND POOL, O	R WILDCAT
(B), 5 At proposed prod. son		lO' FEL, Se	c. 33, 1			Sand Dunes, W 11. SEC. T. R. M. OB D AND SURVEY OF AR Sec. 33, T-23	54
14. DISTANCE IN MILES			T OFFICE*			12. COUNTY OR PARISH	
15. DISTANCE FROM PROPU	st of Loving,	New Mexico				Eddy	NM
LOCATION TO NEAREST PROPERTY OR LEASE L (Also to nearest drig	INE, FT. . unit line, if any)	530'		ACRES IN LEASE	17. NO. O TO TE	F ACRES ASSIGNED HIS WELL 40	<u> </u>
15. DISTANCE FROM PROPOSED LOCATION [®] TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1320' 8100' ROTARY BADD' ROTARY							
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3388' GR Carisbad Controlled Water Basin June 15, 1993							
		PROPOSED CASI	NG AND CEN	ENTING PROGRA	M Secre		
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER F	OOT	SETTING DEPTH	1	ary's Potash R	-111-P Potash
17-1/2"	13-3/8"	48.0		600'	600 ~		
12-1/4"	8-5/8"	32.0		4150'	2000	<u>x to circulate</u> sx to circulate	
7-7/8"	5-1/2"	15.5		8100'	To ti	e back to 4150	+ SEE STIPS.
We propose to d	rill to a depth	sufficien	t to tes	t the Deler	C		

If productive, 5-1/2" casing will be cemented at TD. If non-productive, the well will be plugged and abandoned 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 E — Topo Map of Location
Exhibit B - BOP and Choke	Exhibit F — Plat Showing Existing Wells
Exhibit C - Drilling Fluid Program	Exhibit G — Well Site Layout
Exhibit D - Auxiliary Equipment	Surface Use and Operations Plan

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive sone 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.

IQ-1 7-30-93 NLAAG

24		
SIGNED Dancel Roberto	Sr. Drilling Engineer	DATE 4/7/93
(This space for Federal or State office use)		
APPROVED BY STATUS	APPROVAL DATE	DATE 7-20-93
GENERAL REQUIREMENTS AND		
C 1927 CALL AND CONTRACTOR AND CONTRACTOR AND CALLS		
SPECIAL STIPULATIONS +S	See Instructions On Reverse Side	
Citle 18 17 Stephen 1001 mekee it a saine for an	IV person knowingly and willfully to make to say does	
and the state of the section south makes it a crime for an	IV Derson knowingin and millfully to make the sum date	

United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Submit to the Appropriate District Office State Lease — 4 copies Fee Lease — 3 copies

State of New Mexico Ene: Minerals, and Natural Resources De tment

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

OIL CONSERVATION DIVISION

P. 0. Box 2088

Santa Fe, New Mexico 87504-2088

erator SANTA it Letter	FE ENERGY		T, L.P.				Well No. 11
В	Section 33	Township 23	SOUTH	Range 31 EAST,	N. M.P.M .	County E	DDY
530	ocation of Well feet from the		line and	2310	feet from th	e EAS	[line
und Level Ele 3388'		Formation Ware		Pool Sand Dunes,	West (Delawar	e)	40 Ac
2. If ma to w 3. If ma been □ If th the t	ore than one le orking interest ore than one le consolidated b Yes	ase is dedicat and royalty). ase of differen by communitize of If answe of, list the ow this form if assigned to	ted to the wo nt ownership ation, unitizat er is "yes", mers and tro neccessary.) the well unit	ell, outline each is dedicated to ion, forced-poo type of conso ct descriptions	pencil or hachure and identify the the well, have the ling, etc.? olidation which have actual ave been consolic ard unit, eliminatir	interest o y been co ated (by c	hereof (both as f all the owners nsolidated. (Use
	oved by the div		530'			DPERATO	R CERTIFICATIO
			۵ <u>ـــــ</u>	2310'		omplete 🛛	to the best of and belief. 2 Pohete
			P 7 400 8 400 8 40		Da Po S1	arrell Ro sition . Drill:	ing Engineer
							nta Fe Energy Partners, L.I 3
			; ; ; ;			URVEYO	R CERTIFICATIO
				LARRY W. BUSBA		ell location as plotted ctual surve nder my s ne same l	eby certify that shown on this p from field notes eys made by me upervision, and t is true and corr t of my knowled
			ANG I SUBSE	AROPESS IONAL	Si Si	te Surveyed MAR gnature and ofessional Su	
						La	h.R

DRILLING PROGRAM SANTA FE ENERGY OPERATING PARTNERS, L.P. Sterling Silver "33" Federal No. 11

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	700'
Base of Salt	3980'
Delaware Lime	4150'
Cherry Canyon	5050'
Brushy Canyon	6350'
Bone Spring	7960'
Total Depth	8100'

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

Water	None expected in area		
Oil	Lower Brushy Canyon @ 7800'		

- 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 4150'.
- 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): Lower Brushy Canyon 7800'-7930'

DRILLING PROGRAM

Sterling Silver "33" Federal No. 11 Page 2

Logging:

Dual Laterolog w/MSFL and Gamma Ray4150'-8100'Compensated Neutron/Litho-Density/Gamma Ray4150'-8100'Compensated Neutron/Gamma Ray(thru csg)Surface-4150'

Coring: None planned.

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

No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature is 135 °F and the estimated bottom hole pressure is 3500 psi. No Hydrogen Sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. No major lost circulation zones have been reported in the offsetting wells.

10. Anticipated Starting Date and Duration of Operations:

Road and location work will not begin until approval has been received from the BLM. The anticipated spud date is June 15, 1993. Once spud, the drilling operation should be completed in approximately 15 days. If the well is productive, an additional 30 days will be required for completion and testing before permanent facilities are installed.

SANTA FE ENERGY OPERATING PARTNERS, L.P. OPERATIONS PLAN Sterling Silver "33" Federal No. 11

- 1. Drill a $17 \ 1/2$ " hole to approximately 600'.
- 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. WOC 18 hours prior to drilling out.
- 5. Drill a 12 1/4" hole to approximately 4150'.
- 6. Run 8 5/8" 32.0 ppf K-55 ST&C casing. Cement with 1750 sx Cl "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. WOC 18 hours prior to drilling out.
- 9. Test BOP system to 3000 psi. Test casing to 1500 psi.
- 10. Drill 7 7/8" hole to 8100'. 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. Sterling Silver "33" Federal No. 11 Section 33, T-23S, R-31E Eddy County, New Mexico



PROPOSED DRILLING FLUID PROGRAM

<u>0 - 600'</u>

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.

<u>600-4150'</u>

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.

<u>4150-8100'</u>

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. Sterling Silver "33" Federal No. 11 Section 33, T-23S, R-31E Eddy County, New Mexico

TJM:SS33

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 Gardner-Denver, 300 ton, 5 sheave w/ BJ 250 ton hook. EQUIPMENT 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 Two CAT 3306 diesel electric sets 180 KW prime power.

PLANT

BOP13 5/8" 5000 psi WP double ram and 13 5/8" 5000 psi WP Shaffer AnnularEQUIPPreventer. Choke manifold rated at 5000 psi. Valvcon 5-station 80 gallon
closing unit.

Exhibit D Santa Fe Energy Operating Partners, L.P. Sterling Silver "33" Federal No. 11 Section 33, T-23S, R-31E Eddy County, New Mexico

DDR/tjm SS33

LOCATIC & ELEVATION VERIFICA.)N MAP



SCALE : $1^* = 2000^{\circ}$

CONTOUR INTERVAL _____10'

EXHIBIT E

SANTA FE ENERGY OPERATING PARTNERS, LP. Sterling Silver 33 Fed. #11 530' FNL & 2310' FEL Sec. 33, T-23-S,R-31-E EDDY COUNTY, NEW MEXICO

ಾರವಾಗಿದ ಕೊಡೆಗೆ ಎಂದರೆ ಮಿಂದ ಮಿಂದ ಮಿಂದ ಮಿಂದ ಮಿಂದ ಮಿಂದ ಮಿಂದ ಮಿಂದ		an the state of th			NAME OF THE PROPERTY OF THE PR
Boss Ent.	Richard- Richard- Wyates Petetal son Oli son Oli Yates Petetal MBU HOU BSame Fe Energy	Yates Pet, etai Santa Fe Ener. 1/4	Yates Pet, etal Santa Fe Ener. 14 Mitchell Ener.	Mabil 🚱	Union
(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	02857 C7814 824 Mitchell Erre etal.V4	Mitchell Ener, etal, M -		Cont1. (AA-2)	22080
Selco 12(4539	Richand- HBD: 9 11 94 son Oil - 25 HBU M. M.P. Groce		200	figte	
Richardson Oil -6 - Holperiss.(1)	02883 5 Cabin Baby fed	4	3	~ 2 04.2.14-6.4	
Richardson OilTBLPF(1354.L) 2036 (S.A.Boos, 34 ThryLong.etal) (7.4 BossEnt, Belles Per.	1 144.075		an A A Broand B		
		B44	SANDDUR	Union - Barciou-St Morrody	Union L
uames Rch.		PG TFM	U: S .	D+SC. State	€-A M ⁴ L ()
14 U S	I	56 20 J.S.		JTATE	476 12793 U.S.
Richersten 132Mil. 0.71-64	Richardson Oct Santa Fe		Sonto Fe Ener, Santa Fe Ener. Mitchell Ener.	Marathon.etal	Uni on
Oil) HBU The A.C. Beers 02881 HBC N/2 Charles Oil .	071388 Ener. (Mitcheit Ener., etal.72)	Santa Fe Expl. (Minieli Ener. etal, 1/2)	etut, 72 85926	040441	HBP , 22080
1 02887	9-1-93 77046 1 65 55	77046	77046 AUG 14 65 92	Barelay (
2 II Y 7	6	9	Santa ISaata Fe Foer	••	12
P.R.Bast,etat t HBU	l (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)		Fe Ener. Mischell Erer,	Max Wilson Bouerdorf, Fed.	
0 2007 Boss Ert.	Dia.820 S.India.		400 12 770 m Peren 65 - 4 Peren	1 3492 D6054 D6054 D48:22:63	
	5 Ha. Pure 6 Gold-Pot."	"No. Pure Gold Fed."	н бР		
U. 2. (P/B) 1013,090	y uts.	ວັບ.5.	0405444	<u> </u>	<u>u.s.</u>
41.42 P.R. Bons, and HBU	Santa Fe Ener. 10. (Pago), c 8 - 1 - 61(2) Santa Fe Ener.	Yates Pet.	Devon Ener. HBP	Devon Ener.	(Marothen) HBP
02807	0 11565 (Terro Res.) 45235 4-0		0405444	4 · F · 74 0533177	0404441
	1.2 Mit# 2-C 0	* (There)		нас .	Deven Ener.s/R
2: 45 3 3 2 18 18 200 Shell	7		15		13
14.1.74 i 3081	14-C 12-C 8-C 3-C	Notes Pet 6 (2.87871)) Necours-St. Hall 6 (1.87871)) St. Contest 010 010 03 Necours-St. Hall 6 (1.87871)) St. Contest 010 03 (Wall 1933 010 03		Tex Amer.) (14-1 Down France	Deven Ever: HBP
0546792 6 74 3 52 7 0546237	\mathbb{N}			L.Ann Disc 0404441 Sil. Dev.	0533177
Phillips (13.C (PIB) TIS GMA) 7 4.5. 6.C 0 011.C 07.8 0	of of of 23	31	"Todd-Fed." o	Todd-Fed. " U.S.
21639 0.5.		state CJ	01 U.S. Tes. Ameriya	<u>U</u> . \$.	Food Poor
4 55 (Acth.D.) 3 Shell (Gimere 12-1-82 16-1-74 (17057	Kaiser-Francis 0 (Pogo Prod. 72) BNL Form 38463 Fort Sale	(Page)	Morsthon H8P	Devon Ener.	A CRANTY + 0645 9 Olignment Deven Grant
Dise T. 05462371	(Pogo Prod. 72)8NL Erran 38463 For cald	38464	0405444	- the second sec	Ср.Сану. овратту - Ср.Сану. овратту
El Poso Expl.		Kaiser Francis	1		
		Oilf Gene		THE AMERICAN T	a .
21639	20	Poge Oil E Gos	22	Liner Pres 23	α σε 24
21639		Poge Oil & Gos L 3A Kaiser For Aure Gold Fed.	22	10 R. 100	∞ 8 24 *
21639 716: 31 19 216: 7' El Poro Enni: 2140	6-8 5-8	011 & Gos 1 34 Kaiserer 21 34 August 6613 Fed. 34 9 Page 9 5-A 11 128=	Poteil	12-K (PR) 04J	°∞ 8
21639 7:5: 3" 19 2:65 7" ET Posto Ewit, 2145 Philips 4: 1:74 0533177		Pogo 1 34 Koiserer21 44 Koiserer21 6 Auto Gald Fed. 44 - 128 6 Auto Gald Fed. 6 Auto Gald Fed. 6 Auto Gald Fed. 6 Auto Gald Fed.		*Todd 011-N 05.	24 24 7F422 0 ³ 1 "America" factor 11 0 10
21639 216: J 19 216: J 19 216: Z E: Poito Expit. 2140 4. 1. 74 0533177 25	6-8 5-9 (9-1	Pogo 0.112 Gos 1 34 Koiserer 21 0 Aure Calid Fed. 44	Pateil MugerFea TDA Sez John et Erez U.S.	Todal Note U.S. Pado	α 2 2 2 4 7 7 4 7 4 7 4 7 4 1 1 1 0 0 ¹⁹ U.S.
21639 216: 3 ⁻¹ 19 216: 3 ⁻¹ 19 216: 3 ⁻¹ E: Poso Eugl. 216: Phillips 41.74 Phillips 41.74	CP 5-9 CPure Sourt Fred. 2-5 5-9 2-5 5-9 2-	Poge Dill & Gos 1 34 Koiser Frid 0 Aure Gald Fred 44 54 H 0 Pogo 0 = 128 44 1384 0 24 Aure Gold - Fred. 44 1384 0 24 - 250 45 - 128 45 -	Pateil MugerFea That are That are That are that are U.S. (Marathan) HBP	Todd Clink of Carton Fed. Clink of Carton (Marothen) (Marothen) Categorie	24 24 7 7 7 7 7 7 7 7 7 7 7 7 7
21639 7:5: 5 ⁻¹ 19 2:65 7: E: Paso Ewit, 2145 Phillips 4:64 Phillips	6-5 5-8 (0)	Poge 0112 Gos 134 Koises 221 0 Aure Gald Fed. 44	Patail MuserFed. (DA 9 82 (Marathan) HBP O418220 Deven Ener.	Marghen (Marghen) (Marghen) (24 24 24 24 24 24 24 24 24 24
21639 2165 21 ET Paso Ewalt, 21 4/0 Phillips 4 - 1 - 74 0533177 2169 Phillips 4 - 1 - 74 0533177	6-8 5-8 (0)	Poge 0112 Gos 1 34 Koises F22 0 Aure Gald Fed. 44 1- 0 Page 0 - 128 - 128	Pateil Muger Fea. (Ta 3 ge 2) DA el 2 - ez U.S. (Marathan) HBP 0418220	(Marothan) (Marothan) (Marothan) (Marothan)	24 24 7 7 7 7 7 7 7 7 7 7 7 7 7
21639 216: J 19 216: J 19 217: El Paso Ewit. 21470 Phillips 4.1.174 0533177 2173 J El Paso Expl. 219/0 (533177 2173 J El Paso Expl. 219/0 (544) 2175 J El Paso Expl. 219/0 (544) (545) (CP 5-9 CPure Sourt Fred. *Pure Sourt Fred. *Pure Sourt Fred. *Pure Sourt Fred. *Pure Sourt Fred. *S 310000 (Phrilips) 5-15 5000 (Phrilips) 5-15 5000 (Phrilips) 5-15 5000 **********************************	Poge Dill & Gos 1 34 Koiser 221 0 Aure Gald Fed. 44	Poteil Muger Feet. (To 43 82 074 et 2 - ez U.S. (Marathan) HBP 0418220 Devon Ener. to bese of Sil. Dev. 27	Tode , II-N of Care of	24 24 24 24 24 24 24 24 24 24
21639 216: J ¹ 19 218: J ¹ 19 218: J ¹ El Pisto Ewit. 21% Phillips 4.1.74 0533177 	C-9 5-9 Pure Good-Arec 20034 04 V.5 3304 (Phillips) (Mobil) 04 6 1724 03 0345035 C201487 C1PosoExpl21% Pose 2 C1PosoExpl21% P	Poge 0:12 Gos 1 34 Koiserer 221 0 Auto GSA Fred. 0 Poge 0:4 128 0 Poge 0:4	Poteil MuserFed. Joha 12:ez U.S. (Marathan) HBP O418220 Deven Ener. to base of Sil. Dev. 27 Poteil	Tode , II-N of Care of	24 24 24 24 24 24 24 24 24 24
21639 216: J 19 216: J 19 217: El Paso Ewit. 21470 Phillips 4.1.174 0533177 2173 J El Paso Expl. 219/0 (533177 2173 J El Paso Expl. 219/0 (544) 2175 J El Paso Expl. 219/0 (544) (545) (C-9 5-9 C-100	Poge Dills Gos 1 34 Koiser 221 0 Aure Gale Fed. 44 1 SA 10 Pogo G = 128= 10 Aure Gold - Fed. 10 Aure Gold - Fed. 10 Pogo 0 3-0 Pogo 0 3-0 Pogo 0 3-0 Pogo 0 3-0 Pogo 0 3-0 Pogo 0 5-0 CNG 10 Pog 10 Pogo 0 - 10-0 10 Pog 10 P	Pateil Muger Fea. The second	Marothani (Marothani) Califito U.S. Pao (Marothani (Marothani) Califito (Marothani) (Marothani (Marothani) (Marothani) (Marothani (Marothani) (Marothani) (Marothani (Marothani) (Mar	24 24 7 a22 o ³ ³ America 7 ord ⁻¹ ¹¹
21639 216: j1 19 2785 7 El Paso Ewit. 21470 Phillips 4 - 1 - 74 053117 2146 Phillips 4 - 1 - 74 0533177 2173 5 El Paso Expl. 21% CS33177 2173 5 El Paso Expl. 21% CS33177 2174 5 El Paso Expl. 21% CS33177 2175 5 El Paso Expl. 21% CS33177 2175 5 El Paso Expl. 21% 2175 5 El Paso Expl. 21%	C+5 5-8 C+1 - 20 C+1 - 20 C+1 - 20 C+1 - 24 C+1 -	Poge 0:12 Gos 1 34 Koiser 221 0 Aure Gale Fed. 44 1 SA 10 Pogo 0 - 128 - 10 Aure Gold - Fed. 128 - 10 Pogo 0 - 128 - 10 Pogo 0 - 5-0 Pogo 0 - 5-0 Pogo 0 - 5-0 10 Pogo 0 - 5-0 Pogo 0 - 5-0 Pogo 0 - 5-0 Pogo 0 - 5-0 Pogo 0 - 5-0 CNG	Pateil Muger Fea The Sea The Sea U.S. (Marathan) HBP O418220 Deven Ener. to bese of Sil. Dev. 27 Pateil Wright o ²	(Margethen) (Margethen) (Margethen) (Margethen) Califition (Margethen) Cali	24 24 24 24 24 24 24 24 25 24 25 24 25 24 25 24 25 25 25 25 25 25 25 25 25 25
21639 2163 J 19 2185 J E Paso Ewit. 2140 Phillips 4 - 1 - 74 0533177 2173 J El Paso Expl. 2190 (533177 2173 J El Paso Expl. 2190 (544) 2185 J El Paso Expl. 2190 (546) 2185 J El Paso Expl. 2190 (547) 2185 J El Paso Expl. 2190 (548) (Ges 5.9 () Constant Are	Poge 0:12 Good 1 34 Koiserrau 1 34 Koiserrau 1 34 Koiserrau 1 34 Koiserrau 1 34 Koiserrau 1 36 Fed 1 28 = 1 2	Potoil MuserFed. IN a 2 - ez U.S. (Marethan) HBP O418220 Devon Ener. to base of Sil. Dev. 27 Poto: PoseD Todd-Fed* ATION S	(Marothan) (Marothan) Deven Ener, to 26 (Jest Angel 1 Senter St. Dev 2 Compare St. Dev	24 24 24 24 24 27 24 24 24 24 25 24 25 24 25 24 25 24 25 25 25 25 25 25 25 25 25 25
21639 216: JI 19 218: JI 19	Control Contro	Poge 1 34 Koiserer 1 34 Koiserer 1 34 Koiserer 1 34 Koiserer 1 34 Koiserer 1 34 Koiserer 1 36 Foge 1 28 - 1	Potoil Muser Fee DATA DATA DATA DATA U.S. (Marathan) HBP O418220 Devon Entr. to base of Sil. Dev. Poto: Poto: Poto: Todd-Fed* ATION Sente Fe Ever of Sente Fe Ever of	12.4 (FRI) 12.4 12.4 (HI-H) 5.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 13.4 12.4 12.4 14.4 12.4 12.4 15.4 14.4 14.4 14.4 14.4 14.4 15.4 14.4 14.4 <td>Co 6 2 2 4 7 7 7 7 7 7 7 7 7 7 7 7 7</td>	Co 6 2 2 4 7 7 7 7 7 7 7 7 7 7 7 7 7
21639 216: J ¹ 19 2785 T'ET Posto Expl. 2145 Phillips 4.1.74 0533177 2733 T'ET Posto Expl. 2145 (1.48 Phillips 4.1.74 0533177 2173 T'ET Posto Expl. 2196 Costor Costor Costo	C-9 5.9 Pure Cost Area - 250 34 Pure Cost Area - 250 34 (Philips) (Mobil) 0.4 (Philips) (Mobil) 0.4 (Philips) (Mobil) 0.4 (Philips) (Mobil) 0.4 (Pose - 250 35 (Internet - 250 34 (Pose - 250 34 (Internet - 250 34 (Pose - 250 34 (Internet - 250 34 (In	Poge OIL & Goe 1 34 Koiser Fred. 2 4 Koiser Fred. 2 5 0 Fred. 2	Poteil MuserFed. Total Erez U.S. (Marathan) HBP O416220 DevenErer. to bese of Sil. Dev. 27 Potpil Wright 27 Potpil Todd-Fed* ATION Sente Fe Ever. of 3744 Pager	12-6 (ma) 44 12-6 (ma) 2 12-6	24 * 24 * 24 * America * America * 1 11 0 0 ¹⁰ U.S. * OSA4985 Deven * *********************************
21639 $2163 = 19$ $2785 = 27 ET Posto Expl. 21475 =$	C-9 5.9 Pure Sout Are	Poge OIL & Goe 1 34 Koiser Fred. 2 4 Koiser Fred. 2 5 0 Fred. 2	Poteil MuserFed. Total Erez U.S. (Marathan) HBP O416220 DevenErer. to bese of Sil. Dev. 27 Potpil Wright 27 Potpil Todd-Fed* ATION Sente Fe Ever. of 3744 Pager	1 1	24 * 24 * 24 * 7 a 22 o ³ * America * 7 of 1 11 0 o ¹⁰ U.S. * 0 * 0 * 0 * 0 * 0 * 0 * 0 * 0
21639 $2163 = 19$ $2785 = 7^{2} ET P_{0.50} E_{10} E_{10} = 7$ $Phillips$ $4 = 1 - 74$ 0533177 $2173 = 7^{2} ET P_{0.50} Expl. 21 %$ $C_{10} = 7$ $2173 = 7^{2} ET P_{0.50} Expl. 21 %$ $C_{10} = 7$ 21640 216	C-9 5.9 Pure Good Art	Poge OIL & Goos 1 34 Koiser Fred. 44 1 54 128 0 Pogo 0 - 128 44 1 - 128 0 Pogo 0 - 128 44 1 - 128 0 Pogo 0 - 128 45 - 128 0 Pogo 0 - 10 - 10 0 Pogo 0 - 10 0 Pog	Potoil Muserfee DA 62 DA 62 U.S. (Marethan) HBP O418220 Devon Ener- to base of Sil. Dev. 27 Potoil Wright Codd-Feed* ATION Sente Fe Ever of Sente Fe Ever of Codd-Feed* ATION Sente Fe Ever of Codd-Feed* Codd-Fee	12 4 10 1	24 * 24 * 24 * 7 a 22 o ³ * America * 7 of 1 11 0 o ¹⁰ U.S. * 0 * 0 * 0 * 0 * 0 * 0 * 0 * 0
21639 $2163 = 31 = 19$ $2785 = 31 = 19$ $2785 = 31 = 19$ $2785 = 31 = 19$ $2785 = 31 = 19$ $2785 = 31 = 19$ $2785 = 31 = 19$ $2785 = 31 = 19$ $2785 = 31 = 19$ $2785 = 31 = 19$ $2785 = 31 = 19$ $2785 = 31 = 19$ $2785 = 31 = 19$ $2785 = 31 = 19$	Construction of the second of	Poge OIL & Goos 1 34 Koiser Fred. 44 1 54 128 0 Pogo 0 - 128 44 1 - 128 0 Pogo 0 - 128 44 1 - 128 0 Pogo 0 - 128 45 - 128 0 Pogo 0 - 10 - 10 0 Pogo 0 - 10 0 Pog	Poteil MuserFed. Total Erez U.S. (Marathan) HBP O416220 DevenErer. to bese of Sil. Dev. 27 Potpil Wright 27 Potpil Todd-Fed* ATION Sente Fe Ever. of 3744 Pager	1 1	24 2 2 2 2 2 2 2 2 2 2 2 2 2
21639 $2163 = 19$ $2785 = 7^{2} E Poso Ewst. 2165 = - Phillips = $	C-9 5-9 Pure Cost Arec	Poge 0:12 Gos 134 Koises 221 0 Aure Gald Fed. 144	Potoil Muser Fee (Marethan) HBP O418220 Devon Entr. to base of Sil. Dev. 27 Poto: Poto: PoseD Marght Sente Fe Ever of Sante Fe Ever Sante Sante Fe Ever Sante Fe E	Construction of the second of	24 24 24 24 24 24 24 24 24 24
21639 $2163 = 31 = 19$ $2765 = 27 = 17050 = 100$ $2765 = 27 = 17050 = 100$ $2765 = 27 = 17050 = 100$ $2765 = 276 = 1000$ 2	C-9 5-9 Pure Cost Arec	Poge 0:1 € Gos 1 34 Koiser 221 0 Aure Gald Fed. 1 34 Koiser 221 0 Aure Gald Fed. 1 28 1 24 Pure Gold - Fed. 1 28 1 29 1 29 1 20 1 20	Poteil Muger Fee The see U.S. (Marathan) HBP Odil8220 Deven Ener. to bese of Sil. Dev. 27 Poteil Wright Color Feed ATION Santa Fe Ener. of Santa Fe Ener. Santa Fe Ener. San	12-6 (mail 2 12-6 (mail 2 12	Co 24 24 24 24 25 24 24 26 24 26 24 26 24 26 26 26 26 26 26 26 26 26 26
21639 $2165 = 3^{1} = 19$ $2165 = 7^{1} E = Proto Ewall, 21 4 m = -Proto Ewall, 21 4 m = -Proto Ewall, 21 4 m = -2 + Proto Ewall, 21 4 m = -2 + Proto Expl 21 9 m = -2 + Proto Expl 21 + Proto Expl 21 9 m = -2 + Proto Ex$	C-9 5-9 Pure Cost Arec	Poge 134 Koiser 221 0 Aure Gald Fed. 134 Koiser 221 0 Aure Gald Fed. 128 10 Pogo 0 - 128 10 Pogo 0 -	Potoil Muser Fee (Marethan) HBP O418220 Devon Entr. to base of Sil. Dev. 27 Poto: Poto: PoseD Marght Sente Fe Ever of Sante Fe Ever Sante Sante Fe Ever Sante Fe E	Construction of the second of	24 24 24 24 24 24 24 24 24 24

EXHIBIT F

SANTA FE ENERGY OPERATING PARTNERS, LP. Sterling Silver 33 Fed. #11 530' FNL & 2310' FEL Sec. 33, T-23-S,R-31-E EDDY COUNTY, NEW MEXICO



MULTI-POINT SURFACE USE AND OPERATIONS PLAN SANTA FE ENERGY OPERATING PARTNERS, L.P. Sterling Silver "33" Federal No. 11 530' FNL & 2310' FEL Section 33, 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 east of Loving, New Mexico.

DIRECTIONS:

- 1. From the junction of State Highway 128 and the Lea/Eddy County line, go 4.6 miles west on Highway 128, then south 2.8 miles on lease road. Turn east and travel 0.1 mile, then northeasterly 0.4 mile on trail road to a point 200' west of the location.
- 2. PLANNED ACCESS ROAD.

The existing trail road already extends from an existing lease road to this location. It is planned to upgrade this trail road to a 14' wide access road.

- 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 producing gas wells (Sterling Silver "33" Federal No. 1 and No. 2) and a temporarily abandoned oil well 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.

Multi-Point Surface Use and Operations Plan

Sterling Silver "33" Federal No. 11 Page 2

5. LOCATION AND TYPE OF WATER SUPPLY

A. It is planned to drill the well with both fresh water and brine water systems. Both types of waters will be hauled to the location by truck over existing roads. Both types will be obtained from commercial sources.

6. SOURCES OF CONSTRUCTION MATERIALS.

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

7. METHODS OF HANDLING WASTE DISPOSAL

A. Drill cuttings will be disposed of in the reserve pits.

- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be either placed in the reserve pits and allowed to evaporate or collected in tanks until hauled to an approved disposal system or a separate disposal application will be submitted to the BLM for appropriate approval.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Human waste will be disposed of per current standards.
- F. Trash, waste paper, garbage, and junk will be collected in trash trailers and disposed of in an approved waste facility such as a land fill. The trash trailers contain all of the material to prevent scattering by the wind.
- G. All debris will be removed from the wellsite within 30 days after finishing drilling and/or completion operations.
- 8. ANCILLARY FACILITIES.

None required

9. WELLSITE LAYOUT

A. Exhibit G shows the dimensions of the well pad and reserve pits, and the location of major rig components.

Multi-Point Surface Use and Operations Plan

Sterling Silver "33" Federal No. 11 Page 3

- B. The ground surface of the location is located among several sand dunes with vegetation growing on them. The location will constructed by leveling the necessary dune and covering the sand with at least six inches of compacted caliche.
- C. The reserve pits will be plastic lined.
- D. A 400' X 400' work area which will contain the pad and pit area has been staked and flagged.
- 10. PLAN FOR RESTORATION OF THE SURFACE.
 - A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleared of all trash and junk, to leave the wellsite in an aesthetically pleasing a condition as possible.
 - 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.

Multi-Point Surface Use and Operations Plan

Sterling Silver "33" Federal No. 11 Page 4

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
915-686-6616 - office	915-686-6614 - office
915-699-1260 - home	915-684-4130 - home
915-559-6842 - 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.

this plan and the terms and condition April SIGNED this 7TH April day of March, 1993. Darrell Roberts, Senior Drilling Engineer

DDR/tjm **SS33**