

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. 20305

3. ADDRESS AND TELEPHONE NO.
550 W. Texas, Suite 1330; Midland, TX 79701 (915) 682-6373

4. LOCATION OF WELL (Report location clearly and in accordance with State requirements.)
At surface (H) 1980' FNL & 510' FEL
At proposed prod. zone ut H
SUBJECT TO STATE REQUIREMENTS FOR LIKE APPROVAL BY STATE FOR UNCONFINED LOCATION

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
26 miles NE of Carlsbad, New Mexico

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drg. unit line, if any) 510'

19. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
NA

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3450' GR

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
17 1/2"	H-40 13 3/8"	48.0	450'
11"	K-55 8 5/8"	24.0 & 32.0	3000'
7 7/8"	N-80 & S-95 5 1/2"	17.0	12350'

5. LEASE DESIGNATION AND SERIAL NO.
NM 4351 NM 06766
6. IF INDIAN, ALLOTTED OR TRIBE NAME
7. UNIT AGREEMENT NAME
22900
8. FARM OR LEASE NAME WELL NO.
Hackberry "24" Fed #1
9. AM WELL NO.
30-015-30122
10. FIELD AND POOL, OR WILDCAT
No. Hackberry (Morrow)
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 24, T-19-S, R-30-E
12. COUNTY OR PARISH
Eddy
13. STATE
New Mexico

17. NO. OF ACRES ASSIGNED TO THIS WELL
320

20. ROTARY OR CAULE TOOLS
Rotary

22. APPROX. DATE WORK WILL START
January 12, 1998

We propose to drill to a depth sufficient to test the Morrow formation for gas. 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

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

Past FD-1
3-6-98
APF & Loc

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.

SIGNED James P. Phil Stinson TITLE Agent for Santa Fe Energy DATE 12-22-97
(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 of the
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Blair J. Chace TITLE State Director DATE 12-22-97
*See Instructions On Reverse Side

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

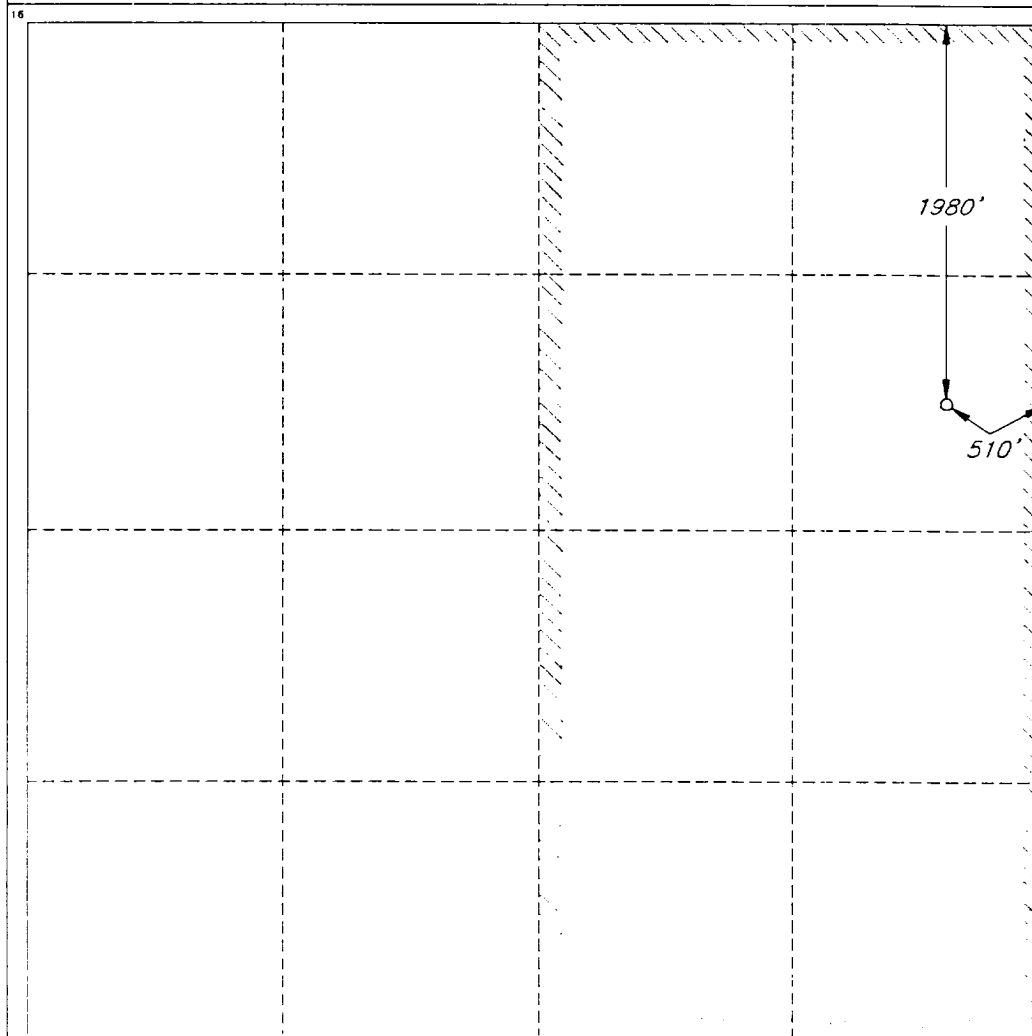
☐ AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name No. Hackberry (Morrow)					
4 Property Code		5 Property Name HACKBERRY '24' FEDERAL						6 Well Number 1	
7 OGRID No.		8 Operator Name SANTA FE ENERGY RESOURCES, INC.						9 Elevation 3450'	
10 SURFACE LOCATION									
UL or lot no. H	Section 24	Township 19 SOUTH	Range 30 EAST, N.M.P.M.	Lot Ida	Feet from the 1980'	North/South line NORTH	Feet from the 510'	East/West line EAST	County EDDY
"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 320		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



OPERATOR CERTIFICATION

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

Signature: *James P. "Phil" Stinson*
Printed Name

James P. "Phil" Stinson

Title

Agent for Santa Fe Energy

Date

12-22-97

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 belief.

Date of Survey

DECEMBER 20, 1997

Signature and Seal of Professional Surveyor



Certificate No. 12123
ROGER M. ROBBINS P.S. #12123

JOB #55549 / 73 NW / V.H.B.

PROPOSED 5-M BOPE AND CHOKE ARRANGEMENT

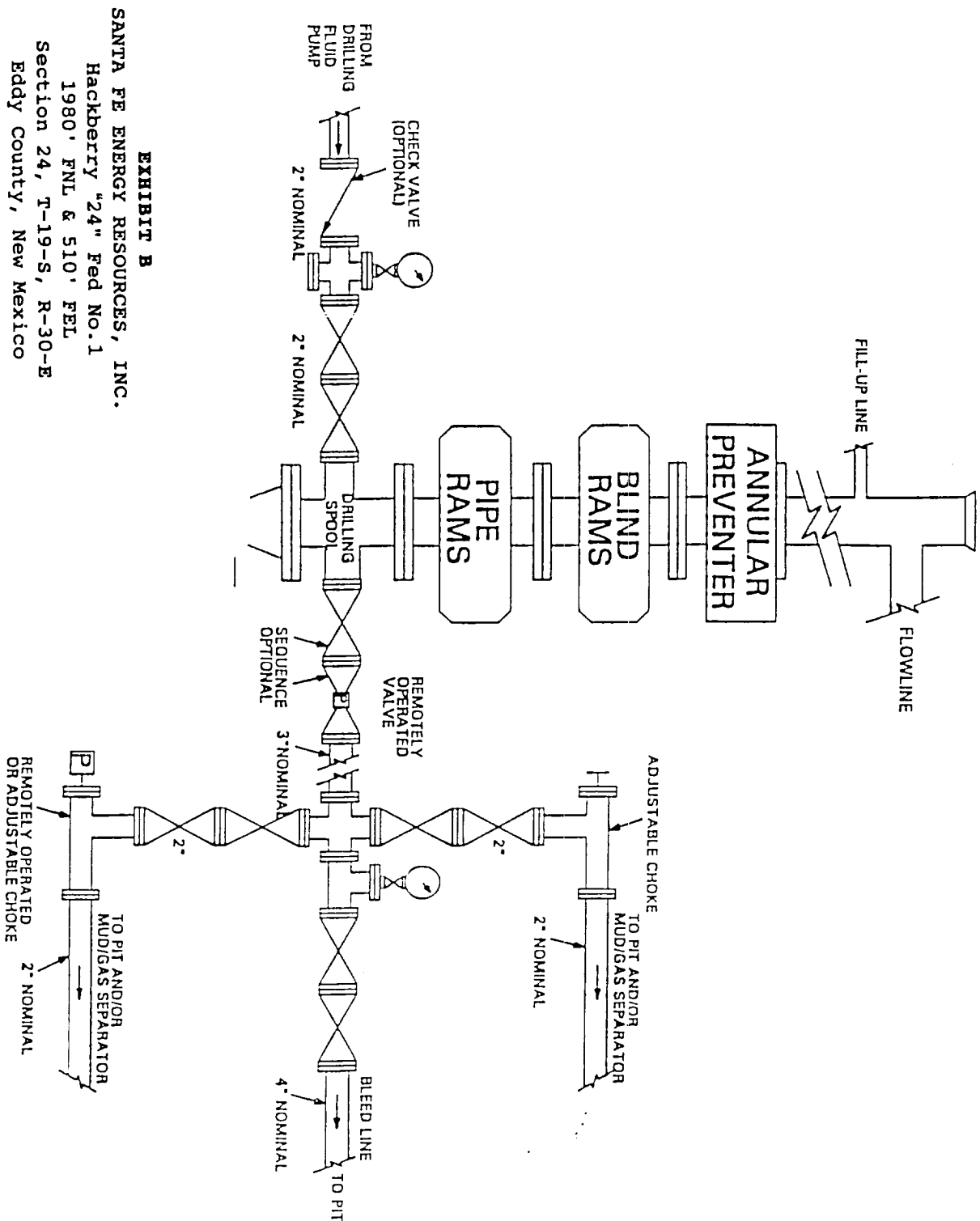


EXHIBIT B

SANTA FE ENERGY RESOURCES, INC.

Hackberry "24" Fed No.1

1980' FNL & 510' FEL

Section 24, T-19-S, R-30-E

Eddy County, New Mexico