

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

NM OIL CONS COMMISSION
FORM APPROVED
OMB NO. 4310-0137
Expires: February 28, 1995

(See other instructions on reverse side)

RECEIVED

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

| | | | |
|--|--|---|--|
| 1a. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> Other <input type="checkbox"/> | | APR 3 9 17 AM '95 | |
| b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other <input type="checkbox"/> | | CARLOS AREA | |
| 2. NAME OF OPERATOR Santa Fe Energy Resources, Inc. | | | |
| 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 (M), 660' FSL & 710' FWL, Sec. 3, T-24S, R-31E At top prod. interval reported below | | | |
| 14. PERMIT NO. | | DATE ISSUED | |
| 15. DATE SPUDDED 02/19/95 | | 16. DATE T.D. REACHED 03/03/95 | |
| 17. DATE COMPL. (Ready to prod.) 03/10/95 | | 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 3435' GR; 3448' KB | |
| 20. TOTAL DEPTH, MD & TVD 8295' | | 21. PLUG, BACK T.D., MD & TVD 8215' | |
| 22. IF MULTIPLE COMPL., HOW MANY* N/A | | 23. INTERVALS DRILLED BY ROTARY TOOLS A11 | |
| 24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)* 8070' - 8110' (Delaware) | | 25. WAS DIRECTIONAL SURVEY MADE No | |
| 26. TYPE ELECTRIC AND OTHER LOGS RUN LDT/CNL; DITE | | 27. WAS WELL CORED No | |

RECEIVED

MAY 1 1995

| CASING RECORD (Report all strings set in well) | | | | |
|--|-----------------|----------------|-----------|---------------|
| CASING SIZE/GRADE | WEIGHT, LB./FT. | DEPTH SET (MD) | HOLE SIZE | AMOUNT PULLED |
| 13-3/8" | 48# | 417' | 17-1/2" | None |
| 8-5/8" | 32# | 4188' | 11" | None |
| 5-1/2" | 15.5 & 17.0 | 8295' | 7-7/8" | None |

| LINER RECORD | | | | TUBING RECORD | | |
|--------------|----------|-------------|---------------|---------------|----------------|-----------------|
| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
| N/A | | | | 2-7/8" | 8023' | N/A |

| 31. PERFORATION RECORD (Interval, size and number) | 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. |
|--|--|
| 8070' - 8110', 4" csg gun (40 holes) | |
| | DEPTH INTERVAL (MD) |
| | 8070' - 8110' |
| | AMOUNT AND KIND OF MATERIAL USED |
| | 63,100 gal gel containing |
| | 130,000# 16-30 Ottawa sand |
| | and 15,000# resin coated sand |

| PRODUCTION | | | | | | | |
|-----------------------|-----------------|--|-------------------------|------------|--------------|------------------------------------|-----------------|
| DATE FIRST PRODUCTION | | PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) | | | | WELL STATUS (Producing or shut-in) | |
| 3-14-95 | | Pumping - 2-1/2"x1-1/2"x22' | | | | Producing | |
| DATE OF TEST | HOURS TESTED | CHOKE SIZE | PROD'N. FOR TEST PERIOD | OIL - BBL. | GAS - MCF. | WATER - BBL. | GAS - OIL RATIO |
| 3-27-95 | 24 | N/A | | 200 | 178 | 225 | 890 |
| TUBING PRESS. | CASING PRESSURE | CALCULATED 24-HOUR RATE | OIL - BBL. | GAS - MCF. | WATER - BBL. | OIL GRAVITY - API (CORR.) | |
| 350 | 130 | | 200 | 178 | 225 | 40 | |

| | |
|---|-------------------|
| 34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold - Hadson | TEST WITNESSED BY |
|---|-------------------|

| |
|--|
| 35. LIST OF ATTACHMENTS Deviation Survey, C-104, Logs |
|--|

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED [Signature] TITLE Sr. Production Clerk DATE 3-28-95

*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof, cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

38.

GEOLOGIC MARKERS

| FORMATION | TOP | BOTTOM | DESCRIPTION, CONTENTS, ETC. | NAME | TOP | |
|---------------|-------|--------|-----------------------------|------|-------------|------------------|
| | | | | | MEAS. DEPTH | TRUE VERT. DEPTH |
| Rustler | 530 | | | | | |
| Bell Canyon | 4342 | | | | | |
| Cherry Canyon | 5274 | | | | | |
| Rrushy Canyon | 6506 | | | | | |
| bune Spring | 8198 | | | | | |
| TD | 8295' | | | | | |



KEN REYNOLDS—PRESIDENT
ARNIE NEWKIRK—VICE-PRESIDENT

DRILLING CO., INC. — OIL WELL DRILLING CONTRACTORS

P. O. BOX 1498 ROSWELL, NEW MEXICO 88202-1498
505/623-5070 505/746-2719
ROSWELL, NM ARTESIA, NM

March 03, 1995

Santa Fe Energy Operating Partners, L.P.
550 W. Texas, Suite 1330
Midland, Texas 79701

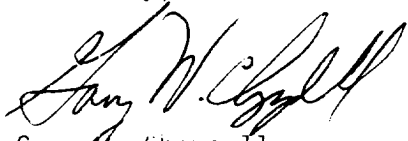
RE: Sterling Silver "3" #4

Gentlemen:

The following is a Deviation Survey on the above referenced well located in Eddy County, New Mexico.

| | | |
|--------------|----------------|----------------|
| 424' - 3/4° | 3418' - 1° | 6178' - 1/2° |
| 921' - 1° | 3954' - 2° | 6655' - 3/4° |
| 1418' - 3/4° | 4191' - 1 3/4° | 7155' - 1° |
| 1918' - 1/2° | 4678' - 1° | 7650' - 1 1/4° |
| 2418' - 2° | 5178' - 3/4° | 8149' - 1 1/2° |
| 2918' - 3/4° | 5678' - 1/2° | 8295' - 1 1/2° |

Sincerely,

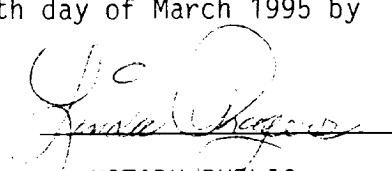

Gary W. Chappell
Contracts Manager

STATE OF NEW MEXICO)
COUNTY OF CHAVES)

The foregoing was acknowledged before me this 06th day of March 1995 by Gary W. Chappell.

MY COMMISSION EXPIRES

October 07, 1996


NOTARY PUBLIC