

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

Other Instructions on
Reverse Side

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

811 S 1ST ST
ARTESIA, NM 88210-2234

LEASE DESIGNATION AND SERIAL NO.
NM-025503

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, Texas 79701 (915)682-6373

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

At surface

(J) 1880' FSL & 1980' FEL

At proposed prod. zone

8. IF INDIAN, ALLOTTED OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Benson "25" Fed Com #1 23595

9. API WELL NO.

30-015-30368

10. FIELD AND POOL, OR WILDCAT (Morrow) 8330S

Shugart North

11. SEC., T., R., OR BLK. AND SURVEY OR AREA

Sec 25, T-18-S, R-30-E

12. COUNTY OR PARISH 13. STATE

Eddy New Mexico

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 drlg. unit line, if any)

760'

16. NO. OF ACRES IN LEASE

160

17. NO. OF ACRES ASSIGNED TO THIS WELL

320

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

NA

19. PROPOSED DEPTH

12150'

20. ROTARY OR CABLE TOOLS

Rotary

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

3554' GR

22. APPROX. DATE WORK WILL START*

July 25, 1998

23. SECRETARY'S POTASH

PROPOSED CASING AND CEMENT

CAPITAN CONTROLLED WATER BASIN

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	675'	550 sx to WITNESS
11"	K-55 8 5/8"	32.0	4500'	1275 sx to WITNESS
7 7/8"	N-80 & S-95 5 1/2"	17.0	12150'	1100 sx for TOC @ 6000'

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

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 P. Stinson

TITLE Agent for Santa Fe Energy

DATE 7-2-98

(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

Frank Splendoric

TITLE

Acting

STATE DIRECTOR

DATE

7/26/98

*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

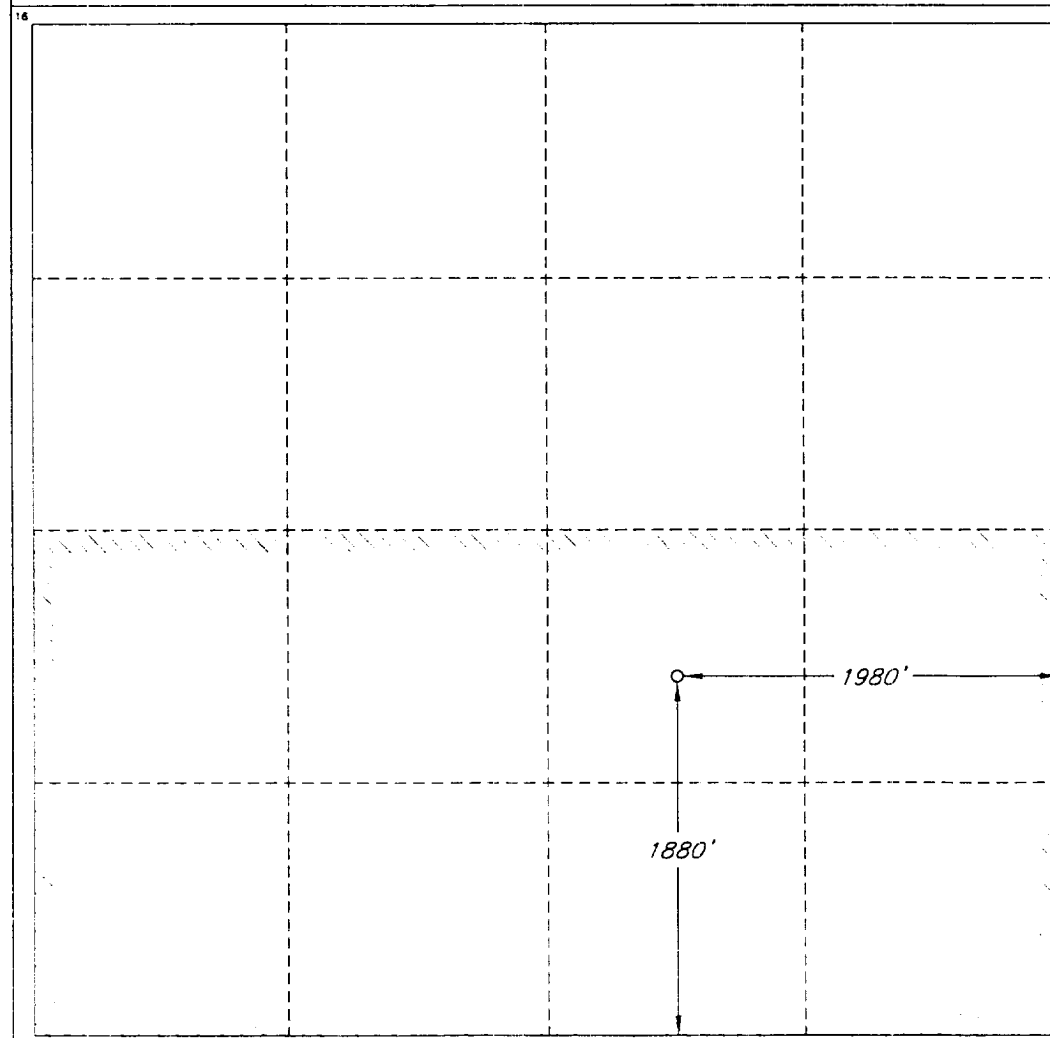
DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name Wildcat (Morrow)					
4 Property Code		5 Property Name BENSON '25' FEDERAL						6 Well Number 1	
7 OGRID No. 20305		8 Operator Name SANTA FE ENERGY RESOURCES, INC.						9 Elevation 3554'	
10 SURFACE LOCATION									
UL or lot no. J	Section 25	Township 18 SOUTH	Range 30 EAST, N.M.P.M.	Lot Ida	Feet from the 1880'	North/South line SOUTH	Feet from the 1980'	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 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 <i>James P. "Phil" Stinson</i>	
Printed Name James P. "Phil" Stinson	
Title Agent for Santa Fe Energy	
Date 7-2-98	
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 JUNE 30, 1998	
Signature and Seal of Professional Surveyor <i>Roger M. Robbins</i> 12128	
Certificate No. ROGER M. ROBBINS P.S. #12128	
JOB #59146 / 73 NW / V.H.B.	

PROPOSED 5-M BOPE AND CHOKE ARRANGEMENT

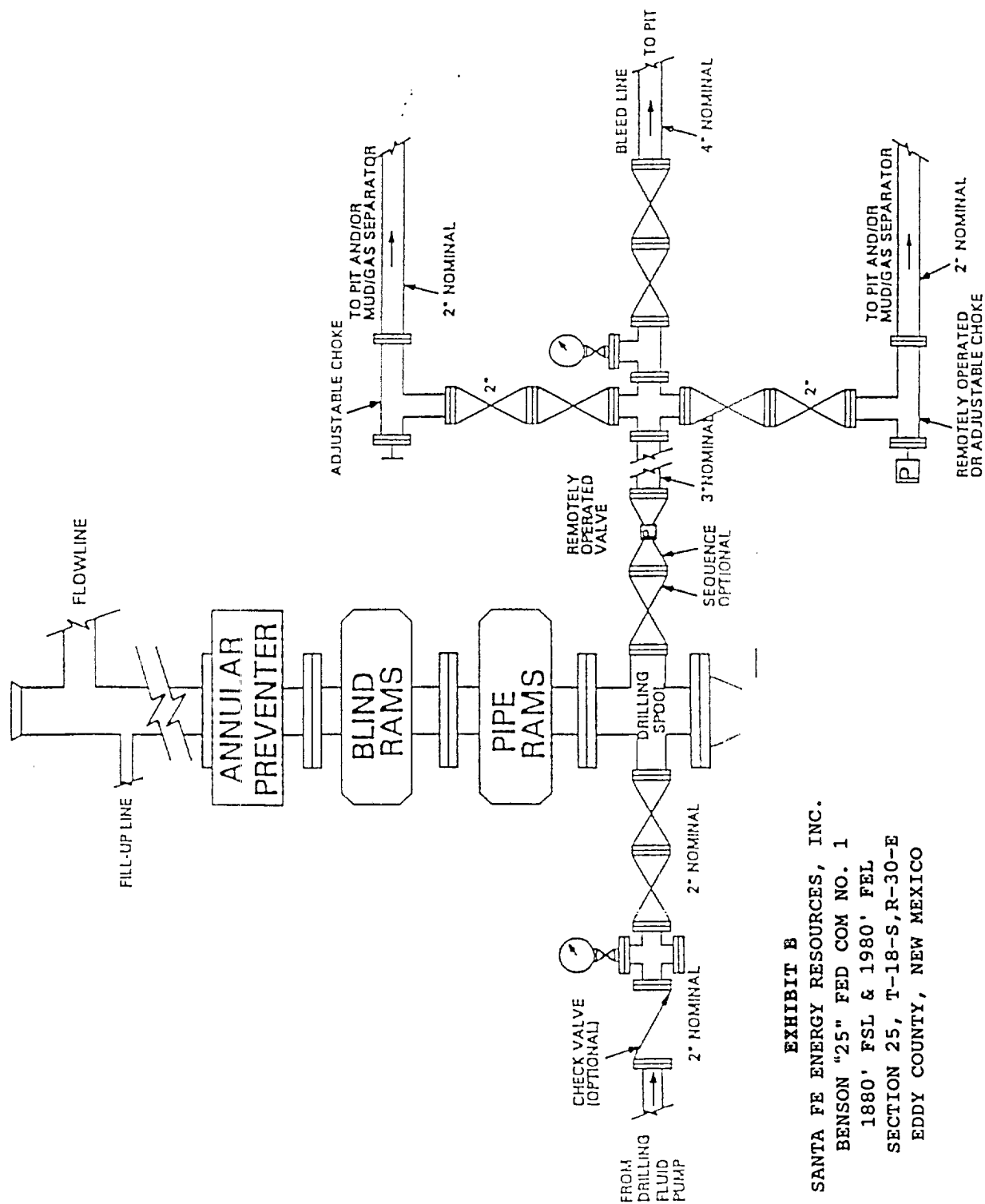


EXHIBIT B
 SANTA FE ENERGY RESOURCES, INC.
 BENSON "25" FED COM NO. 1
 1880' FSL & 1980' FEL
 SECTION 25, T-18-S, R-30-E
 EDDY COUNTY, NEW MEXICO