

UNITED STATES N. M. Oil & Gas Division
DEPARTMENT OF THE INTERIOR 811 S. 1ST ST.
BUREAU OF LAND MANAGEMENT ARTESIA, NM 88210-2834

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☒MULTI
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)

(H) 1900' FNL & 330' FEL

At proposed prod. zone

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

16 3/4 miles west of Carlsbad, New Mexico

10. DISTANCE FROM PROPOSED*

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

330'

16. NO. OF ACRES IN LEASE

640

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.

2054

19. PROPOSED DEPTH

8500'

20. ROTARY OR CABLE TOOLS

Rotary

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

4055' GR

22. APPROX. DATE WORK WILL START*

December 28, 1998

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 3/4"	K-55 9 5/8"	36#	1600'	775 sx to circulate
8 3/4"	K-55 7"	26#	8500'	400 sx TOC @ 6000'

We propose to drill to a depth sufficient to test the Cisco/Canyon formation for oil. If productive, 7" casing will be run to TD. If non-productive, the well will be plugged and 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
- H2S Drilling 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

TITLE

Agent for Santa Fe Energy

DATE

12-2-98

(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:

Acting

/s/ Gary A. Stephens

Assistant Field Office Manager
Lands and Minerals

APPROVED BY

TITLE

DATE

FEB 08 1999

*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

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

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

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

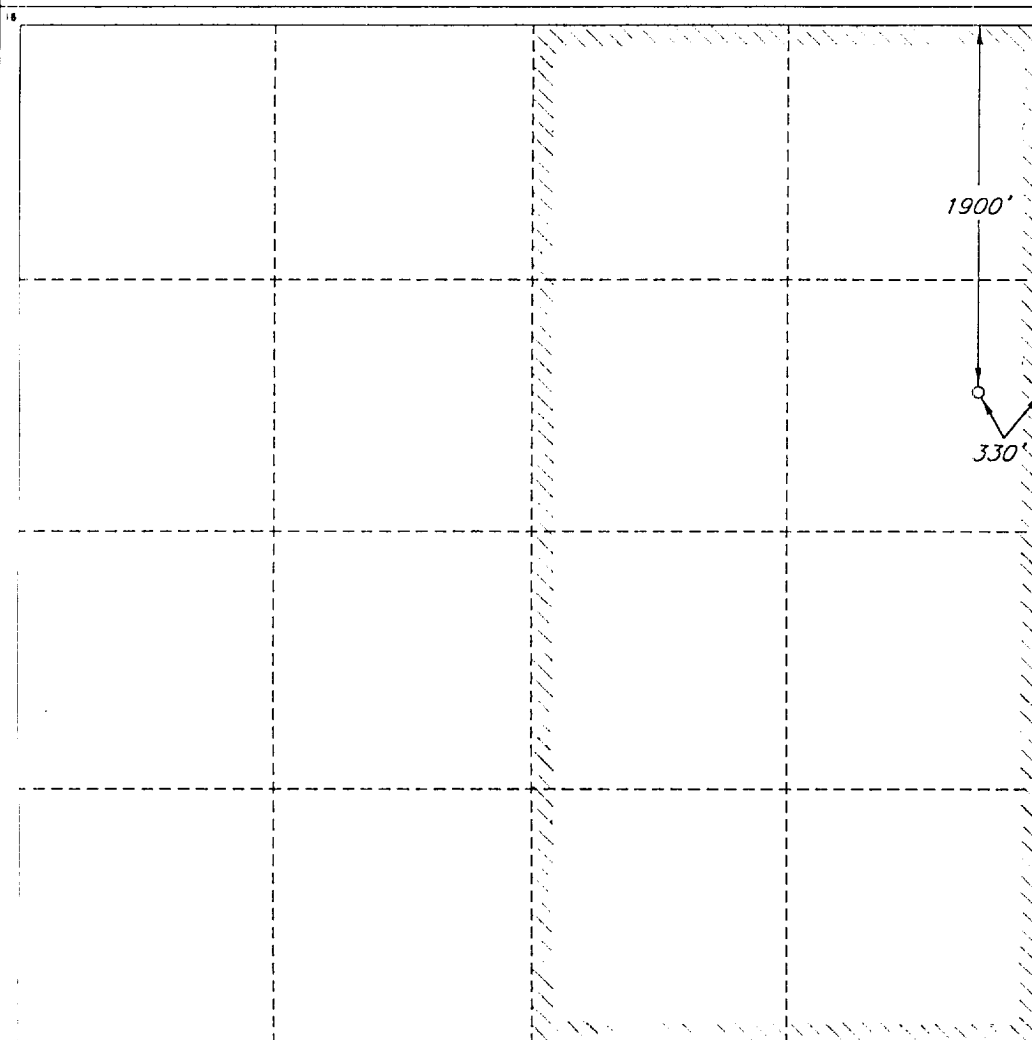
☐ AMENDED REPORT

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 Indian Basin (Upper Penn) Assoc					
4 Property Code		5 Property Name OLD RANCH CANYON '7' FEDERAL						6 Well Number 3	
7 GRID No. 20305		8 Operator Name SANTA FE ENERGY RESOURCES, INC.						9 Elevation 4055'	
10 SURFACE LOCATION									
UL or lot no. H	Section 7	Township 22 SOUTH	Range 24 EAST, N.M.P.M.	Lot Ida	Feet from the 1900'	North/South line NORTH	Feet from the 330'	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 *James P. Stinson*
Printed Name
James P. "Phil" Stinson
Title
Agent for Santa Fe Energy
Date
12-2-98

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
NOVEMBER 16, 1998
Signature and Seal
Professional Surveyor
Roger M. Robbins
Certificate No.
ROGER M. ROBBINS SPS 12128
JOB #61242 / 511 NE / JSJ

EXHIBIT B
 SANTA FE ENERGY RESOURCES, INC.
 Old Ranch Canyon "7" Fed #3
 1900' FNL & 330' FEL
 Section 7, T-22-S, R-24-E
 Eddy County, New Mexico

