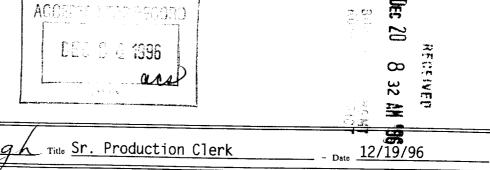
N.M. Oil Cas. Division 811 S. 1st oweet FORM APPROVED Form 3160-5 UNITED STATES Artesia, NM 88210-2834 Expires: March 31, 1993 Budget Bureau No. 1004-0135 DEPARTMENT OF THE INTERIOR (June 1990) **BUREAU OF LAND MANAGEMENT** 5. Lease Designation and Serial No. NM-45236 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT - " for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well X Oil Well 8. Well Name and No. Sterling Silver 2. Name of Operator DEC 27 '96 '33" Fed. #15 Santa Fe Energy Resources, Inc. 9. API Well No. 3. Address and Telephone No. 30-015-29275 O. C. D. 550 W. Texas, Suite 1330, Midland, TX 79701915/687-3551 10. Field and Pool, or exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FNL & 990' FEL, Sec. 33, T-23S, R-31E Sand Dunes, W. (Delaware) 11. County or Parish, State Eddv CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Abandonment Change of Plans Recompletion New Construction Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection Other Spud and run casing Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) 13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Spud 17-1/2" hole at 2:00 p.m. Drilled to 425', 12/10/96:

RU and ran 10 jts 13-3/8" 48# H-40 ST&C casing and set at 417'. Cemented w/ 250 $^{\circ}$ sx Cl "C" containing 6% gel, 2% CaCl2, & 1/4 pps Flocele. Tail w/ 200 sx Cl "C" + 2% CaCl2. Plug down at 3:45 a.m. Čirc'd 136 sx to pit. WOC. Back out landing joint. NU hydril and manifold.

12/12/96: TIH & test hydril to 600 psi, ok. WOC for a total of 24 hours. Resume drilling operations.



NM

(This space for Federal or State office use) Approved by Title Conditions of approval, if any: Date