

NM OIL CONS. COMMISSION
DEPARTMENT OF THE INTERIOR
ARTESIA, NM 88210
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

30-015-27638 **dkf**
Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			3. LEASE DESIGNATION AND SERIAL NO. NM-55142		
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
2. NAME OF OPERATOR Santa Fe Energy Operating Partners, L.P.			7. UNIT AGREEMENT NAME		
3. ADDRESS OF OPERATOR 550 W. Texas, Suite 1330, Midland, Texas 79701			8. FARM OR LEASE NAME Sterling Silver 3 Federal		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface (F), 1980' FNL and 2310' FWL, Sec. 3, T-24S, R-31E At proposed prod. zone			9. WELL NO. 6		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 19 miles East of Loving, New Mexico			10. FIELD AND POOL, OR WILDCAT Sand Dunes, West (Delawar		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 3, T-24S, R-31E		
16. NO. OF ACRES IN LEASE 320			12. COUNTY OR PARISH Eddy		
17. NO. OF ACRES ASSIGNED TO THIS WELL 40			13. STATE NM		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1320'			20. ROTARY OR CABLE TOOLS Rotary		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3438' GR			22. APPROX. DATE WORK WILL START* August 16, 1993		

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48.0	600'	600 sx to circulate
12-1/4"	8-5/8"	32.0	4150'	2000 sx to circulate
7-7/8"	5-1/2"	15.5	8100'	To tie back to 4150'

We propose to drill to a depth sufficient to test the Delaware formation for oil. If productive, 5-1/2" casing will be cemented at 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
Exhibit C - Drilling Fluid Program
Exhibit D - Auxiliary Equipment

Exhibit E - Topo Map of Location
Exhibit F - Plat Showing Existing Wells
Exhibit G - Well Site Layout
Surface Use and Operations Plan

10-1
8-27-93
JLH:AMH

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 Daniel Roberts TITLE Sr. Drilling Engineer DATE May 7, 1993

(This space for Federal or State office use)

PERMIT NO. 51 Kathy Eaton APPROVAL DATE 8-10-93
APPROVED BY Acty State Director TITLE Acty State Director
CONDITIONS OF APPROVAL, IF ANY:

GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

*See Instructions On Reverse Side