

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☒GAS WELL ☐OTHER ☐SINGLE ZONE ☒MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Santa Fe Energy Resources, Inc.

3. ADDRESS AND TELEPHONE NO.

550 W. Texas, Suite 1330; Midland, Texas 79701 (915)682-6373

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

(B) 750' FNL & 2310' FEL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

7.5 miles east of Malaga, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

750'

16. NO. OF ACRES IN LEASE

560'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1075'

19. PROPOSED DEPTH

8300'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3076 GR

22. APPROX. DATE WORK WILL START*

June 30, 1997

23.

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	350'	350 sx to circulate
11"	K-55 8 5/8"	32.0	3000'	850 sx to circulate
7 7/8"	K-55 5 1/2"	17.0	8300'	500 sx for TOC @ 8000'

We propose to drill to a depth sufficient to test the Bone Spring formation for oil. If productive, 5 1/2" casing will be cemented 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 Schematic
- Exhibit C - Drilling Fluid Program
- Exhibit D - Auxiliary Equipment
- Exhibit E - Topo Map at Location

Subject to
General Requirements and
Special Stipulations
Attached

- Exhibit F - Plat Showing Existing Wells
- Exhibit F (A) - Plat of Location
- Exhibit G - Well Site Layout
- Surface Use and Operations Plan

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.

Bond Coverage: Blanket Bond

BLM Bond File No.: MT 0750

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 J. Philpott

TITLE

Agent for Santa Fe Energy

DATE

6-6-97

(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

[ORIG SQU] [ONY] [FERGUSON]

TITLE

ADM. MINERALS

DATE

7/17/97

*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.

DISTRICT I
P. O. Box 1980
Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94
Instructions on back

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

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

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

☐ AMENDED REPORT

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

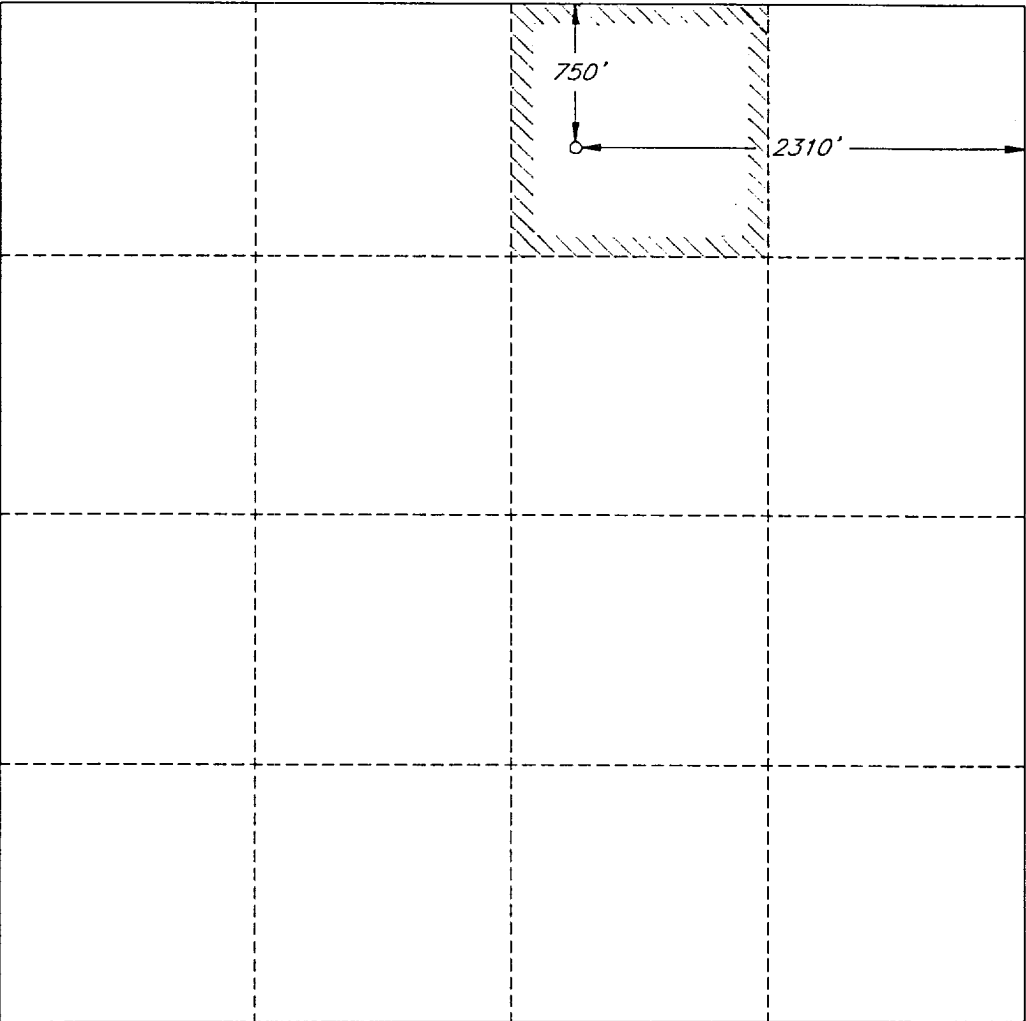
¹ API Number		² Pool Code 11520		³ Pool Name Cedar Canyon (Bone Spring)					
⁴ Property Code		⁵ Property Name H B '11' FEDERAL						⁶ Well Number 9	
⁷ OGRID No.		⁸ Operator Name SANTA FE ENERGY RESOURCES, INC.						⁹ Elevation 3076'	
¹⁰ SURFACE LOCATION									
UL or lot no. B	Section 11	Township 24 SOUTH	Range 29 EAST, N.M.P.M.	Lot Ida	Feet from the 750'	North/South line NORTH	Feet from the 2310'	East/West line EAST	County EDDY
¹¹ BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			
NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION									
<div style="border: 1px solid black; padding: 10px; margin: 10px;"></div>						OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>			
						Signature <i>James P. "Phil" Stinson</i>			
						Printed Name James P. "Phil" Stinson			
						Title Agent for Santa Fe Energy			
						Date 6-6-97			
						SURVEYOR CERTIFICATION <i>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 belief.</i>			
						Date of Survey MAY 19, 1997			
						Signature and Seal of Professional Surveyor <i>Roger M. Robbins</i>			
						Certificate No. ROGER M. ROBBINS P.S. #12128			
						JOB #51884 / 23 NW / VHB			

EXHIBIT B

SANTA FE ENERGY RESOURCES, INC.

H.B. "11" FED NO. 9

750' FNL & 2310' FEL

SEC 11, T-24-S, R-29-E

EDDY COUNTY, NEW MEXICO

