

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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-45236		
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 Resources, Inc.		7. UNIT AGREEMENT NAME		
3. ADDRESS AND TELEPHONE NO. 550 W. Texas, Suite 1330, Midland, TX 79701 915/687-3551		8. FARM OR LEASE NAME, WELL NO. Sterling Silver "33" Fed. No.15 16662		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface (H), 1980' FNL & 990' FEL, Sec. 33, T-23S, R-31E At proposed prod. zone		9. API WELL NO. 30-025-015-28523		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 18 miles East of Loving, New Mexico		10. FIELD AND POOL, OR WILDCAT Sand Dunes, West (Delaware)		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 990'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 33, T-23S, R-31E		
16. NO. OF ACRES IN LEASE 640		12. COUNTY OR PARISH Eddy Co.,		
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE NM		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1650'		20. ROTARY OR CABLE TOOLS Rotary		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3402' GR		22. APPROX. DATE WORK WILL START* May 1, 1995		
23. PROPOSED CASING AND CEMENTING PROGRAM R-111-P 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	4100'	1300 sx to circulate
7-7/8"	5-1/2"	15.5 & 17.0	8200'	To tie back to 3900'

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 conforming 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

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 Daniel Roberts TITLE Division Drilling Engineer DATE April 3, 1995

(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:

APPROVED BY /s/ Gilbert J. Lucero TITLE Assoc. STATE Director DATE 5-17-95

*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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM-45236
2. Name of Operator	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. 550 W. Texas, Suite 1330, Midland, TX 79701 915-687-3551	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) (H), 1980' FNL & 990' FEL, Sec.33, T-23S, R-31E	8. Well Name and No. Sterling Silver "33" Fed. No.15
	9. API Well No. 30-025-
	10. Field and Pool, or exploratory Area Sand Dunes, West (Delaware)
	11. County or Parish, State Eddy Co., NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other Responsibility Stmtnt
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Santa Fe Energy Resources, Inc. accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described above in the heading and previously described in a APD. Santa Fe Energy Operating Partners, L.P. is in the process of being dissolved and all leases will be changed over to Santa Fe Energy Resources, Inc. in due process.

Bond Coverage: Blanket Bond

BLM Bond File No.: 100750

RECEIVED

MAY 22 1995

**OIL CON. DIV.
DIST. 2**

RECEIVED
MAY 8 8 46 AM '95
CARTER AREA

14. I hereby certify that the foregoing is true and correct

Signed Daniel Roberts Title Division Drilling Engineer Date May 4, 1995

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any: _____

DISTRICT I
P. O. Box 1980
Hobbs, NM 88240

DISTRICT II
P. O. Drawer DD
Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd
Aztec, NM 87410

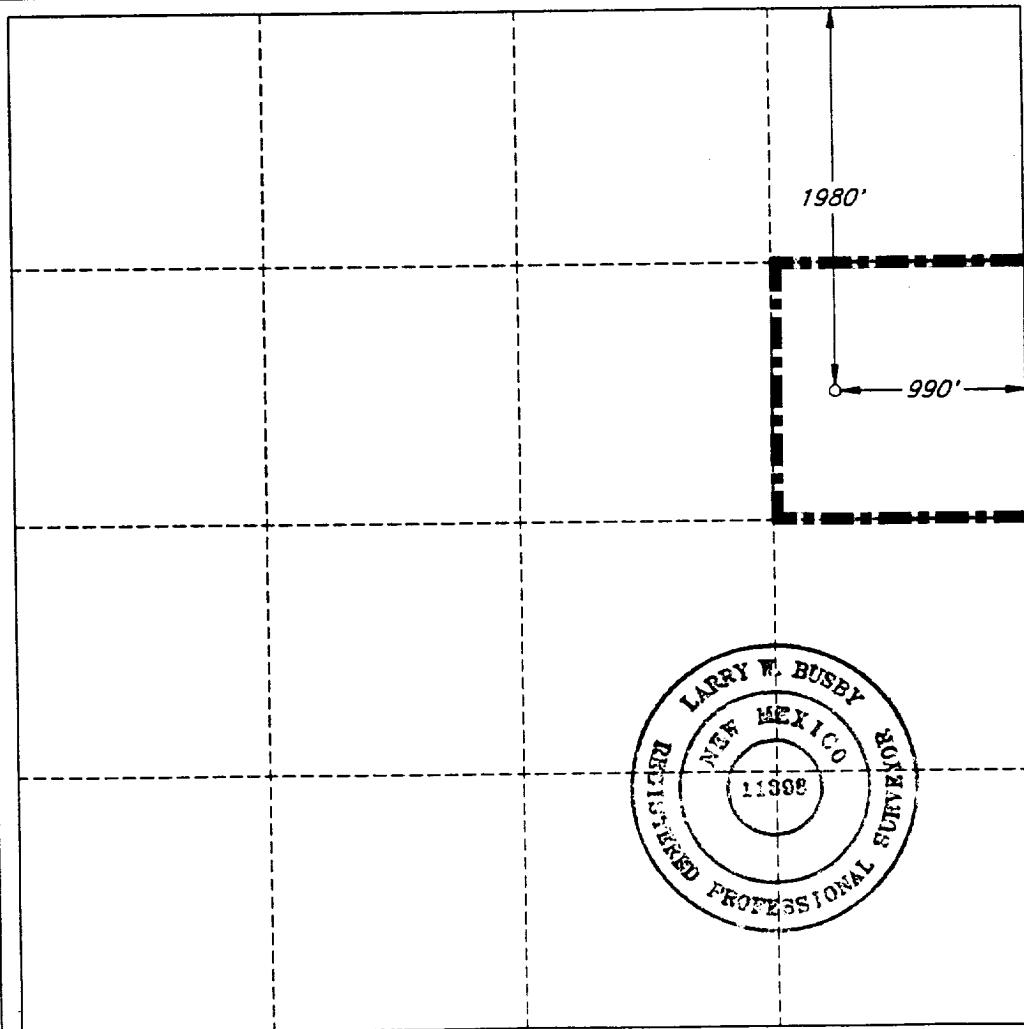
OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the section.

Operator SANTA FE ENERGY OPER. PART, L.P.			Lease STERLING SILVER '33' FEDERAL		Well No. 15
Unit Letter H	Section 33	Township 23 SOUTH	Range 31 EAST, N.M.P.M.	County EDDY	
Actual Footage Location of Well					
1980 feet from the NORTH line and		990 feet from the EAST line			
Ground Level Elev. 3402'	Producing Formation Delaware		Pool Sand Dunes, West (Delaware)	40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all the owners been consolidated by communitization, unitization, forced-pooling, etc.?
☐ Yes ☐ No If answer is "yes", type of consolidation _____
If the answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use the reverse side of this form if necessary.) _____
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the division.



OPERATOR CERTIFICATION

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

Signature
Darrell Roberts
Printed Name
Darrell Roberts
Position
Sr. Drilling Engineer
Company
Santa Fe Energy Operating Partners, L.P.
Date
4/3/95

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 knowledge and belief.

Date Surveyed
JULY 6, 1993

Signature and Seal of
Professional Surveyor

Larry W. Busby
Certificate No.
LARRY W. BUSBY R.P.S. #11398
JOB NO. 97218 V.H.B.

PROPOSED 3-M BOPE AND CHOKE ARRANGEMENT

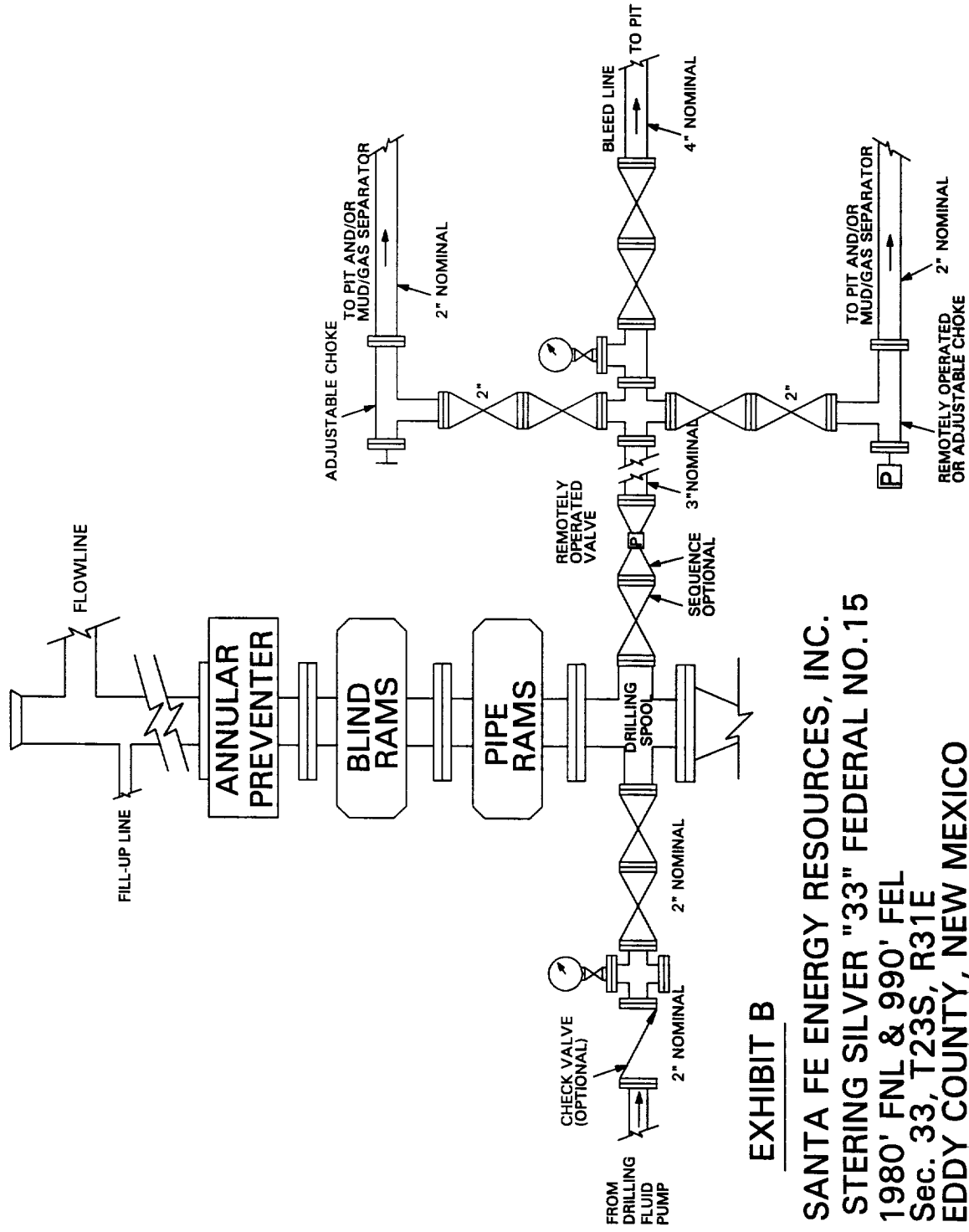


EXHIBIT B

SANTA FE ENERGY RESOURCES, INC.
 STERLING SILVER "33" FEDERAL NO.15
 1980' FNL & 990' FEL
 Sec. 33, T23S, R31E
 EDDY COUNTY, NEW MEXICO