

OIL CONSERVATION DIV

811 S. 1st ST.

SUBMIT IN TRIPLICATE

on reverse side

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

5. LEASE DESIGNATION AND SERIAL NO.

NM-0542015 3 2636

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

H. F. "12" Federal #2

9. API WELL NO.

30-015-28927

10. FIELD AND POOL, OR WILDCAT, OR
Herradura Bend, Delaware, East
Columbia Drift, South Delaware11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Sec. 12, T-23-S, R-28-E

12. COUNTY OR PARISH

Eddy

13. STATE

New Mexico

14. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START

March 10, 1996

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. TYPE OF WORK

DRILL ☐DEEPEN ☐

B. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☐OTHER ☐SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Santa Fe Energy Resources, Inc.

3. ADDRESS AND TELEPHONE NO.

550 W. Texas, Suite 1330; Midland, Texas 79701 (915) 682-6373

4. LOCATION OF WELL (Report location clearly and in accordance with instructions on reverse side)

(G) 2030' FNL & 1980' FEL

At proposed prod. zone

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

4 miles East of Loving, New Mexico

15. DISTANCE FROM PROPOSED

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

660

18. DISTANCE FROM PROPOSED LOCATION

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

991'

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

3014' GR

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	J-55 8 5/8"	24.0	550'	225 sx to circulate
7 7/8"	K-55 5 1/2"	15.5	6700'	1050 sx to circulate

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 B - BOP and Choke Manifold

Exhibit C - Drilling Fluid Program

Exhibit D - Auxiliary Equipment

Exhibit E - Topo Map at Location

Exhibit F - Map Showing Existing Wells

Exhibit F (A) - Plat of Location

Exhibit G - Well Site Layout

Surface Use and Operations Plan

Santa Fe Energy Resources, Inc. accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof, as described above.

Bond Coverage: Blanket Bond

BLM Bond File No.: MT 0750

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

James P. "Phil" Stinson by LKS

TITLE

Agent for Santa Fe Energy

DATE

2-6-96

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant has 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:

APPROVED BY (ORIG. SGD.) RICHARD L. MANTIS

TITLE

AREA MANAGER

DATE

APR 01 1996

*See Instructions On Reverse Side