Form 3160-3 (November 1983) (formerly 9-331C)	DEPARTMENT	ED STATES	-	de)	Form approve	NU NO. 1004-0136 () 1 ast 31, 1985 ON AND BERIAL NO.
APPLICATION FOR PERMIT TO BRILL DEEPEN, OR PLUG BACK					6. IF INDIAN, ALLOT	
1a. TYPE OF WORK					7. UNIT AGREEMENT	
		1 10-2	INGLE MULTIP		8. FARM OR LEASE	ATTA
2. NAME OF OPERATOR					Sterling Silver 3 Federal	
Santa Fe Energy Operating Partners, L.P.					9. WELL NO.	
3. ADDRESS OF OPERATOR			and the second sec		8	
550 W. Texas, Suite 1330, Midland, Texas 79701 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)					10. FIELD AND POOL OF WILDCAT IN THE WELLS, Band Dunes, West (Delaward	
At Suriace	50' FSL and 2310	1 - 2 - 2 - 2 - 2		-	11. SEC., T., R., M., OR BLE.	
At proposed prod. son		гиц, зес. э,	1-24 KELEIVED		AND SURVEY OR	AREA
			OCT - 4 1002			24S, R-31E
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE					12. COUNTY OF PARISH   13. STATE	
	East of Loving		Q. (., D.		Eddy	NM
15. DISTANCE FROM PROP LOCATION TO NEARES PROPERTY OR LEASE I (Also to nearest dr)	T LINE, FT. g. unit line, if any)	330'	0. or <b>Actual in Dates :</b> 320	17. NO. OF ACRES ASSIGNED TO THIS WELL 40		
18. DISTANCE FROM PROI TO NEAREST WELL, D	RILLING, COMPLETED,		ROPOSED DEPTH	1	20. ROTARY OR CABLE TOOLS	
OR APPLIED FOR, ON TH		1320'	8100'	1	Rotary	
21. ELEVATIONS (Show wh		Carisbad Car	ninded Water B	asin		WORK WILL START*
3453' (	<u>GR</u>				September	15, 1993
23.		PROPOSED CASING AN	D CEMENTING PROGRA	M Secrel	lary's Potash	R-111-P Potash
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	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	e back to 41	50'SEG STIPS.

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 E - Topo Map of Location
Exhibit B - BOP and Choke	Exhibit F - Plat Showing Existing Wells
Exhibit C - Drilling Fluid Program	Exhibit G - Well Site Layout
Exhibit D - Auxiliary Equipment	Surface Use and Operations Plan 10-1
	/0-8-83
	NLANT

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive sone 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.

SIGNED Daniel Polite	TITLE Sr. Drilling Engineer	May 7, 1993
(This space for Federal or State office use)		
APPROVED BY Spencenia	TITLE Acting State Prector	DATE 9-20-93
APPROVAL SUBJECT TO	2	
GENERAL REQUIREMENTS AND		

## \*See Instructions On Reverse Side

Title 18 IASHE Bection 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.

SPECIAL STIPULATIONS