

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTSUBMIT IN T ICATE*
(Other Inst: AS-10)
OIL CON. DIV.
811 S. 1st St.
ARTESIA, NM 88210-2834FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

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-86542	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Santa Fe Energy Resources, Inc.		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. 550 W. Texas, Suite 1330; Midland, Texas 79701 (915) 682-6373		8. FARM OR LEASE NAME, WELL NO. Foal "20" Fed #1	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface (C) 660' FNL & 1980' FWL At proposed prod. zone		9. API WELL NO. 30-015-28988	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 4 1/2 mile northeast of Otis, New Mexico		10. FIELD AND POOL, OR WILDCAT UNDES Dublin Ranch: Morrow	
15. 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 Sec. 20, T-22-S, R-28-E	
16. NO. OF ACRES IN LEASE OIL CON. DIV. 12.00		17. NO. OF ACRES ASSIGNED TO THIS WELL 320	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. None		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3071' GR		22. APPROX. DATE WORK WILL START* May 20, 1996	

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	450'	450 sx to circulate
12 1/4"	K-55 9 5/8"	36.0	2500'	1150 sx to circulate
8 3/4"	S-95 7"	26.0	10000' <i>510</i>	700 sx TOC @ 6000'
6 1/8"	S-95 4 1/2"	13.5	9800'-12,600'	350 sx (Circ to liner top)

We propose to drill to a depth sufficient to test the Atoka formation for gas. If productive, 4 1/2" linerg will be cemented 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 Scematic, 5-M
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 Thompson TITLE Agent for Santa Fe Energy DATE 4-16-96
(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 be a condition of operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY (ORIG. SGD.) RICHARD L. MANUS TITLE Area Manager DATE 5-16-96

*See Instructions On Reverse Side