

NM OIL CONS. COMMISSION
DRAWER DD UNITED STATES
ARTESIA, NM DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTSUBMIT IN ~~TRIPPLICATE~~
(Other instructions on
reverse side)FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

c/54

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-43744	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Santa Fe Energy Operating Partners, L.P.		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. 550 W. Texas, Suite 1330, Midland, Texas 79701		8. FARM OR LEASE NAME, WELL NO. Sterling Silver "34" Fed No 2	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface (D) 660 FNL, 660' FWL, Sec 34, T-23-S, R-31-E At proposed prod. zone		9. API WELL NO. 30-015-27936	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 21 miles East of Loving, New Mexico		10. FIELD AND POOL, OR WILDCAT Sand Dunes West (Delaware)	
10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 33745	
16. NO. OF ACRES IN LEASE 640		12. COUNTY OR PARISH Eddy	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1320'		13. STATE New Mexico	
19. PROPOSED DEPTH 8200'		17. NO. OF ACRES ASSIGNED TO THIS WELL 40	
20. ROTARY OR CABLE TOOLS Rotary		21. APPROX. DATE WORK WILL START* 4-25-94	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3416 GR		22. APPROX. DATE WORK WILL START* 4-25-94	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	H-40 13-3/8"	48.0	600'	600 sx to circulate
12-1/4"	K-55 8-5/8"	32.0	4200'	2000 sx to circulate
7-7/8"	K-55 5-1/2"	15.50 & 17.0	8200'	Tie back to 4000'

We propose to drill to a depth sufficient to test the Delaware formation for oil. If productive 5-1/2" casing will be cemented at TD. If non-productive, the well will be plugged 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 Diagram
Exhibit C - Drilling Fluid Program
Exhibit D - Auxiliary Equipment

Exhibit E - Topo Map of Location
Exhibit F - Map Showing Existing Wells
Exhibit F (A) Plat of Location
Exhibit G - Well Site Layout
Surface Use and Operations Plan

Post ID-1
5-13-94
New Loc & API

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 Daniel Roberts TITLE Division Drilling Engineer DATE March 18, 1994

(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:

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL SUPPLATIONS
ATTACHED

APPROVED BY Patricia E. McLean TITLE State Director DATE APR 26 1994

*See Instructions On Reverse Side

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

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

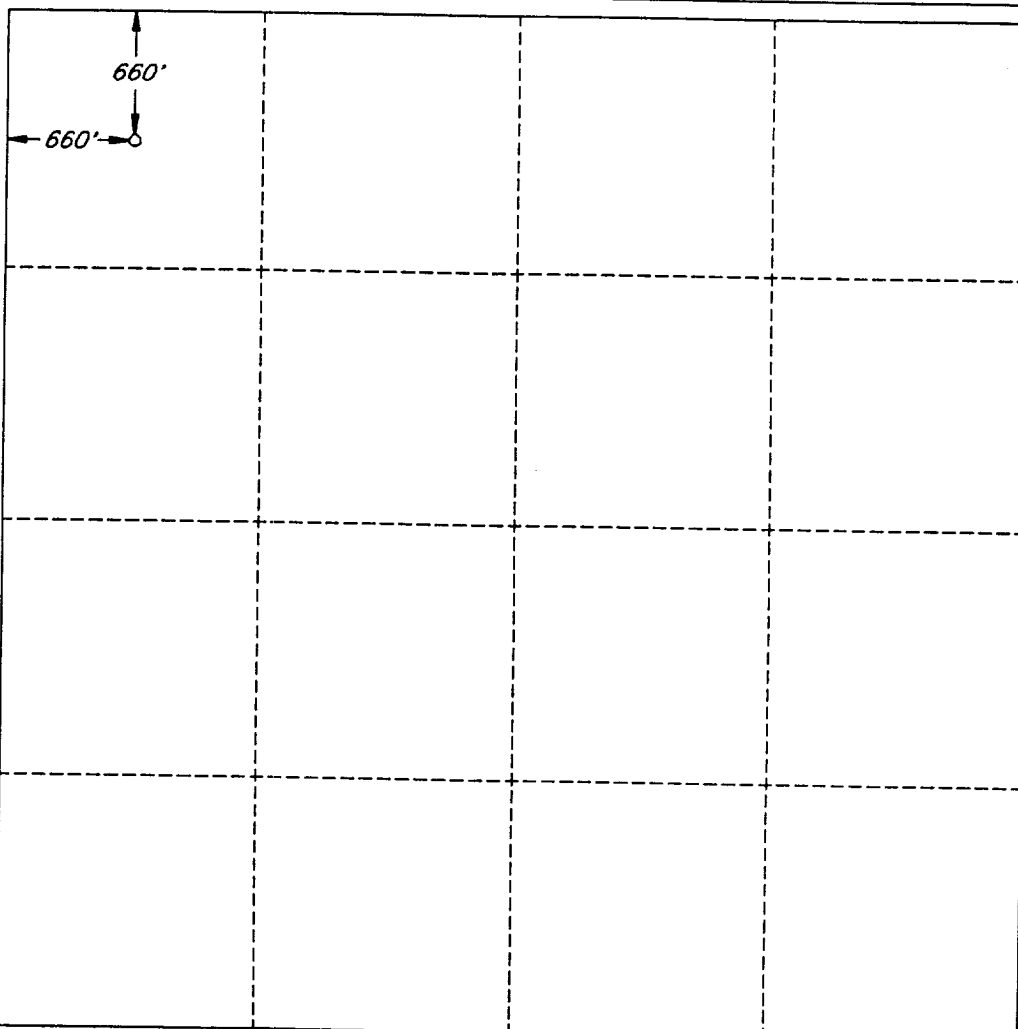
DISTRICT II
P. O. Drawer DD
Artesia, NM 88210

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 OPER. PART, L.P.			Lease STERLING SILVER '34' FED.		Well No. 2
Unit Letter D	Section 34	Township 23 SOUTH	Range 31 EAST, N.M.P.M.	County EDDY	
Actual Footage Location of Well 660 feet from the NORTH line and 660 feet from the WEST line					
Ground Level Elev. 3416'	Producing Formation Delaware		Pool INGLE WELLS Sand Dunes, West (Delaware)		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 interest of all the owners been consolidated by communitization, unitization, forced-pooling, etc.?
☐ Yes ☐ No If answer is "yes", type of consolidation _____
If the answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use the 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 interest, has been approved by the division.



OPERATOR CERTIFICATION

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

Signature

Darrell Roberts

Printed Name

Darrell Roberts

Position

Division Drilling Engineer

Company Santa Fe Energy
Operating Partners, L.P.

Date

March 18, 1994

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

NEW MEXICO
JANUARY 21, 1994

Signature and Seal of
Professional Surveyor

V. LYNN
BEZNER
NO. 7920

Certified **MADE** LAND SURVEYOR
V. L. BEZNER, R.S. #7920

cls / 31255 / 48SE

PROPOSED 3-M BOPE AND CHOKE ARRANGEMENT

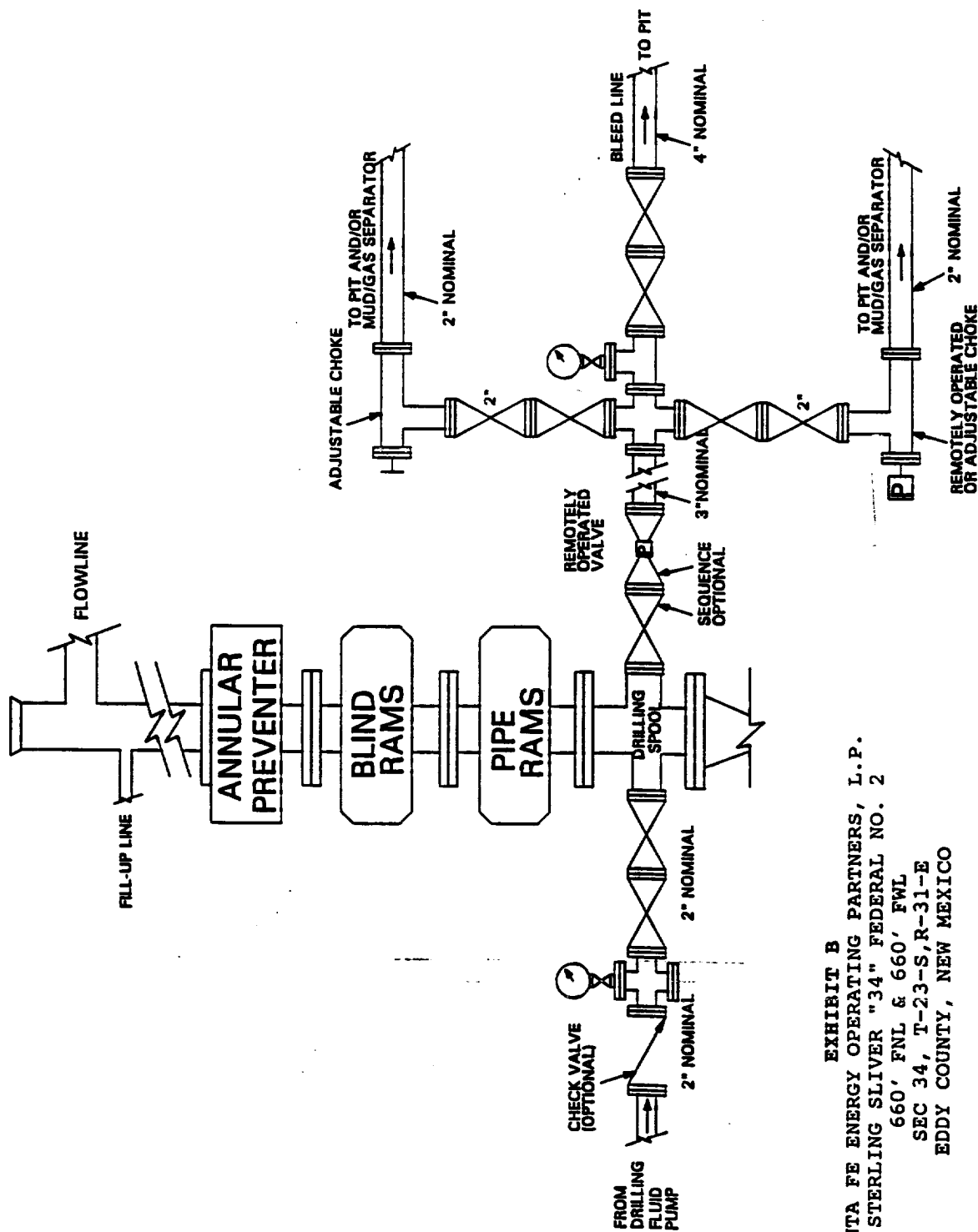


EXHIBIT B
 SANTA FE ENERGY OPERATING PARTNERS, L.P.
 STERLING SLIVER "34" FEDERAL NO. 2
 660' FNL & 660' FWL
 SEC 34, T-23-S, R-31-E
 EDDY COUNTY, NEW MEXICO