

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-53218-55-1 (net)	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBAL NAME	
2. NAME OF OPERATOR Santa Fe Energy Operating Partners, L.P.		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. 550 W. Texas, Suite 1330, Midland, TX 79701		8. FARM OR LEASE NAME, WELL NO. Walt Canyon "35" Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' FSL and 1980' FWL, Sec. 35, T-21S, R-24E At proposed prod. zone		9. AM WELL NO. 1	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 13-1/2 miles West of Carlsbad		10. FIELD AND POOL, OR WILDCAT Indian Basin (Upper Pen)	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. Mar. Ind. Hills unit (Also to nearest drilg. unit line, if any) 1-1/4 mi West		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 35, T-21S, R-24E	
16. NO. OF ACRES IN LEASE 1120		12. COUNTY OR PARISH Eddy	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 960'		19. PROPOSED DEPTH 8400'	
20. ROTARY OR CABLE TOOLS Rotary		21. APPROX. DATE WORK WILL START* August 15, 1994	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3894' GR		22. APPROX. DATE WORK WILL START*	
23. PROPOSED CASING AND CEMENTING PROGRAM			

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48.00 H-40	350'	400 sx to circulate
12-1/4"	9-5/8"	36.0 K-55	2500'	1200 sx to circulate
8-3/4"	7"	26.0 K-55	8400'	TOC at 6000

We propose to drill to a depth sufficient to test the Cisco/Canyon formation for oil. If productive, 7" casing will be run to 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

H2S Drilling Operations Plan

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.

SIGNED Daniel Pelt TITLE Sr. Drilling Engineer DATE June 3, 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 STIMULATIONS  
ATTACHED

(ORIG. SGD.) RICHARD L. MANIIS

APPROVED BY: \_\_\_\_\_ TITLE AREA MANAGERDATE AUG 23 1994

\*See Instructions On Reverse Side