Form 3160-3 SUBMIT IN TRIPLICATE. FORM APPROVED (July 1992) NM OIL CONS. CON ASSONTATES (Other inst 108 OB OMB NO. 1004-0136 Expires: February 28, 1995 ORAWER INTERIOR 5. LEASE DESIGNATION AND SERIAL NO. ARTESIA, NMB 68240 OF LAND MANAGEMENT NM 43744 6. IF INDIAN, ALLOTTER OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL OR DEEPEN 1a. TYPE OF WORK DRILL XX DEEPEN 7. UNIT AGREEMENT NAME b. TYPE OF WELL OIL X WELL SINGLE MULTIPLE 8. FARM OR LEASE NAME, WELL NO 2. NAME OF OPERATOR Sterling Silver "34" Fed #5 Santa Fe Energy Operating Partners, L.P. 9. AFI WELL NO. 3. ADDRESS AND TELEPHONE NO. 30-015-28240 550 W. Texas, Suite 1330, Midland, Texas £9701 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. Sand Dunes West (Delaware) (K) 1980' FSL & 2310' FWL, Sec 34, T-23-S,R-31 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA At proposed prod. zone \$ec 34, T-23-S,R-31-E 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 12. COUNTY OR PARISH | 13. STATE 21 miles East of Loving, New Mexico New Mexico 10. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig, unit line, if any) Eddy 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED TO THIS WELL 640 4೧ 18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 1400' 8200 Rotary 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK WILL START* 3451 GR October 26, 1994 23. PROPOSED CASING AND CEMENTING PROGRAM SIZE OF HOLE GRADE SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT 17-1/2" 48.0 H - 4013 - 3/8600' 600 sx to circulate 32.0 K-55 8-5/8 4200' 2000 sx to circulate 15.5 & 17.0 K - 5.5tie back to 4000 82001 We propose to drill to a depth sufficient to test the Delaware formation for oil. If productive 5-1/2" casing will be run to 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 Manifold Exhibit F - Map Showing Existing Wells Exhibit C - Drilling Fluid Program Exhibit F (A) - Plat of Location Exhibit D - Auxiliary Equipment Exhibit G - Well Site Layout Surface Use and Operations Plan Post ID-1 12-29-94 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. TITLE Agent for Santa Fe Energy 9-19-94 (This space for Federal or State office use) APPROVAL SUBJECT TO GENERAL REDUIREMENTS AND 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: ATTACHED

*See Instructions On Reverse Side

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DISTRICT I P. O. Box 1980 Hobbs, NM 88241-1980

State of New Mexico y, Minerals, and Natural Resources

artment

JOB #35239

V.H.B.

Form C-102 Revised 02-10-94

Instructions on back

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

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719
DISTRICT III

1000 Rio Brazos Rd.

Aztec, NM 87410

OIL CONSERVATION DIVISION
P. 0. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

DISTRICT IV P. O. Box 2088

Santa Fe, NM 87507-2088 WELL LOCATION AND ACREAGE DEDICATION PLAT 1 API Number ² Pool Code ³ Pool Name 53815 Sand Dunes West (Delaware) · Property Code ⁵ Property Name Well Number K STERLING SILVER '34' FEDERAL OGRID No. ⁸ Operator Name ⁹ Elevation SANTA FE ENERGY OPER. PART, L.P. 3451' " SURFACE LOCATION UL or lot no. Section Township Range Lot Ida Feet from the North/South line Feet from the East/West line County 34 23 SOUTH 31 EAST, N.M.P.M. K 1980' SOUTH 2310 WEST **EDDY** "BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE UL or lot no. Section Township Range Lot Ida Feet from the North/South line Feet from the East/West line 12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No. 40 NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature, mes) Printed Name James P. (Phil) Stinson Title Agent Date 9-19-94 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 belief. 2310' Date of Survey SEPTEMBER
Signature and Sent W 1980' EZNER #7920

