

NM OIL CONS. COMMISSION
DRAWER 88210
DEPARTMENT OF THE INTERIOR
ARTESIA, NM 88210
BUREAU OF LAND MANAGEMENTSUBMIT IN TRIPLICATE*
(Other instr. is on reverse)FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

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-92766		
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
2. NAME OF OPERATOR Santa Fe Energy Operating Partners, L.P. 20290			7. UNIT AGREEMENT NAME 15491		
3. ADDRESS AND TELEPHONE NO. 550 W. Texas, Suite 1330, Midland, Texas 79701			8. FARM OR LEASE NAME, WELL NO. Palladium "13" Federal #3		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface (J) 1980' FSL & 1980' FEL Sec 13, T-24-S, R-30-E At proposed prod. zone 960' 16			9. API WELL NO. 30-015-28241		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 17 miles East of Loving, New Mexico			10. FIELD AND POOL, OR WILDCAT Undesignated (Delaware) NW		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 660'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 13, T-24-S, R-30-E		
16. NO. OF ACRES IN LEASE 320			12. COUNTY OR PARISH Eddy		
17. NO. OF ACRES ASSIGNED TO THIS WELL 40			13. STATE New Mexico		
18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1370'			20. ROTARY OR CABLE TOOLS Rotary		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3495 GR			22. APPROX. DATE WORK WILL START* November 15, 1994		

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	H-40 13-3/8"	48.0	400'	400 sx to circulate
11"	K-55 8-5/8"	32.0	4000'	1350 sx to circulate
7-7/8"	K-55 5-1/2"	15.5 & 17.0	8200'	Tie back to 3800'

We propose to drill to a depth sufficient to test the Delaware formation for oil. If productive 5-1/2" 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 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 Manifold
Exhibit C - Drilling Fluid Program
Exhibit D - Auxiliary Equipment

Exhibit E - Topo Map of Location
Exhibit F - Map Showing Existing Wells
Exhibit F(A) - Plat of Location
Exhibit G - Well Site Layout
Surface Use and 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.

24. SIGNED James G. Johnson TITLE Agent for Santa Fe Energy DATE 9-26-94
(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 operate thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

APPROVED BY Edwin L. Robinson TITLE Acting S.D. DATE 12/1/94

*See Instructions On Reverse Side

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.