FORM APPROVED **UNITED STATES** Form 3160-5 Budget Bureau No. 1004-0135 DEPARTMENT OF THE INTERIOR (June 1990) Expires: March 31, 1993 5. Lease Designation and Serial No. BUREAU OF LAND MANAGEMENT NM-55142 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 8. Well Name and No. Sterling Silver X Oil Well 2. Name of Operator "3" Federal #7 Santa Fe Energy Operating Partners, L.P. 9. API Well No. 3. Address and Telephone No. 30-015-27714 550 W. Texas, Suite 1330, Midland, TX 79701 (915) 687-3551 10. Field and Pool, or exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) (K), 1980' FSL and 2310' FWL, Sec. 3, T-24S, R-31E Ingle Wells (Delaware) 11. County or Parish, State Eddy Co. NM CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF ACTION TYPE OF SUBMISSION Change of Plans Notice of Intent Abandonment New Construction Recompletion Subsequent Report Plugging Back Non-Routine Fracturing Water Shut-Off Casing Repair Final Abandonment Notice Altering Casing Conversion to Injection Other Extend Drla Authority 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.)\* Santa Fe Energy Operating Partners, L.P. respectfully requests that the Authority to Drill the subject well be extended for one year. It is planned to drill this well sometime during 1995. Date 01/10/95 Title Sr. Production Clerk (This space for Federal or State office use) Title Approved by

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Conditions of approval, if any: