Form 3160-3 (July 1992)	υNΪ	TED STATES	(Ot	AIT IN ber inst. Steverse st	LICATE*	ON	DRM APPROVED 4B NO. 1004-0136		
	DEPARTMEN	T OF THE INT	ERIOR			5. LEASE DES	es: February 28, 1995 IGNATION AND BEBIAL NO.		
		LAND MANAGEM				NM-10	ALLOTTEE OR TRIBE NAME		
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D. TIPE OF WELL	RILL 🛛	DEEPEN	SINGLE	MULTIPI			ement name 26831		
	WELL OTHER		ZONE	ZONE	<u> </u>		в NAME, Well Nó. m "17" Fed #1		
Santa Fe S	nyder Corp. 2./)	305		252627	2829	0. API WELL NO.			
3. ADDRESS AND TELEPHONE NO			234	•		30-01	5-31398		
550 W. Tex 4. LOCATION OF WELL (At surface	as, Suite 1330; Midla Report location clearly and	and, Texas 79701	6	nts. 1		0. FIELD AND	POOL, OR WILDCAT HENDE (MOITOW)		
At proposed prod. zo	NL & 660 FEL		261	RECEN	TESIA C	AND SURV	EY OR AREA		
·	Exiles. En	le Creek: AT	cka . Pac A	"A Da	ST 0	1	7, T-17-S, R-25-E		
	AND DIRECTION FROM NEX		FICE*	<u> </u>		2. COUNTY O	R PARISH 13. STATE		
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TO NEAREST WELL, or applied for, on t	DRILLING, COMPLETED, HIS LEASE, FT.	NA	8100'		20. NOTANI	Rotary			
	hether DF, RT, GR, etc.)		and the second				22. APPROX. DATE WORK WILL START*		
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eU.		PROPOSED CASING A	ND CEMENTING	PROGRAM					
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING D			QUANTITY			
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7 7/8"	K-55 4 1/2"	11.60		100		x for TOC	69. (())		
productive, plugged an programs a Drilling Pro Exhibit A	- Operations Plan	cemented to TD. I nner consistent wit d Gas Order No. 1 APPRO	f non-producti h Federal Reg are outlined ir VAL SUBJE	ve, the w julations. In the follo CT TO	vell will be Specific owing atta	t Showing	Existing Wells		
Exhibit C Exhibit D Exhibit E	 BOP and Choke Sc Drilling Fluid Progra Auxiliary Equipmer Topo Map at Locati nyder Corp. accepts 	am SPECI Int Ion	AL STIPULA	rions:"	ace Use a	nd Operat	yout ions Plan		
restrictions described a	concerning operation		e leased land o	or portion	th Op & 1	ime to witne	tify NMOCD time of spu ess 5/8" casing		
	rage: Blanket Bond		BLM Bond				V		
IN ABOVE SPACE DESCRI deepen directionally, give per 24.	BE PROPOSED PROGRAM: If tinent data on subsurface locatio	proposal is to deepen, give on ns and measured and true ver	lata on present produ tical depths. Give blo	ctive zone ar	nd proposed no er program, if :	w productive a	cone. If proposal is to drill or		
SIGNED TMEL	"Ohet Sten	ton TITLE_	Agent for	Santa Fe	Snyder C	Corp.	5-30-2000		
(This space for Fed	eral or State office use)								
PERMIT NO.			APPROVAL DATE						
Application approval docs CONDITIONS OF APPROVA	not warrant or certify that the appl. IF ANY:	plicant holds legal or equitable					ieant to conduct operations ther		
APPROVED BY	SGD.) DAVID R. GI	ASS Acting	Assistan Lands Ai	nd Mine	-	UI UI	CT 2 4 2000		
		*See Instruction	ns On Reverse						

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 U.S. Section and false fit things or from the trategorithm of a section of the approximate statement of the section o



P. O. Box 1980 Hebbs, NM 88241-1980

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

<u>DISTRICT III</u> 1000 Rio Brazos Rd. Aztec, NM 87410

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

Revised 02-10-94 Instructions on back

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

AMENDED REPORT

OIL CONSERVATION DIVISION P. 0. Box 2088 Santa Fe, New Mexico 87504-2088

DISTRICT IV P. O. Box 2088 Santa Fe, NM 87507-2088 WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number			² Pool Code		3 Poo	l Name					
					Ri	chard K	<u>lob (Mor</u>	rov	x)		
⁴ Property Code ⁵ Property N										• Well Number 1	
'OGRID No.		• Operator N								* Elevation	
20305			SANTA FE SNYDER CORPORATION						3601'		
				" SUF	RFACE	LOCATION	I				
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G	17	17 SOUTH				1980'	NORTH		1546'	EAST	EDDY
"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE											
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DRILLING PROGRAM

SANTA FE SNYDER CORP.

Gulfstream "17" Fed No.1

In conjunction with Form 3160-3, Application to Drill the subject well, Santa Fe Snyder Corp. submits the following ten items of pertinent information in accordance with Onshore Oil & Gas Order No. 1.

- 1. Geologic Name of Surface Formation: Alluvium
- 2. Estimated Tops of Significant Geologic Markers:

Glorietta	1950'
Abo	4000 '
Wolfcamp	5100'
Atoka	7800'
Mississippian	8000'
Total Depth	8100'

3. The estimated depths at which water, oil or gas formations are expected:

Water	None expected in area
Gas	Atoka - Morrow @ 7800'- 8000'

- 4. Proposed Casing Program: See Form 3160-3 and Exhibit A
- 5. Pressure Control Equipment: See Exhibit B
- 6. Drilling Fluid Program: See Exhibit C
- 7. Auxiliary Equipment: A mud logging unit will be utilized to monitor penetration rate and hydrocarbon shows while drilling below 1150' to TD.
- 8. Testing, Logging and Coring Program:

Drill Stem Tests: (all DST's to be justified on the basis of valid show of oil or gas):

Atoka - Morrow 7800'- 8000'

Logging:

Dual Laterolog W/MSFL and Gamma Ray	1150' - 8100'
Compensated Neutron/Litho-Density/Gamma Ray	1150' - 8100'
Compensated Neutron/Gamma Ray (thru csg)	Surface-1150'

Coring: No conventional cores are planned.

9. Abnormal Conditions, Pressures, Temperatures & Potential Hazards:

No abnormal pressures are anticipated. The estimated bottom hole temperature is 132° and the estimated bottom hole pressure is 3700 psi. No Hydrogen Sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. No major lost circulation zones have been reported in the offsetting wells.

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Gulfstream "17" Fed No.1 Page 2

10. Anticipated Starting Date and Duration of Operations:

Road and location work will not begin until approval has been received from the B.L.M. The anticipated spud date is <u>June 12, 2000</u>. Once spudded, the drilling operation should be completed in approximately 20 days. If the well is productive, an additional 30 days will be required for completion and testing before permanent facilities are installed.

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EXHIBIT A OPERATIONS PLAN SANTA FE SNYDER CORP. Gulfstream "17" Fed No.1 Section 17, T-17-S, R-25-E Eddy County, New Mexico

- 1. Drill a 17-1/2" hole to approximately 360'.
- Run 13-3/8" 48.0 ppf H-40 ST&C casing. Cement with 360 sx Class "C" cement containing 2% CaCl₂. Run centralizers on every other joint above the shoe. Apply thread lock to bottom two joints and guide shoe.
- 3. Wait on cement twelve hours prior to cutting off.
- 4. Nipple up an annular BOP system and test casing to 600 psi. WOC twentyfour (24) hours prior to drilling out.
- 5. Drill a 11" hole to approximately 1150'.
- 6. Run 1150' 8 5/8" 24 ppf J-55 ST&C casing. Cement with 200 sx Cl "C" Lite containing 1/4 pps celloflake followed by 200 sx Class "C" with 2% CaCl₂. Run guide shoe on bottom and float collar two joints from bottom. Centralize every other joint for bottom 400' of casing and place two centralizers in surface casing. Thread lock bottom 2 joints.
- 7. Wait on cement for twelve hours prior to cutting off.
- 8. Nipple up and install a Double Ram and Annular BOP system with choke manifold.
- 9. Test BOP system to 1500 psi with the rig pump. Test casing to 1500 psi.
- 10. Drill 7-7/8" hole to 8100'. Run logs.
- 11. Either run and cement 8100' of 4-1/2" 11.60 ppf K-55 LT&C casing or plug and abandon as per BLM requirements.



EXHIBIT C DRILLING FLUID PROGRAM SANTA FE SNYDER CORP. Gulfstream "17" Fed No.1 Section 17, T-17-S, R-25-E Eddy County, New Mexico

0 - 360'

Spud mud consisting of fresh water gel flocculated with Lime. Use ground paper for seepage control and to sweep the hole. MW-8.5 ppg and Vis-40.

360 - 1150'

Drill out with fresh water circulating the inner portion of the reserve pit. Utilize ground paper mixed in prehydrated fresh gel to sweep the hole. MW-10.0 ppg and Vis-28.

<u>1150 - 8100'</u>

Drill out with fresh water circulating the outer portion of the reserve pit. Convert to cut brine water (8.6 - 9.2 ppg) prior to reaching the Abo @ \pm 4000'. Pump salt gel/paper sweeps as necessary to clean hole. Increase fluid weight to 9.6 - 10.0 ppg by 7600'. Adjust the fluid loss to 10CC and the viscosity to 32.34 prior to drilling to Strawn.

EXHIBIT D AUXILIARY EQUIPMENT SANTA FE SNYDER CORP. Gulfstream "17" Fed No.1 Section 17, T-17-S, R-25-E Eddy County, New Mexico

DRAWWORKS BDW 650M 650 HP, with Parmac Hydromatic brake

- ENGINES Two Caterpillar D-353 diesels rated at 425 HP each
- ROTARY Ideco 23", 300 ton capacity
- MAST/SUB Ideal 132', 550,000 lb rated static hook load with 10 lines. Wagner 15' high substructure

TRAVELLING Gardner-Denver, 300 ton, 5 sheave w/BJ 250 ton hook. EQUIPMENT Brewster Model 7 SX 300 ton swivel

- **PUMPS** Continental-EMSCO DC-700 and DB-550, 5-12 x 16" Duplex, Compound driven
- **PIT SYSTEM** 1-Shale Pit 6X7X35', 1-Setting Pit 6X7X38', 1-Suction Pit 6X7X34' w/5 mud agitators. Two centrifugal mud mixing pumps and a Double Screen Shale Shaker.
- LIGHT Two CAT 3306 diesel electric sets 180 KW prime power PLANT
- BOP13-5/8" 3000 psi WP double ram and 13-5/8" 3000 psi WP ShafferEQUIPAnnular Preventer. Choke manifold rated at 3000 psi. Valvcon 5-
station 80 gallon closing unit

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LOCA JN & ELEVATION VERIFI JION MAP



TOPO MAP OF LOCATION AREA SANTA FE SNYDER CORP. GULFSTREAM "17" FED NO. 1 1980' FNL & 1546' FEL SEC 17, T-17-S, R-25-E EDDY COUNTY, NEW MEXICO

TOPO MAP OF LOCATION AREA SANTA FE SNYDER CORP. GRAPHIC LAND SURVEYORS

eying & Mapping for the Oil & Gas Industry

1307 N. HOBART PAMPA, TX. 79065 (800) 658-6382 6709 N. CLASSEN BLVD. OKLAHOMA CITY, OK. 73116 (800) 654-3219

2903 N. BIG SPRING MIDLAND, TX. 79705 (800) 767–1653



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SANTA FE SNYDER CORP. Gulfstream "17", Fed No.1 1980' FNL & 555 FEL Section 17, T-17-S, R-25-E Eddy County, New Mexico



SANTA FE SNYDER CORP. <u>MULTI-POINT SURFACE USE AND OPERATIONS PLAN</u> <u>Gulfstream "17" Fed No.1</u> <u>Section 17, T-17-S, R-25-E</u> <u>Eddy County, New Mexico</u>

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed by rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS.

A. Exhibit E is a 15 minute topographic map which shows the location of the proposed wellsite and roads in the vicinity. The proposed location is situated approximately 6.5 miles west of Artesia, New Mexico.

DIRECTIONS

1. From Artesia on Hwy 82 West, go 6.2 miles, turn left, go thru gate, turn left, go 0.6 miles East, turn right, go 0.3 miles and turn right 0.3 miles to the proposed location.

2. PLANNED ACCESS ROAD.

A. Build 1523' of new access road to the proposed location.

3. LOCATION OF EXISTING WELLS.

A. The well locations in the vicinity of the proposed well are shown in Exhibits E.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are no producing gas wells on this lease at this time.
- B. In the event the well is productive, the necessary production equipment will be installed on the drilling pad.

5. LOCATION AND TYPE OF WATER SUPPLY.

A. It is planned to drill the well with both fresh water and brine water systems. Both types of waters will be hauled to the location by truck over existing roads. Both types will be obtained from commercial sources. Gulfstream "17" Fed No.1 Multi-point Surface Use and Operations Plan Page 2

- 6. SOURCES OF CONSTRUCTION MATERIALS.
 - A. Any caliche required for construction of the drilling pad will be obtained from a pit approved by the BLM.

7. METHODS OF HANDLING WASTE DISPOSAL.

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be either placed in the reserve pits and allowed to evaporate or collected in tanks until hauled to an approved disposal system or a separate disposal application will be submitted to the BLM for appropriate approval.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Human waste will be disposed of per current standards.
- F. Trash, waste paper, garbage, and junk will be collected in trash trailers and disposed of in an approved waste facility such as a land fill. The trash trailers will contain all of the material to prevent scattering by the wind.
- G. All trash and debris will be removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES

None Required at this time.

9. WELLSITE LAYOUT

- A. Exhibit G shows the dimensions of the well pad and reserve pits, and the location of major rig components.
- B. The ground surface of the location is relatively flat. Minor cutting will be required to level the pad area, which will be covered with at least six inches of compacted caliche.
- C. The reserve pits will be plastic lined.
- D. A 400' X 400' work area which will contain the pad and pit area has been staked and flagged.

10. PLAN FOR RESTORATION OF THE SURFACE

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleared of all trash and junk, to leave the wellsite in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluid will be fenced until they have been filled.

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C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management and the United States Geological Survey will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and levelled within 300 days after abandonment.

11. TOPOGRAPHY

- A. The wellsite is located in a relatively flat area.
- B. The top soil at the wellsite is sandy.
- C. The vegetation cover at the wellsite is moderately sparse, with prairie grasses, some mesquite bushes, and shinnery oak.
- D. No wildlife was observed but it is likely that deer, rabbits, coyotes, and rodents traverse the area.

OPERATOR'S REPRESENTATIVES

A. The field representatives responsible for assuring compliance with the approved surface use plan are:

Michael R. Burton Division Drilling Manager Santa Fe Snyder Corp. 550 W. Texas, Suite 1330 Midland, Texas 79701 915-686-6616 - office 915-556-7063 - cellular

CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Santa Fe Snyder Corp. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which is approved.

SIGNED this 30th day of May, 2000

James P. (Phil) Stinson Agent for Santa Fe Snyder Corp.

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