

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

OTHER

SINGLE
ZONEMULTIPLE
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 any State requirements.)

At surface

(H) 1980' FNL & 990' FEL

At proposed prod. zone

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

18 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)

990'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

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

1650'

19. PROPOSED DEPTH

8200'

20. ROTARY OR CABLE TOOLS

Rotary

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

3402' GR

R-111-P Potash

22. APPROX. DATE WORK WILL START*

October 25, 1996

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48.0	400'	400 sx to circulate
11"	8 5/8"	32.0	4100'	1300 sx to circulate
7 7/8"	5 1/2"	15.5 & 17.0	8200'	To tie back to 3900'

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 of 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

TITLE Agent for Santa Fe Energy

DATE 9-19-96

(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 entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Gilbert J. Lucare

TITLE

Acting State Director

DATE

NOV 1 1996

*See Instructions On Reverse Side

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

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

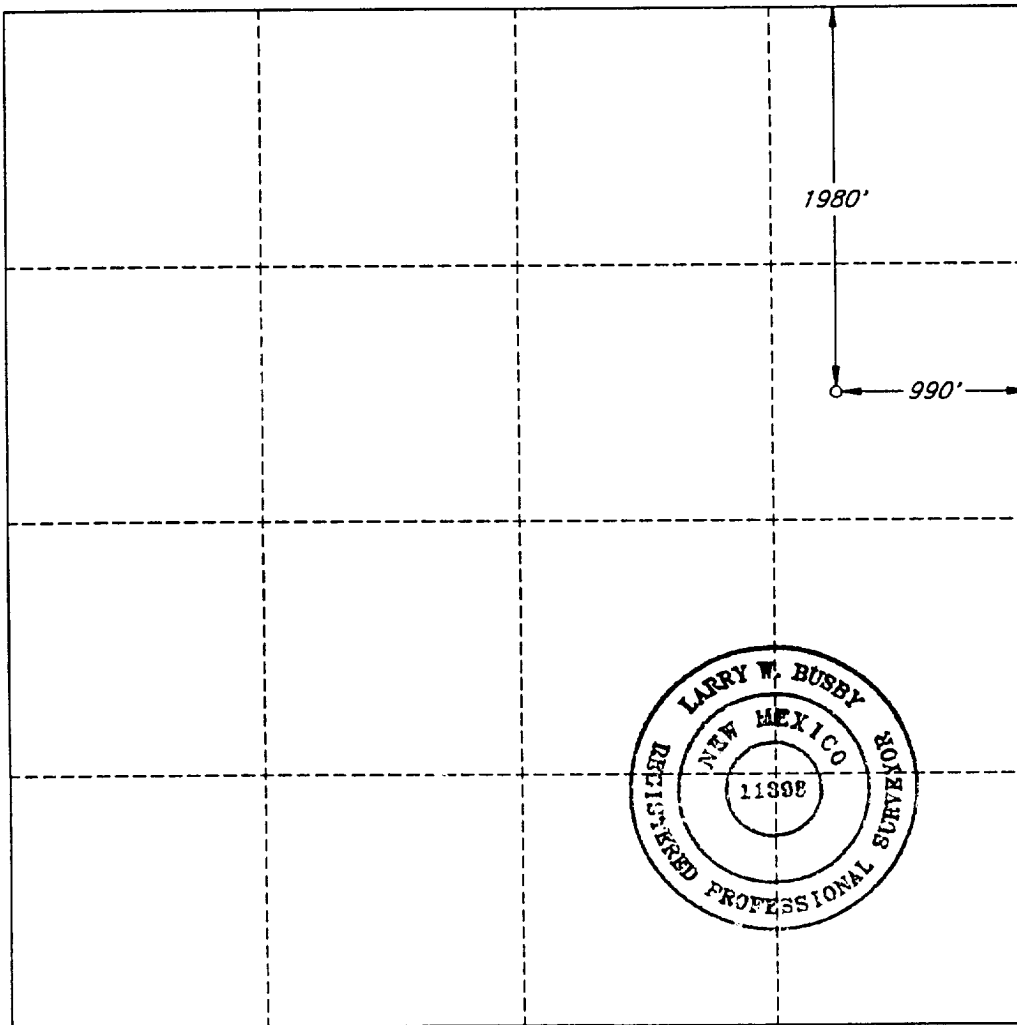
OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

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 '33' FEDERAL		Well No. 15
Unit Letter H	Section 33	Township 23 SOUTH	Range 31 EAST, N.M.P.M.	County EDDY
Actual Footage Location of Well 1980 feet from the NORTH line and 990 feet from the EAST line				
Ground Level Elev. 3402'	Producing Formation DELAWARE	Pool 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 *James P. (Phil) Stinson*
Printed Name
James P. (Phil) Stinson
Position
Agent
Company
Santa Fe Energy Resources
Date

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
JULY 6, 1993
Signature and Seal of Professional Surveyor
Larry W. Busby
Certificate No.
LARRY W. BUSBY R.P.S. #11398
JOB NO. 97218 V.H.B.

**EXHIBIT A
OPERATIONS PLAN
SANTA FE ENERGY RESOURCES, INC.
Sterling Silver "33" Federal No. 15
Section 33, T-23-S, R-31-E
Eddy County, New Mexico**

1. Drill a 17-1/2" hole to approximately 400'.
2. Run 13-3/8" 48.0 ppf H-40 ST&C casing. Cement with 400 sx Class "C" cement containing 2% CaCl_2 . Run centralizers on every other joint above the shoe. Apply thread lock to bottom two joints and guide shoe.
3. Wait on cement twelve hours prior to cutting off.
4. Nipple up an annular BOP system and test casing to 600 psi. WOC twenty-four (24) hours prior to drilling out.
5. Drill a 11" hole to approximately 4100'.
6. Run 8-5/8" 32.0 ppf K-55 ST&C casing. Cement with 1000 sx Cl "C" Lite containing 12 pps salt and 1/4 pps celloflake followed by 200 sx Class "C" with 2% CaCl_2 . Run guide shoe on bottom and float collar two joints from 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 twelve hours prior to cutting off.
8. Nipple up and install a 3000 psi. Double Ram and Annular BOP system with choke manifold. WOC 24 hours prior to drilling out.
9. Test BOP system to 1500 psi with the rig pump. Test casing to 1500 psi.
USE CLEAR FLUID, AND STAKED HARD LINES.
10. Drill 7-7/8" hole to 8200'. Run logs.
11. Either run and cement 2000' of 5-1/2" 17.0 ppg K-55 LT&C on bottom with the remainder of 5-1/2" 15.50 ppf K-55 LT&C casing or plug and abandon as per BLM requirements.

EXHIBIT B

SANTA FE ENERGY RESOURCES, INC.
 STERLING SILVER "33" FED NO. 15
 1980' FNL & 990' FEL
 SEC 33, T-23-S, R-31-E
 EDDY COUNTY, NEW MEXICO

