

Form 3160-3  
(July 1992)

**NM OIL & GAS COMMISSION**  
**DRAWER D**  
**ARTESIA, NM 88210**  
**UNITED STATES**  
**DEPARTMENT OF THE INTERIOR**  
**BUREAU OF LAND MANAGEMENT**

**SUBMIT IN TRIPPLICATE\***  
(Other instructions on  
reverse side)

**FORM APPROVED**  
**OMB NO. 1004-0136**  
**Expires: February 28, 1995**

*OK*

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL  
WELL ☒

GAS  
WELL ☐

OTHER ☐

SINGLE  
ZONE ☐

MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

Santa Fe Energy Operating Partners, L.P.

3. ADDRESS AND TELEPHONE NO.

550 W. Texas, Suite 1330, Midland, TX 79701 915/687-3551

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

(L), 660' FWL and 1980' FSL, Sec. 3, T-24S, R-31E

At proposed prod. zone

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

19 miles East of Loving, New Mexico

15. DISTANCE FROM PROPOSED\*  
LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drig. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

320

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.

660'

19. PROPOSED DEPTH

8300'

20. ROTARY OR CABLE TOOLS

Rotary

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

3432' GR

22. APPROX. DATE WORK WILL START\*

September 30, 1994

23.

**PROPOSED CASING AND CEMENTING PROGRAM**

**Secretary's Potash**

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	4200'	1200 sx to circulate
7-7/8"	5-1/2"	15.5 & 17.0	8300'	To tie back to 4000'

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

*Post ID-1  
11-18-94  
Maw Lee & API*

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

*Danell Roberts*

TITLE Division Drilling Engineer DATE Aug. 30, 1994

(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:

**APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED**

APPROVED BY

*/s/ Gilbert J. Lucero*

TITLE

*Associate S.D.*

DATE

*10-20-94*

\*See Instructions On Reverse Side

DISTRICT I  
P. O. Box 1980  
Hobbs, NM 88241-1980

State of New Mexico  
El. . . Minerals, and Natural Resources Dep. ment

Form C-102  
Revised 02-10-94

Instructions on back

DISTRICT II  
P. O. Drawer DD  
Artesia, NM 88211-0719

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

Submit to the Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

DISTRICT III  
1000 Rio Brazos Rd.  
Aztec, NM 87410

ARTESIA OFFICE

☐ AMENDED REPORT

DISTRICT IV  
P. O. Box 2088  
Santa Fe, NM 87507-2088

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number 30-015-28184	2 Pool Code 53813 33745	3 Pool Name TWOLE WELLS Sand Dunes, West (Delaware)
4 Property Code	5 Property Name STERLING SILVER '3' FEDERAL	6 Well Number 3
7 OGRID No. 020290	8 Operator Name SANTA FE ENERGY OPER. PART, L.P.	9 Elevation 3432'

**10 SURFACE LOCATION**

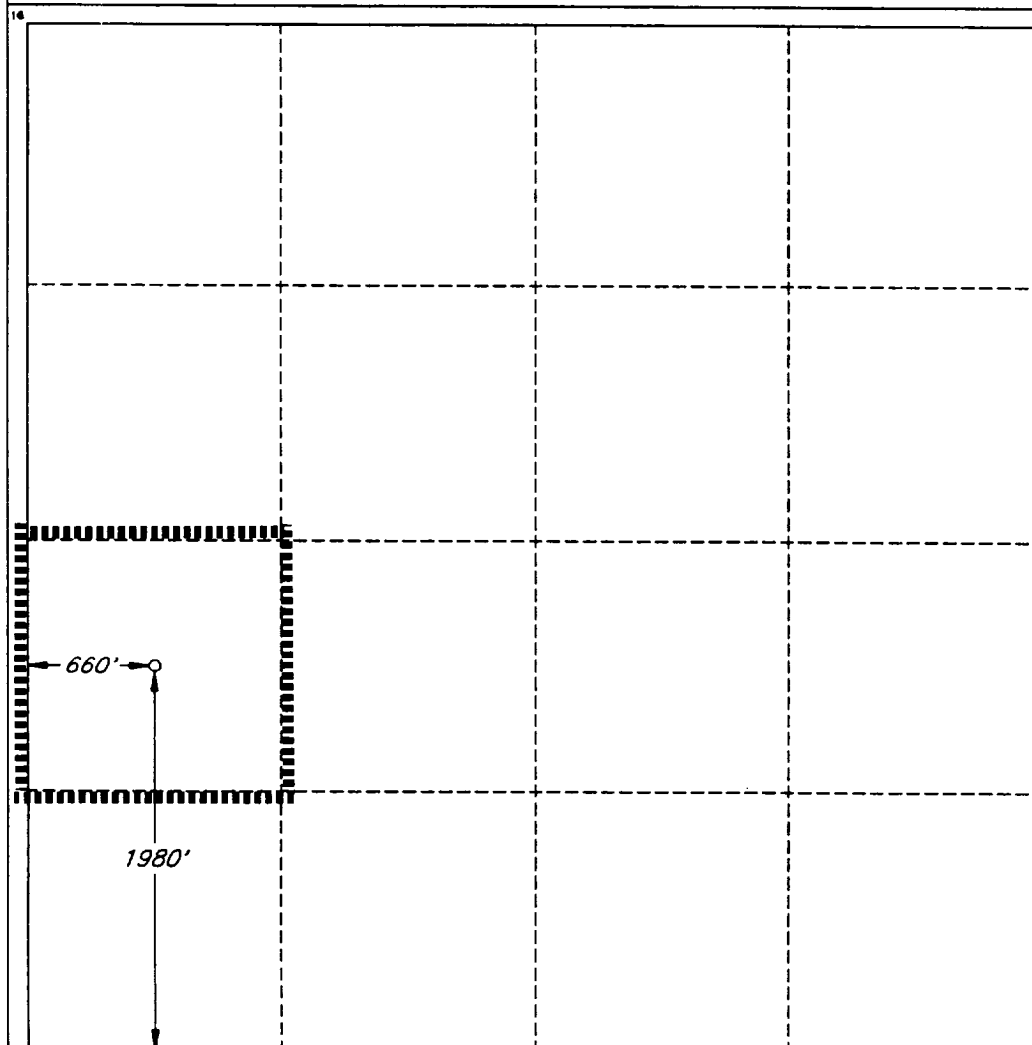
UL or lot no. L	Section 3	Township 24 SOUTH	Range 31 EAST, N.M.P.M.	Lot Ida	Feet from the 1980'	North/South line SOUTH	Feet from the 660'	East/West line WEST	County EDDY
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**"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE**

UL or lot no. L	Section 3	Township 24S	Range 31E	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 40	13 Joint or Infill N	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN  
CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



**OPERATOR CERTIFICATION**

I hereby certify that the information  
contained herein is true and complete  
to the best of my knowledge and belief.

Signature

Darrell Roberts

Printed Name

Darrell Roberts

Title

Division Drilling Engineer

Date

August 30, 1994

**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 belief.

Date of Survey

SEP 14 1994

Signature of Surveyor

Professional Surveyor

V. LYNN

BEZNER

NO. 7920

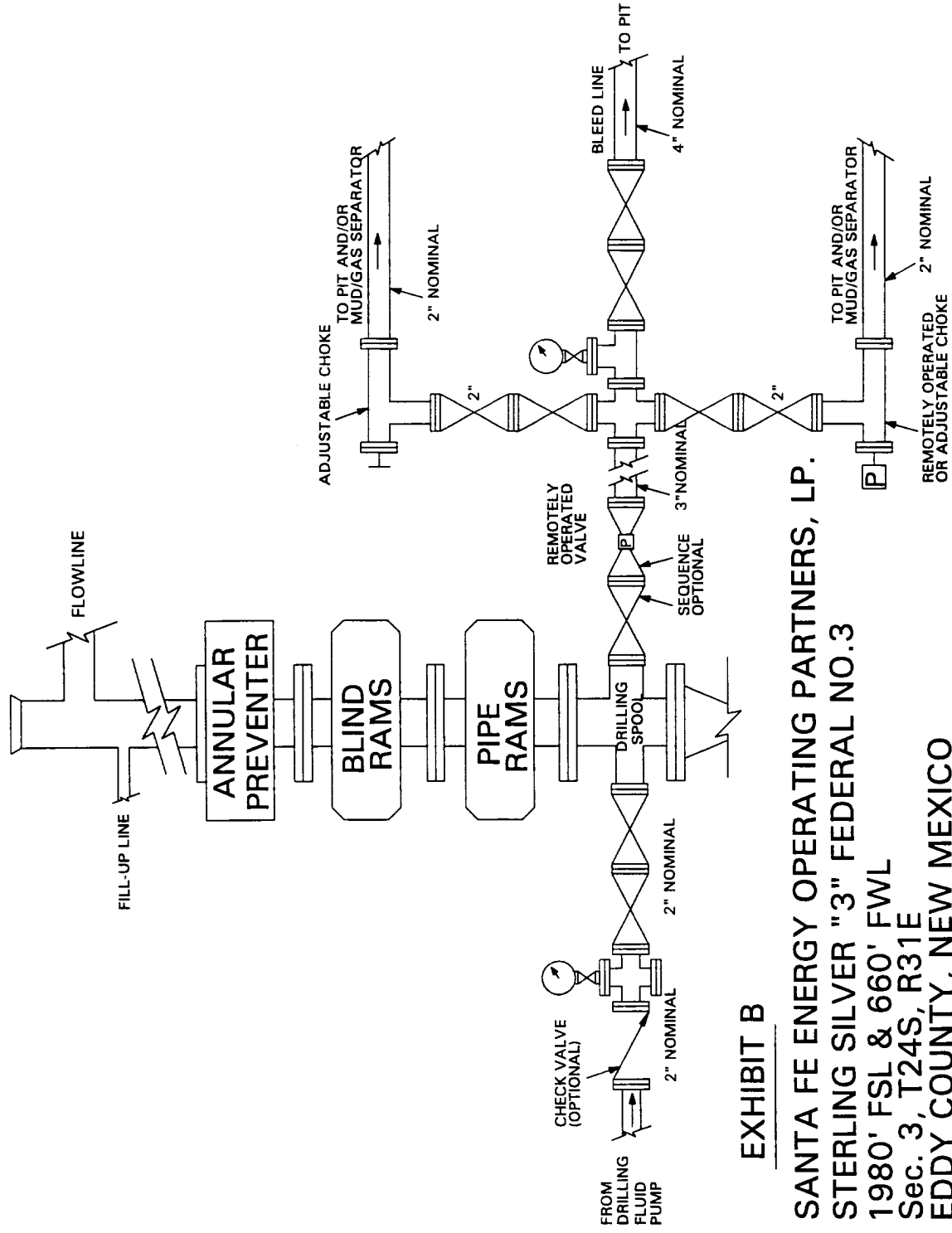
Certified to

V. L. BEZNER

R.P.S. #7920

JOB #34334 / 23 NE / V.H.B.

# PROPOSED 3-M BOPE AND CHOKE ARRANGEMENT



## EXHIBIT B

SANTA FE ENERGY OPERATING PARTNERS, LP.

STERLING SILVER "3" FEDERAL NO.3

1980' FSL & 660' FWL

Sec. 3, T24S, R31E

EDDY COUNTY, NEW MEXICO