

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

SUITE B  
612 OLD SANTA FE TRAIL  
SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)

February 8, 1999

**Hand Delivered**

Michael E. Stogner  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rules 104.F(2) and 104.D(2), Santa Fe Energy Resources, Inc. ("Santa Fe") applies for administrative approval of an unorthodox location and non-standard proration unit for the following well:

Nagoolte Peak "5" Fed. Com. Well No. 4  
610 feet FSL & 1900 feet FEL  
N $\frac{1}{4}$  S5, Township 22 South, Range 24 East, NMPM  
Eddy County, New Mexico

Santa Fe plans to drill the well to a depth sufficient to test the Upper Pennsylvanian formation (Indian Basin-Upper Pennsylvanian Associated Pool). Under Order No. R-9922, as amended, well spacing is 320 acres, with wells to be no closer than 660 feet to the outer boundary of the unit, and no closer than 330 feet to a quarter-quarter section line. An APD and Form C-102 for the well are attached as Exhibits A and B.

The proposed location is based on topographic and geologic reasons. Attached as Exhibit C is a topographic map. The Bureau of Land Management required Santa Fe to move the well slightly north of an orthodox location to stay in the center of the flat area marked by the 4200' contour line. Attached as Exhibit D is a structure map of the Cisco/Canyon dolomite, showing that a well at the proposed location has a favorable structural position, thus minimizing the risk involved in drilling the well.

Attached as Exhibit E is a land plat of the area. Santa Fe operates all of Section 32 to the north, and is the only affected offset. As a result, notice has not been mailed to anyone.

The N½ of Section 5 is comprised of Lots 1-4 and the S½N½, comprising 372.88 acres, and thus Santa Fe requests a non-standard proration unit for the well.

In connection with an unorthodox location application for the Nagoolte Peak "5" Fed. Com. Well No. 5, you requested additional information on certain wells in Section 5. A copy of my response letter is attached to this application.

This application is submitted in duplicate. Please call me if you need anything further on this matter.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce".

James Bruce

Attorney for Santa Fe  
Energy Resources, Inc.

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

## 4. LOCATION OF WELL (Report location clearly and in accordance with the requirements.)

At surface

(Lot 2) 610' FNL &amp; 1900' FEL

At proposed prod. zone

Unit B

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

16 3/4 miles west of Carlsbad, New Mexico

## 15. DISTANCE FROM PROPOSED\*

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

610'

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

2394'

## 16. NO. OF ACRES IN LEASE

640-652.88

## 10. PROPOSED DEPTH

8500'

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

320-372.88

## 20. ROTARY OR CABLE TOOLS

Rotary

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

'4248' GR

## 22. APPROX. DATE WORK WILL START\*

October 26, 1998

## 23.

## PROPOSED CASING AND CEMENT

## CARLSBAD CONTROLLED WATER BASIN

SIZE OF HOLES	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 to circulate

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. 44759

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.

## 34.

SIGNED

James P. "Blk" Atkinson

TITLE

Agent for Santa Fe Energy

DATE

10-5-98

(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 land or mineral estate.

CONDITIONS OF APPROVAL, IF ANY:

Acting Assistant Field  
Lands and Minerals

APPROVED BY

(ORIG. SGD.) ARMANDO A. LOPEZ

TITLE

DATE

NOV 04 1998

\*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 claims.

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

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

DISTRICT III  
1000 Rio Brazos Rd.  
Aztec, NM 87410

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

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

Form C-102  
Revised 02-10-94

Instructions on back

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

OIL CONSERVATION DIVISION

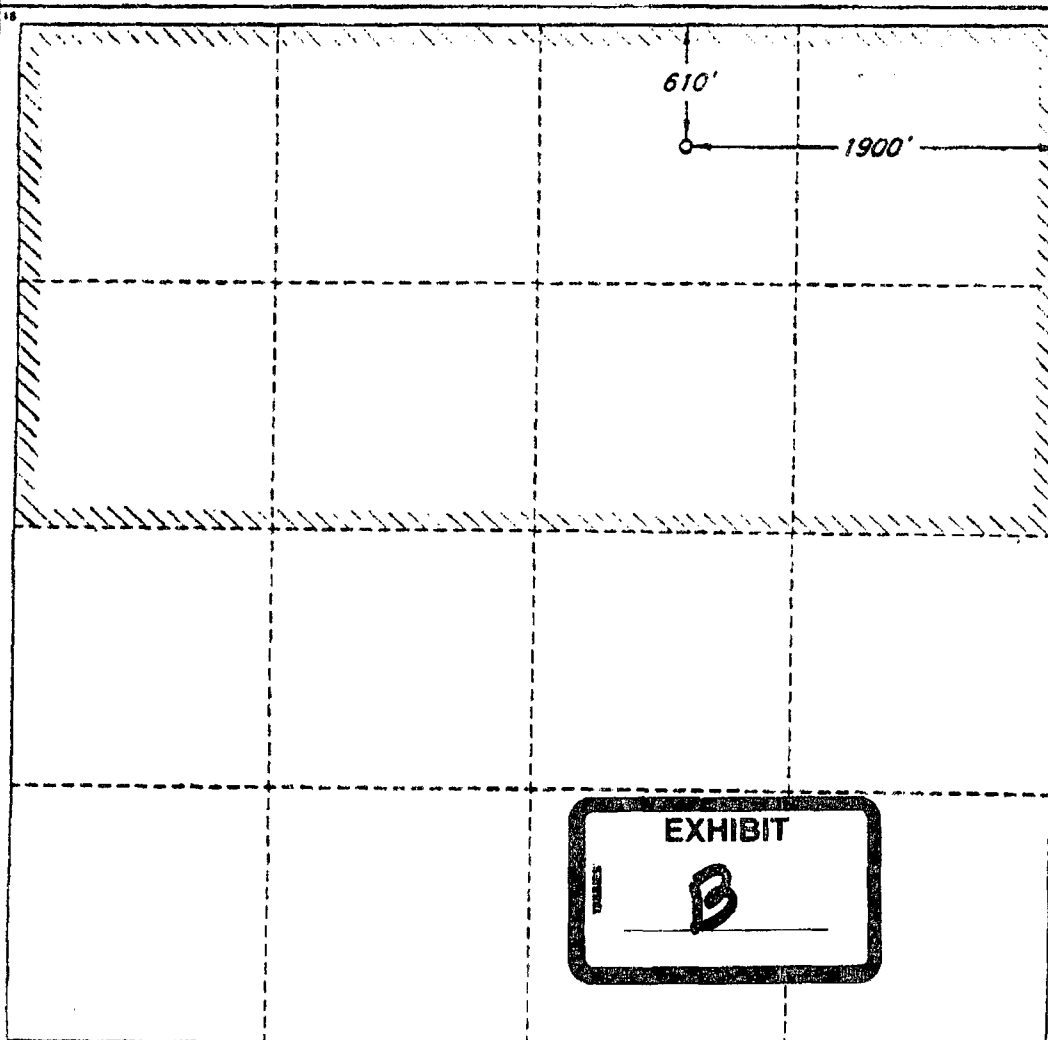
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name Indian Basin (Upper Penn)					
4 Property Code		5 Property Name NAGDOLTEE PEAK "5" FEDERAL COM				6 Well Number 4			
7 OGRID No. 20305		8 Operator Name SANTA FE ENERGY RESOURCES, INC.				9 Elevation 4248'			
10 SURFACE LOCATION									
UL or lot no. LOT 2	Section 5	Township 22 SOUTH	Range 24 EAST, N.M.P.M.	Lot Ida	Feet from the 610'	North/South line NORTH	Feet from the 1900'	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 5.26		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  
10/05/98

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  
SEPTEMBER 16, 1998

Signature and Seal of  
Professional Surveyor  
*Roger M. Robbins*  
REGISTERED PROFESSIONAL SURVEYOR  
NEW MEXICO  
12128  
Certificate No. 12128  
ROGER M. ROBBINS, P.S. #12128









**NAGOOOLTEE PEAK**  
**"5" FED COM No. 4**  
**610' FNL + 1900' FEL**  
**Section 5, T-22-S, R-24-E**

**SFER, INC. Acreage**

*Yates, et al. (Santa Fe-operated)*



**Santa Fe Energy Resources, Inc.**  
**Central Division**  
**Midland, Texas**

**EDDY COUNTY, NEW MEXICO**

**SAGINAW PROSPECT**

**DATE: 12/10/98**

**EXHIBIT**

**E**



**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

SUITE B  
612 OLD SANTA FE TRAIL  
SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)

January 22, 1999

**Hand Delivered**

Michael E. Stogner  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), Santa Fe Energy Resources, Inc. ("Santa Fe") applies for administrative approval of an unorthodox location for the following well:

Nagoolte Peak "5" Fed. Com. Well No. 5  
2045 feet FSL & 2200 feet FWL  
S½ S5, Township 22 South, Range 24 East, NMPM  
Eddy County, New Mexico

Santa Fe plans to drill the well to a depth sufficient to test the Upper Pennsylvanian formation (Indian Basin-Upper Pennsylvanian Associated Pool). Well spacing is 320 acres, with wells to be no closer than 660 feet to the outer boundary of the unit, and no closer than 330 feet to a quarter-quarter section line. An APD and Form C-102 for the well are attached as Exhibits A and B.

The proposed location is based on topographic and geologic reasons. Attached as Exhibit C is a topographic map, showing that a standard location in the SW¼ would be at a drop-off of the surface, resulting in the Bureau of Land Management requiring that the well be moved. Attached as Exhibit D is a structure map, showing that a well in the SW¼ of the section is more favorably located than a well in the SE¼ of the section. Thus, the proposed location reduces the risk involved in drilling the well.

Attached as Exhibit E is a land plat of the area. Santa Fe owns and operates all of Section 5, and thus is the only affected offset. As a result, no offset has been notified of this application.

This application is submitted in duplicate. Please call me if you need anything further on this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce

Attorney for Santa Fe  
Energy Resources, Inc.

## OPERATOR'S COPY

SUBMIT IN TRIPLICATE\*  
(Other instructions on reverse side)

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

Form 3166-3-  
(July 1992)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

## 1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

## 1b. 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 State requirements.)\*

(K) 2043 FSL &amp; 3400 FWL

7200'

At proposed prod. zone

**SUBJECT TO  
LIKE APPROVAL  
BY STATE**

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

16 3/4 miles west of Carlsbad, New Mexico

## 15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY ON LEASE LINE, FT.

2045'

(Also to nearest dril. unit line, if any)

## 16. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLYING FOR, ON THIS LEASE, FT.

1310'

## 17. NO. OF ACRES IN LEASE

640

## 17. NO. OF ACRES ASSIGNED TO THIS WELL

320

## 18. PROPOSED DEPTH

8500'

## 20. ROTARY OR CABLE TOOLS

Rotary

## 21. ELEVATIONS (Show whether DJ, RT, GR, etc.)

'4321' GR

## 22. APPROX. DATE WORK WILL START\*

December 21, 1998

## 23.

## PROPOSED CASING AND CEMENT

## CARLSBAD CONTROLLED WATER BASIN

SIZE OF HOLES	GRADE AND DEPTH	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 3/4"	K-55 9 5/8"	36#	1600'	775 sk to circulate
8 3/4"	K-55 7"	26#	8500'	400 sk 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

**APPROVAL 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
- 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 prevention program, if any.

24.

SIGNED

James P. Blanton

TITLE

Agent for Santa Fe Energy

DATE

11-26-98

(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:

AGREES

APPROVED BY

Charles C. ...

TITLE

Assistant Field Office Manager,  
Lands and Minerals

DATE

JAN 19 1999

\*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 or to any matter within its jurisdiction.

EXHIBIT

A

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

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

**DISTRICT III**  
1000 Rio Brazos Rd.  
Aztec, NM 87410

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

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

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

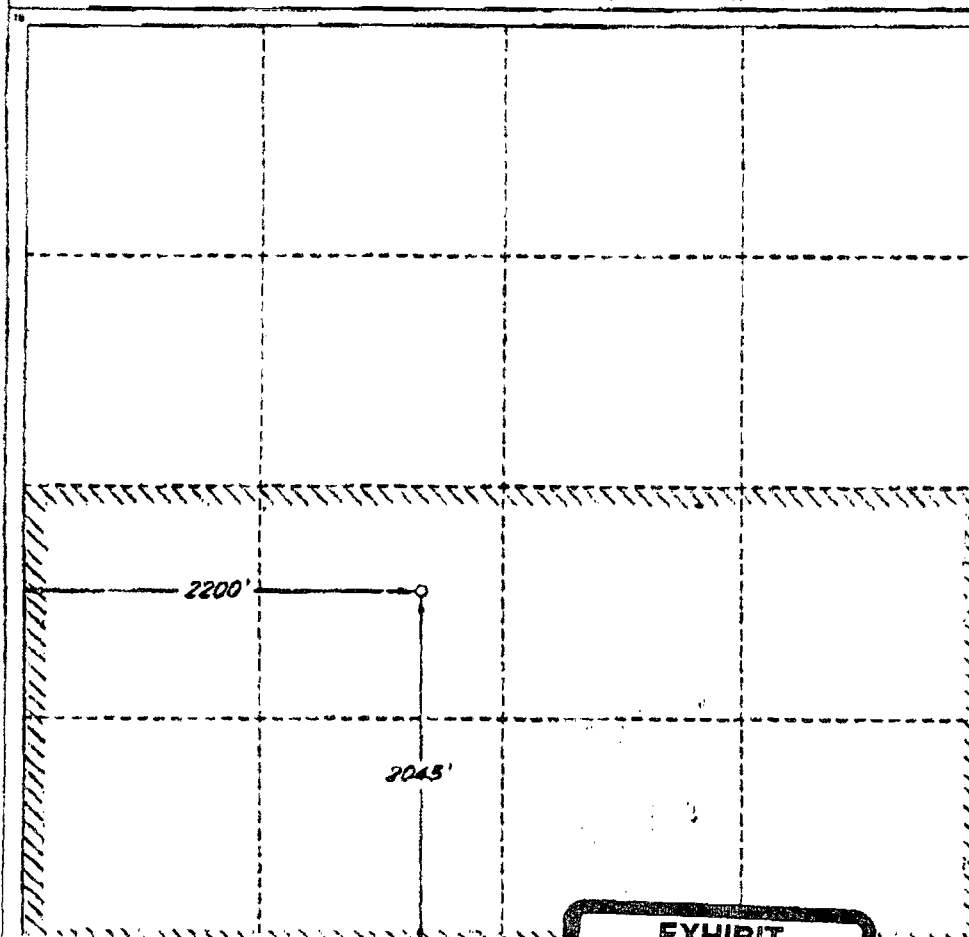
Form C-102  
Revised 02-10-94  
Instructions on back

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

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

* API Number		* Pool Code		* Pool Name		Indian Basin (Upper Penn)				
* Property Code		* Property Name				NAGDOLTEE PEAK "5" FEDERAL COM		* Well Number		5
* OGRID No.		* Operator Name				SANTA FE ENERGY RESOURCES, INC.		* Elevation		4331'
* SURFACE LOCATION										
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County	
K	5	22 SOUTH	24 EAST, N.M.P.M.		2045'	SOUTH	2200'	WEST	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	
** Dedicated Acres		** Joint or Infill		** Consolidation Code		** Order No.				
320										
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" Srinson*  
Printed Name: James P. "Phil" Srinson

Title: Agent for Santa Fe Energy  
Date: 12-9-98

**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: DECEMBER 3, 1998

Signature and Seal: *Roger M. Robbins*  
Professional: ROGER M. ROBBINS

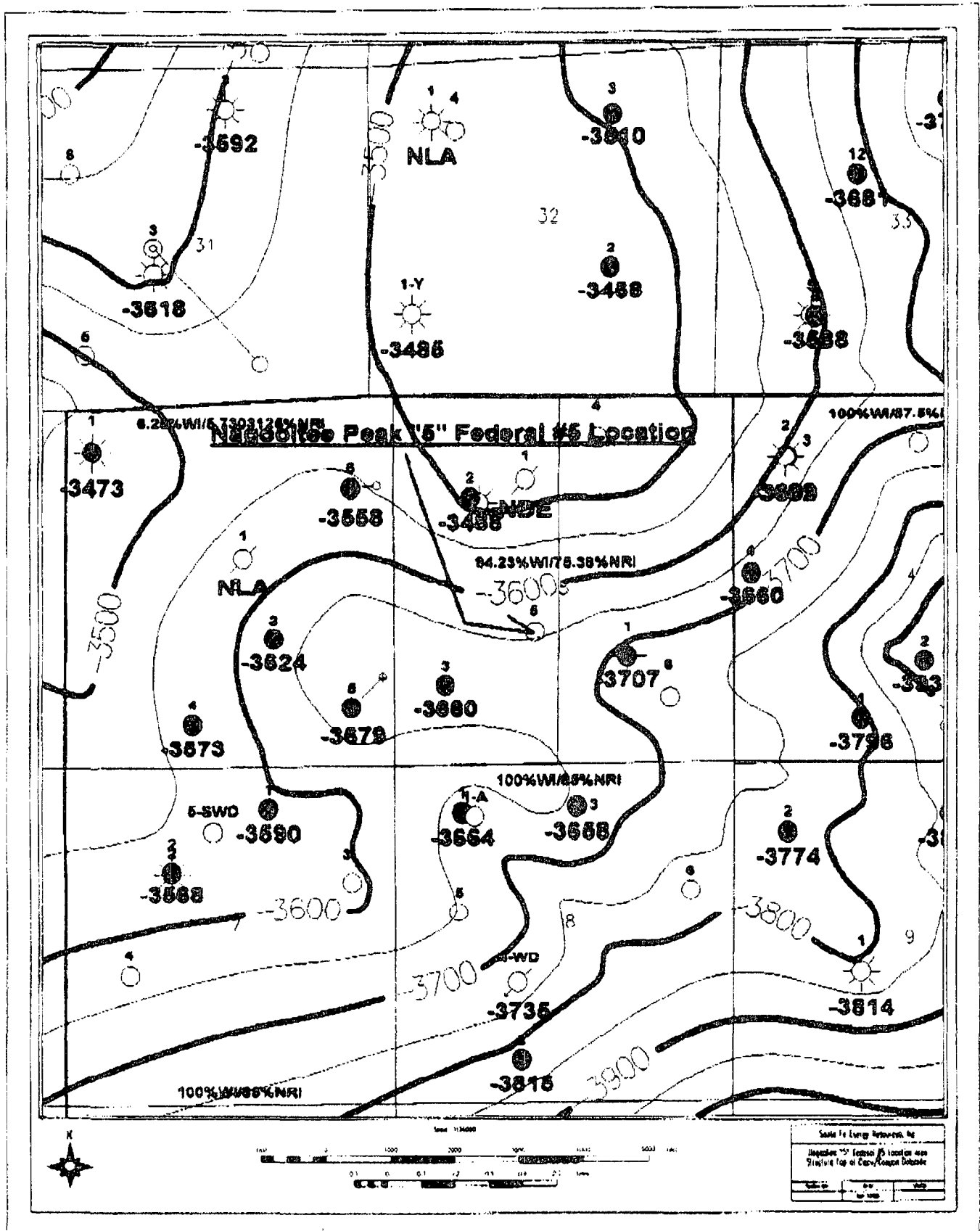
NEW MEXICO  
REGISTERED  
12128  
ROGER M. ROBBINS  
12128

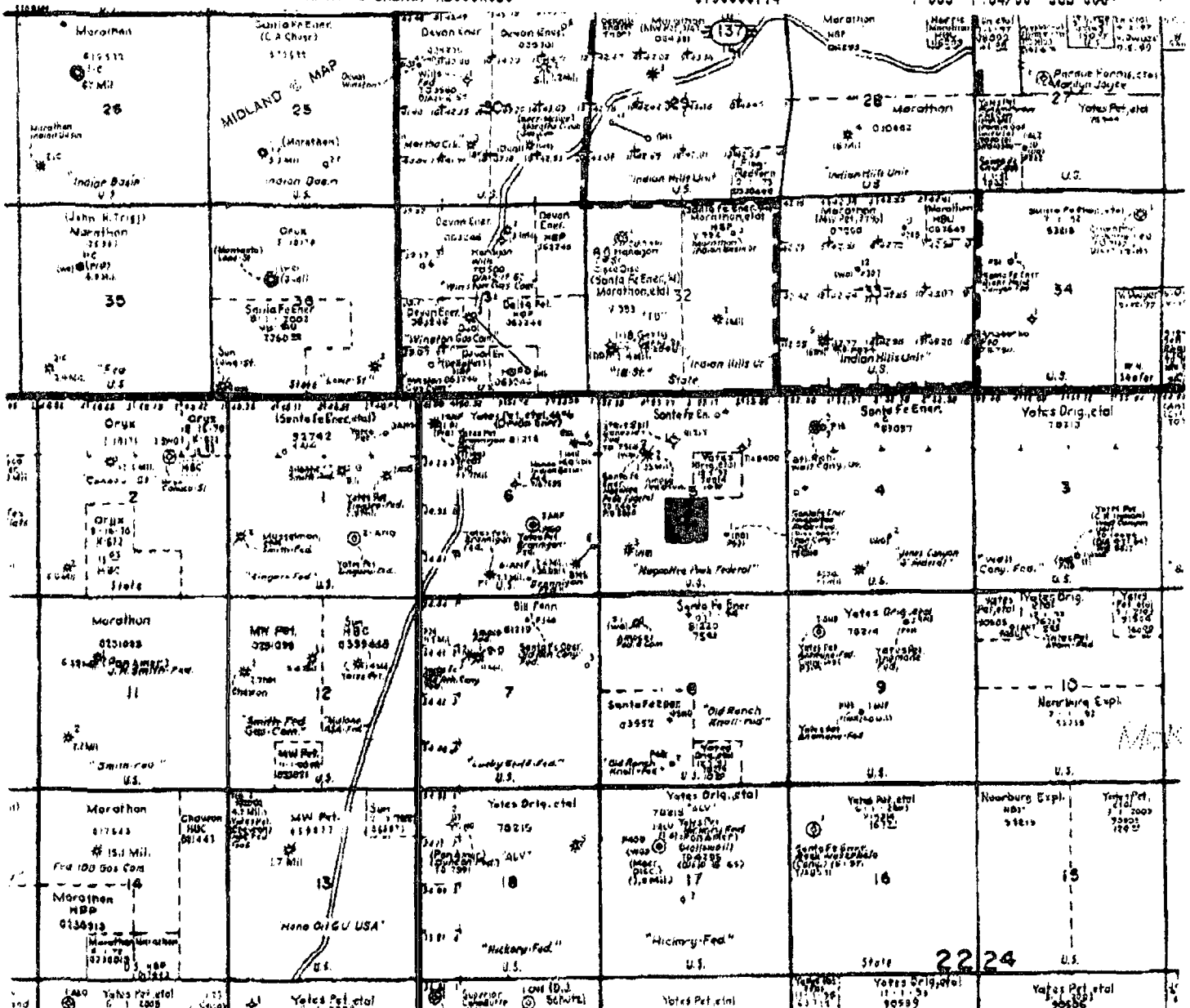
EXHIBIT

**B**









**NAGOOTTEE PEAK  
"5" FED COM #5**

**2045' FSL & 2200' FWL  
Section 5, T-22-S, R-24-E**



**SFER, INC. Acreage**



**Santa Fe Energy Resources, Inc.  
Central Division  
Midland, Texas**

**EDDY COUNTY, NEW MEXICO**

**SAGINAW PROSPECT**

**DATE: 12/10/98**



CMD :  
OG5SECTONGARD  
INQUIRE LAND BY SECTION02/23/99 08:30:42  
OGOMES -TPFE  
PAGE NO: 2

Sec : 05 Twp : 22S Rng : 24E Section Type : NORMAL

L 40.00	K 40.00	J 40.00	I 40.00
Federal owned	Federal owned	Federal owned	Federal owned
	A	A	
M 40.00	N 40.00	O 40.00	P 40.00
Federal owned	Federal owned	Federal owned	Federal owned
A #3			

PF01 HELP  
PF07 BKWDPF02  
PF08 FWDPF03 EXIT  
PF09 PRINTPF04 GoTo  
PF10 SDIVPF05  
PF11PF06  
PF12

CMD :  
OG5SECTONGARD  
INQUIRE LAND BY SECTION02/23/99 08:30:32  
OGOMES -TPF5  
PAGE NO: 1

Sec : 05 Twp : 22S Rng : 24E Section Type : NORMAL

4 53.39  Federal owned A	3 53.27  Federal owned A	2 53.17  Federal owned A	1 53.05  Federal owned
E 40.00  Federal owned A	F 40.00  Federal owned	G 40.00  Federal owned	H 40.00  Federal owned

PF01 HELP  
PF07 BKWDPF02  
PF08 FWDPF03 EXIT  
PF09 PRINTPF04 GoTo  
PF10 SDIVPF05  
PF11PF06  
PF12

372.88

$$1320 \times 1320 = 1742400 / 43560 = 40$$

$$x / 43560 = 53.39$$

$$1320(x) = 2325668.4 \text{ ft}^2$$

$$1762$$

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

02/01/99 15:06:19  
OGOIV -EMDX  
PAGE NO: 1

Sec : 05 Twp : 22S Rng : 24E Section Type : NORMAL

4 53.39  Federal owned	3 53.27  Federal owned A	2 53.17  Federal owned A	1 53.05  Federal owned
E 40.00  Federal owned A	F 40.00  Federal owned	G 40.00  Federal owned	H 40.00  Federal owned

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12

1  
93.39  
93.27  
+  
186.66  
186.22  
+  
372.88

93.27

93.17  
93.05  
+  
186.22

93.05

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

02/01/99 15:06:42  
OGOIV -EMDX  
PAGE NO: 2

Sec : 05 Twp : 22S Rng : 24E Section Type : NORMAL

L 40.00  Federal owned	K 40.00  Federal owned A	J 40.00  Federal owned A	I 40.00  Federal owned
M 40.00  Federal owned A	N 40.00  Federal owned	O 40.00  Federal owned	P 40.00  Federal owned

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12

CMD : ONGARD 02/01/99 15:07:12  
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOIV -EMDX

OGRID Idn : 20305 API Well No: 30 15 30558 APD Status(A/C/P): A  
Opr Name, Addr: SANTA FE ENERGY RESOURCES INC Aprvl/Cncl Date : 01-19-1999  
550 WEST TEXAS  
STE 1330  
MIDLAND, TX 79701

Prop Idn: 23854 NAGOOLTEE PEAK 5 FEDERAL COM Well No: 5

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn : K	5	22S	24E				FTG 2045 F S	FTG 2200 F W
OCD U/L : K			API County :	15				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : R  
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 4321

State Lease No: Multiple Comp (Y/N) : N  
Prpsd Depth : 8500 Prpsd Frmtn : UPPER PENN

E7024: Only view is allowed

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

CMD :  
OG6IWCM

ONGARD  
INQUIRE WELL COMPLETIONS

02/01/99 15:07:48  
OGOIV -EMDX

API Well No : 30 15 24713 Eff Date : 01-01-1995 WC Status : A  
Pool Idn : 33685 INDIAN BASIN;UPPER PENN (ASSOC)  
OGRID Idn : 20305 SANTA FE ENERGY RESOURCES INC  
Prop Idn : 16774 NAGOOLTEE PEAK 5 FEDERAL

Well No : 001  
GL Elevation: 4280

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : J	5	22S	24E	FTG 1633 F S	FTG 1636 F E		A
Lot Identifier:							
Dedicated Acre:							
Lease Type : F							
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC



CMD :  
OG6IWCM

ONGARD  
INQUIRE WELL COMPLETIONS

02/01/99 15:08:09  
OGOIV -EMDX

API Well No : 30 15 29900 Eff Date : 11-18-1997 WC Status : A  
Pool Idn : 33685 INDIAN BASIN;UPPER PENN (ASSOC)  
OGRID Idn : 20305 SANTA FE ENERGY RESOURCES INC  
Prop Idn : 16774 NAGOOLTEE PEAK 5 FEDERAL

Well No : 003  
GL Elevation: 4347

U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
-----	-----	----------	-------	-------------	-----------	----------------

B.H. Locn	: M	5	22S	24E	FTG 1230 F S FTG 800 F W	P
-----------	-----	---	-----	-----	--------------------------	---

Lot Identifier:

Dedicated Acre: 346.36

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

*Santa Fe Res.*

**ADMINISTRATIVE APPLICATION COVERSHEET**

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

**Application Acronyms:**

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
[DD-Directional Drilling] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

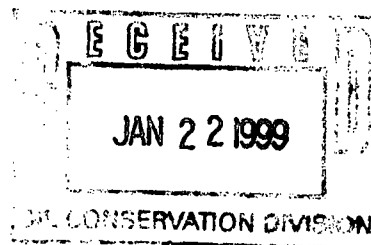
**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Directional Drilling  
☒ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR



**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply**

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

**[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

**JAMES BRUCE**  
P.O. BOX 1056  
SANTA FE, NM 87504

Note: Statement must be completed by an individual with supervisory capacity.

Print or Type Name

Signature

Title

Date

*James Bruce*

*Attorney for Applicant*

*1/22/99*

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

SUITE B  
612 OLD SANTA FE TRAIL  
SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)

January 22, 1999

Hand Delivered

Michael E. Stogner  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), Santa Fe Energy Resources, Inc. ("Santa Fe") applies for administrative approval of an unorthodox location for the following well:

Nagoolte Peak "5" Fed. Com. Well No. 5  
2045 feet FSL & 2200 feet FWL  
S½ S5, Township 22 South, Range 24 East, NMPM  
Eddy County, New Mexico

Santa Fe plans to drill the well to a depth sufficient to test the Upper Pennsylvanian formation (Indian Basin-Upper Pennsylvanian Associated Pool). Well spacing is 320 acres, with wells to be no closer than 660 feet to the outer boundary of the unit, and no closer than 330 feet to a quarter-quarter section line. An APD and Form C-102 for the well are attached as Exhibits A and B.

The proposed location is based on topographic and geologic reasons. Attached as Exhibit C is a topographic map, showing that a standard location in the SW¼ would be at a drop-off of the surface, resulting in the Bureau of Land Management requiring that the well be moved. Attached as Exhibit D is a structure map, showing that a well in the SW¼ of the section is more favorably located than a well in the SE¼ of the section. Thus, the proposed location reduces the risk involved in drilling the well.

Attached as Exhibit E is a land plat of the area. Santa Fe owns and operates all of Section 5, and thus is the only affected offset. As a result, no offset has been notified of this application.

This application is submitted in duplicate. Please call me if you need anything further on this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce

Attorney for Santa Fe  
Energy Resources, Inc.

## OPERATOR'S COPY

SUBMIT IN TRIPPLICATE\*

(Other instructions on reverse side)

FORM APPROVED

OMB NO. 1004-0136

Expires: February 28, 1995

Form 3160-3-  
(July 1992)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 ☐GAS ☒OTHER ☐SINGLE ☒MULTIPLE ☐

## 2. NAME OF OPERATOR

Santa Fe Energy Resources, Inc.

## 3. ADDRESS AND TELEPHONING

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.)\*

(K) 2045' FSL &amp; 2400' FWL

2200'  
At proposed prod. zoneSUBJECT TO  
LIKE APPROVAL  
BY STATE

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

16 3/4 miles west of Carlsbad, New Mexico

## 15. DISTANCE FROM PROPOSED\*

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

2045'

## 16. NO. OF ACRES IN LEASE

640

## 17. NO. OF ACRES ASSIGNED

TO THIS WELL

320

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

1310'

## 19. PROPOSED DEPTH

8500'

## 20. ROTARY OR CABLE TOOL

Rotary

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

'4321' GR

## 22. APPROX. DATE WORK WILL START\*

December 21, 1998

## 23.

## PROPOSED CASING AND CEMENT

## CARLSBAD CONTROLLED WATER BASIN

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

APPROVAL 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
- 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 prevention program, if any.

## 24.

SIGNED James P. BlinnTITLE Agent for Santa Fe EnergyDATE 11-26-98

(This space for Federal or State office use)

## PERMIT TO:

## 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

## APPROVED BY

Amelia C. L...

## TITLE

Assistant Field Office Manager,  
Lands and Minerals

## DATE

JAN 19 1999

\*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 or to any matter within its jurisdiction.

EXHIBIT

A

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

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

DISTRICT III  
1000 Rio Brazos Rd.  
Aztec, NM 87410

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

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

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

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

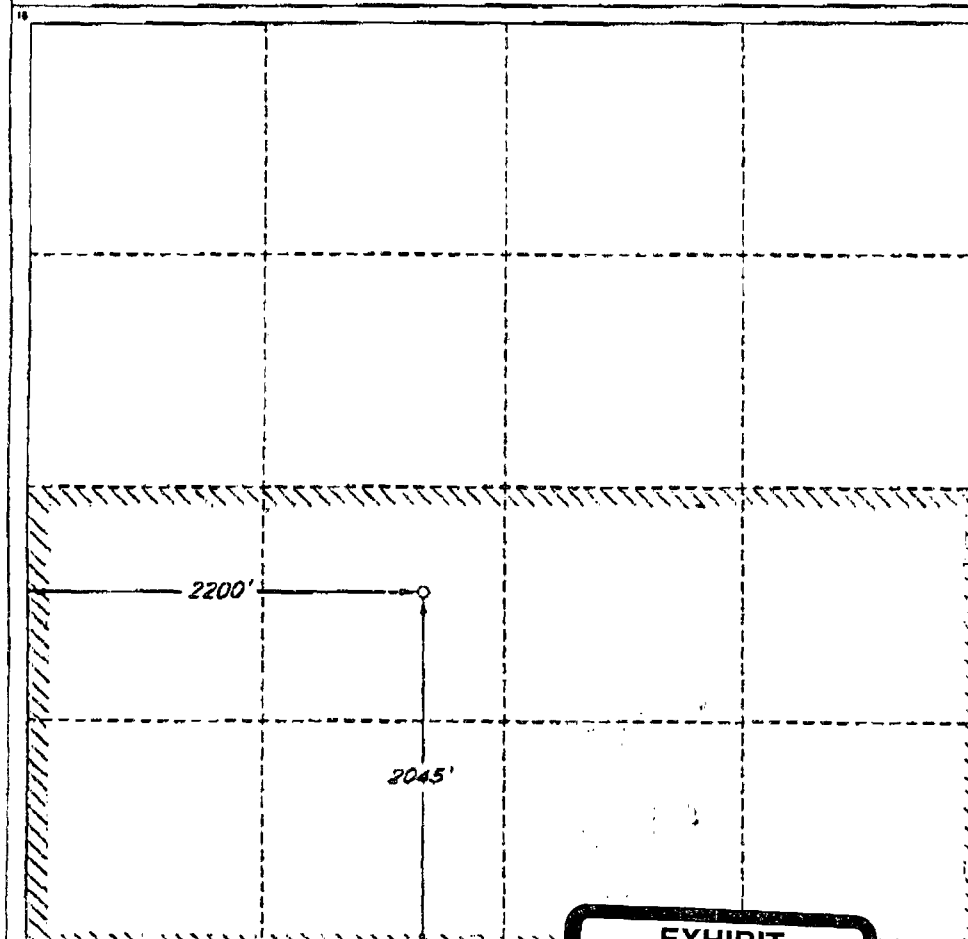
Submit to the Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 APT Number		2 Pool Code		3 Pool Name Indian Basin (Upper Penn)					
4 Property Code		5 Property Name NAGDOLTEE PEAK '5' FEDERAL CDM						6 Well Number 5	
7 OGRID No. 20305		8 Operator Name SANTA FE ENERGY RESOURCES, INC.						9 Elevation 4331'	
10 SURFACE LOCATION									
UL or lot no. K	Section 5	Township 22 SOUTH	Range 24 EAST, N.M.P.M.	Lot Ida	Feet from the 2045'	North/South line SOUTH	Feet from the 2200'	East/West line WEST	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. "Phil" Srinson*  
Printed Name  
James P. "Phil" Srinson  
Title  
Agent for Santa Fe Energy  
Date  
12-9-98

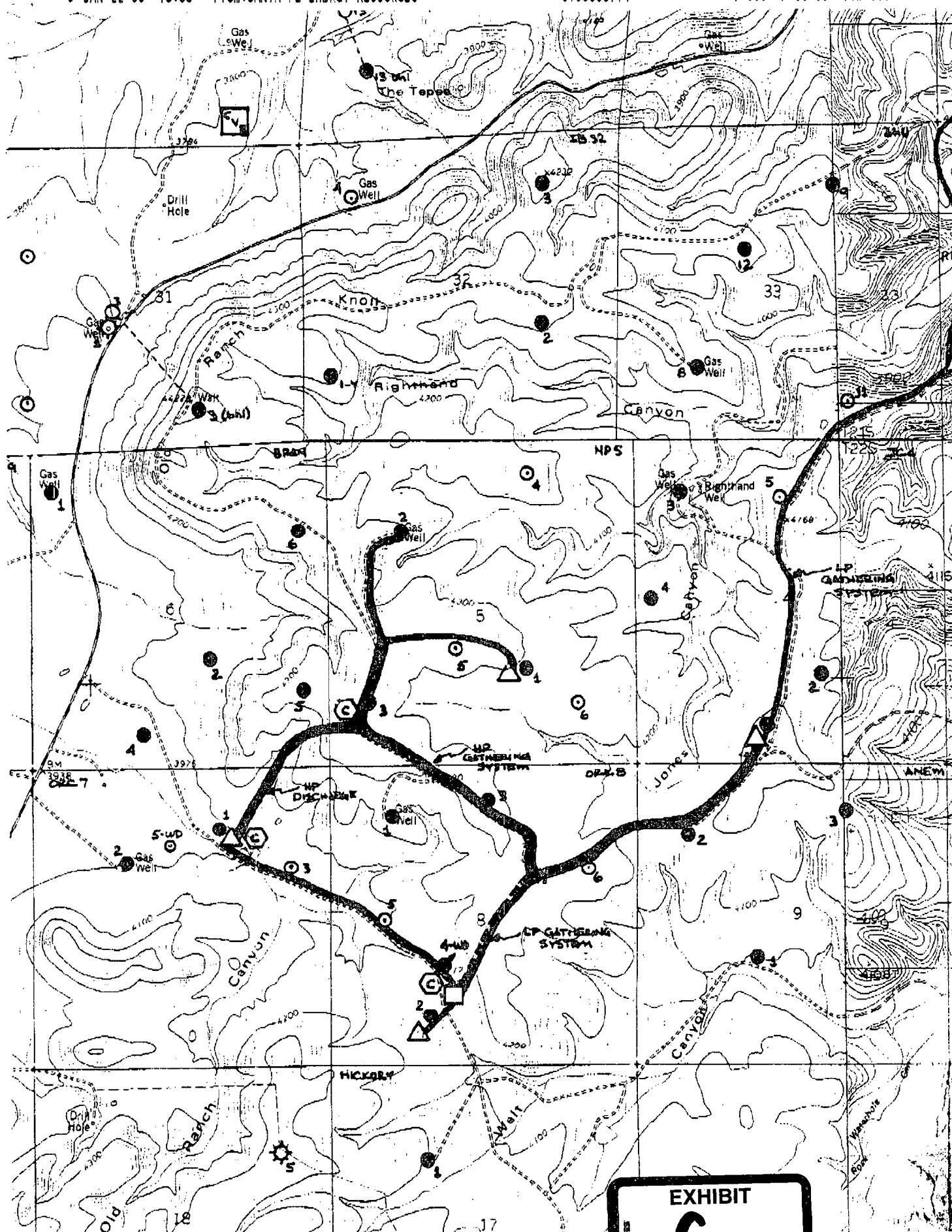
**SURVEYOR CERTIFICATION**

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  
DECEMBER 3, 1998  
Signature and Seal  
Professional Surveyor  
ROBERT M. ROBBINS  
NEW MEXICO  
REGISTERED SURVEYOR  
12128  
Certificate of Registration  
ROGER M. ROBBINS  
12128

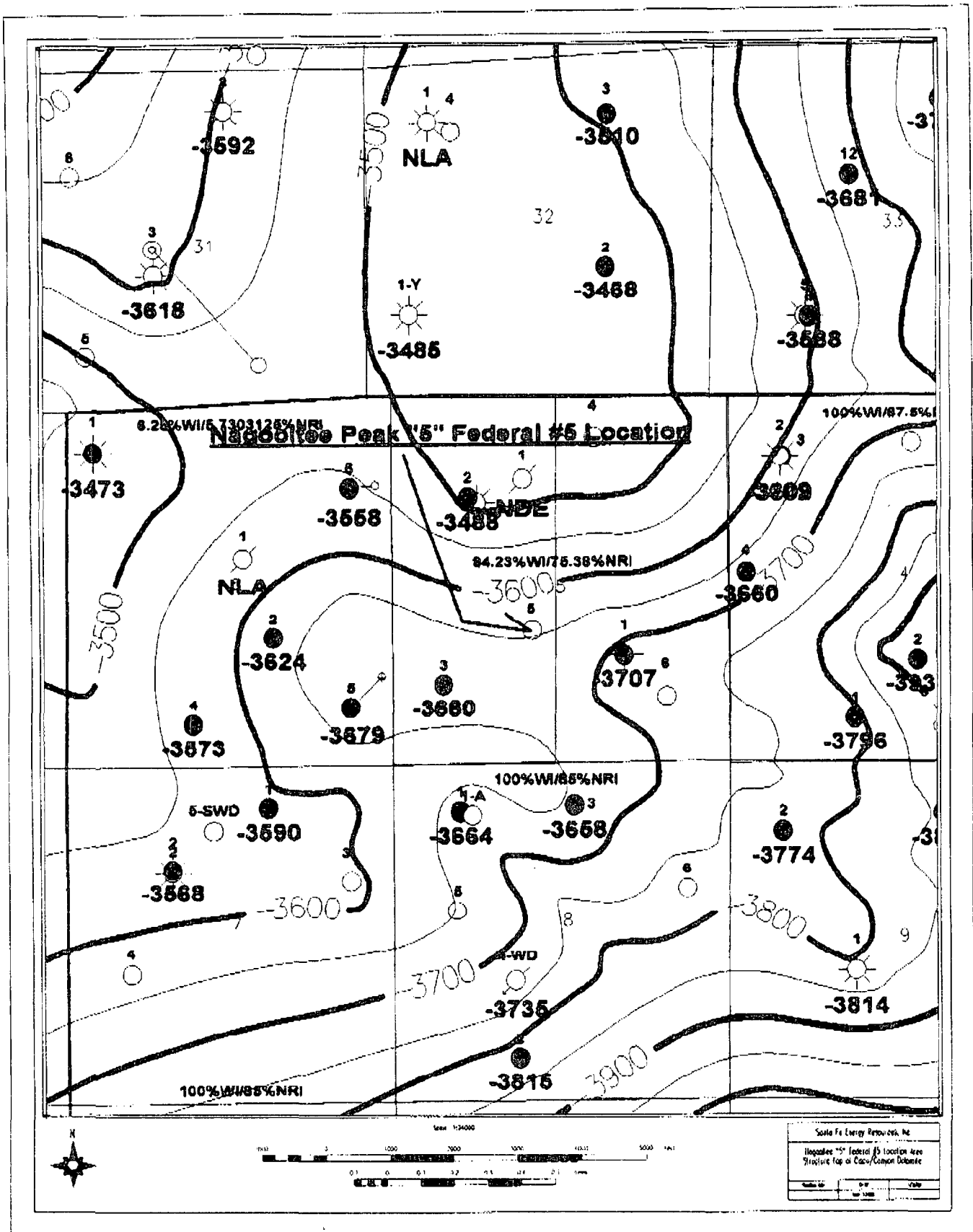
EXHIBIT

**B**



**EXHIBIT**

C







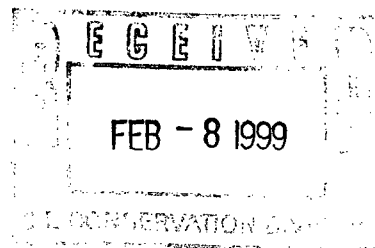
**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

SUITE B  
612 OLD SANTA FE TRAIL  
SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)

February 8, 1999



**Hand Delivered**

Michael E. Stogner  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: Administrative application of Santa Fe Energy Resources,  
Inc. ("Santa Fe") for approval of an unorthodox well  
location:

Nagoolte Peak "5" Fed. Com. Well No. 5  
S½ S5-22S-24E, Eddy County, New Mexico

Dear Mr. Stogner:

I received your letter of February 1, 1999. As a result, I checked  
the Division's files on the other wells in Section 5, and found the  
following information:

<u>Nagoolte Peak</u> <u>Fed. Well No.</u>	<u>Completed</u>	<u>Unit<sup>1</sup></u>
1	4/11/94	S½
2	4/11/97	W½
3	12/30/97	W½
4	N/A	N½
5	N/A	S½

These wells are completed, or will be completed, in the Indian  
Basin-Upper Pennsylvanian Associated Pool. Under Order No. R-9922,  
as amended, spacing is 320 acres, with multiple wells allowed on  
each well unit. However, as you can see, there are several  
overlapping well units, which must be corrected. It is Santa Fe's  
intent to have each well dedicated to a laydown unit.

---

<sup>1</sup>Per Form C-102's filed with the Division.

As to the No. 2 well, an unorthodox location was granted by Order No. R-10138 (copy enclosed), which states that the well is dedicated to a N $\frac{1}{2}$  unit, rather than the W $\frac{1}{2}$  unit reflected on the Form C-102. If that is insufficient, please advise, and Santa Fe will file an amended Form C-102.

As to the No. 3 well, an amended Form C-102, reflecting a S $\frac{1}{2}$  unit dedication, is enclosed. In addition, the well is at an unorthodox location because it is too close to a quarter-quarter section line. Santa Fe is checking its files, and if the location has not already been approved, an application for an unorthodox location will be applied for immediately.

Enclosed is a land plat of the area. As you can see, Section 5 is comprised of two federal leases, one owned by Santa Fe and one (covering the SW $\frac{1}{4}$ NE $\frac{1}{4}$ ) owned by Yates Petroleum Corporation, et al. ("Yates"). Santa Fe has informed me that the entire section is covered by a JOA with Yates, and the royalty rate is the same on both leases. Therefore, no one is adversely affected by the re-orientation of the well units.

Another problem is that a completion report was never filed with the Division's Santa Fe office on the No. 3 well. However, a completion report was prepared in January 1998, and filed with the BLM and the Division's Artesia office. A copy of the completion report is enclosed.

Finally, the No. 4 well is at a slightly unorthodox location, 610 feet FNL of Section 5. Santa Fe has on this date filed an unorthodox location application for that well.

\* There is one additional well in this section, the Bandaidd Fed. Well No. 1, located in Unit C. This well was drilled when the acreage was in the Indian Basin-Upper Pennsylvanian Gas Pool, and the Form C-102 reflected that the entire section was dedicated to the well.<sup>2</sup> However, the well has been plugged and abandoned since 1995.

The existing Form C-102's and completion or plugging reports for the Bandaidd Fed. Well No. 1 and the Nagoolte Peak Fed. Well Nos. 1-4 are enclosed with this letter. Call me if you need anything further on this matter.

Very truly yours,

  
James Bruce

Attorney for Santa Fe  
Energy Resources, Inc.

---

<sup>2</sup>Section 5 was moved from the Indian Basin-Upper Pennsylvanian Gas Pool to the Indian Basin-Upper Pennsylvanian Associated Pool by Order No. R-10137.

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 10988  
ORDER NO. R-10138

APPLICATION OF SANTA FE ENERGY OPERATING PARTNERS, L.P. FOR AN  
UNORTHODOX GAS WELL LOCATION AND NON-STANDARD GAS PRORATION  
UNIT, EDDY COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 9, 1994, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 22nd day of June, 1994, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Santa Fe Energy Operating Partners, L.P., seeks approval for an unorthodox gas well location to be drilled 1562 feet from the North line and 1202 feet from the West line (Unit D) of Section 5, Township 22 South, Range 24 East, NMPM, Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico.
- (3) Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of said Section would be dedicated to the well to form a non-standard 372.88-acre gas spacing and proration unit for said pool.
- (4) At the time of the hearing, this case was consolidated with Case No. 10986 for the purpose of presenting testimony.

(5) In Case No. 10986, Santa Fe asked the Division to remove certain acreage (including said Section 5) from the Indian Basin-Upper Pennsylvanian Gas Pool and add it to the Indian Basin-Upper Pennsylvanian Associated Pool. This request, as it pertains to Section 5, was approved by Division Order No. R-10137.

(6) The applicant's evidence indicates that the proposed location, the Nagooltee Peak 5 Federal Well No.2, should be completed as an oil well in the Indian Basin-Upper Pennsylvanian Associated Pool. Pool rules for said Associated Pool provide for 320-acre spacing with wells to be no closer than 660 feet from the outer boundary of the proration unit nor closer than 330 feet from quarter-quarter section lines.

(7) The well location is unorthodox in said Associated Pool because it is too close to quarter-quarter section lines. According to testimony by applicant's witness the location is necessary because of topographic conditions in the area and BLM requirements.

(8) No offset operator or interest owner appeared at the hearing in opposition to the application.

(9) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the hydrocarbons in the affected pool and will prevent waste and protect correlative rights.

**IT IS THEREFORE ORDERED THAT:**

(1) The applicant, Santa Fe Energy Operating Partners L.P., is hereby authorized to drill its Nagooltee Peak 5 Federal Well No.2 at an unorthodox oil well location 1562 feet from the North line and 1202 feet from the West line (Unit D) of Section 5, Township 22 South, Range 24 East, NMPM, Indian Basin-Upper Pennsylvanian Associated Pool, Eddy County, New Mexico.

(2) Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of said section shall be dedicated to the well to form a non-standard 372.88-acre oil spacing and proration unit for said pool.

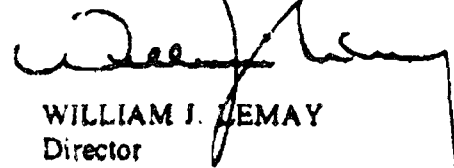
(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Case No. 10988  
Order No. R-10138  
Page 3

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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

SEAL

**DISTRICT I**

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

State of New Mexico

Energy, Minerals, and Natural Resources Department

Revised 02-10-94

Instructions on back

**DISTRICT II**

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

**DISTRICT III**

1000 Rio Brazos Rd.  
Aztec, NM 87410

**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

☒ AMENDED REPORT**DISTRICT IV**

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

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number 30-015-29900	2 Pool Code 33685	3 Pool Name Indian Basin (upper Penn) Assoc.
4 Property Code 016774	5 Property Name NAGDOOLTEE PEAK '5' FEDERAL	6 Well Number 3
7 OGRD No. 020305	8 Operator Name SANTA FE ENERGY RESOURCES, INC.	9 Elevation 4347'

**10 SURFACE LOCATION**

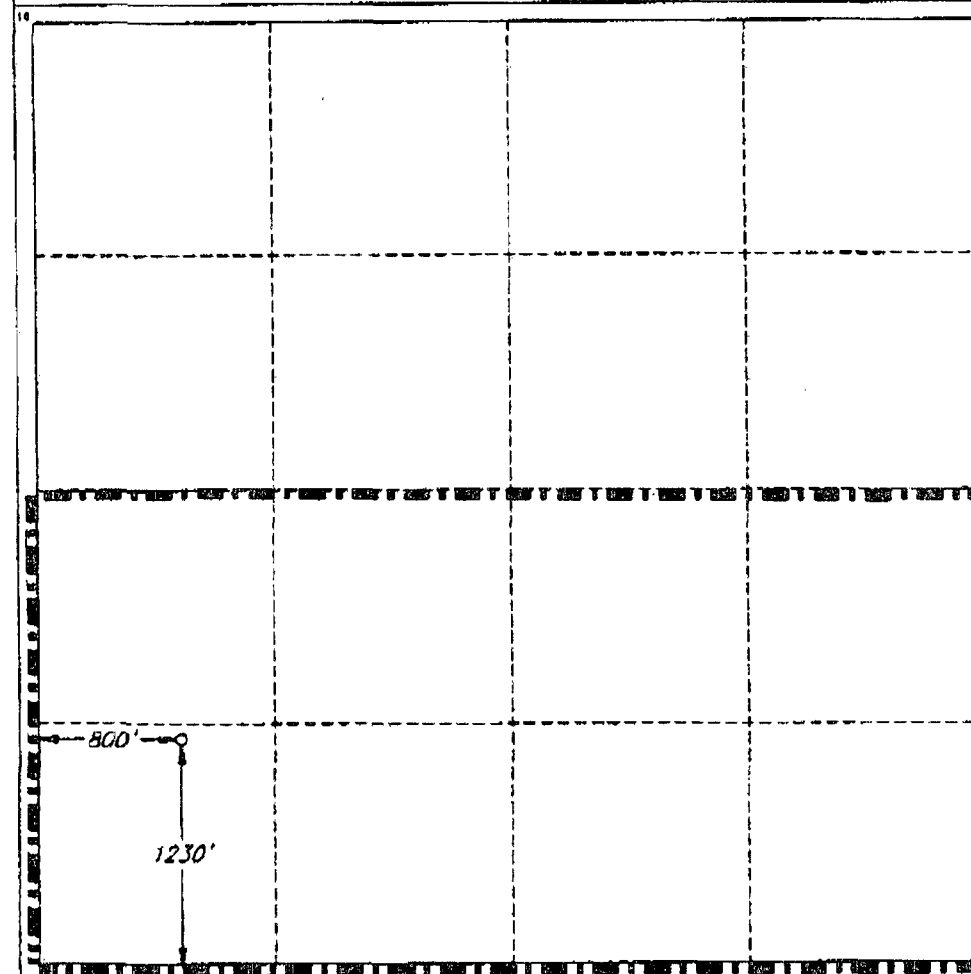
UL or lot no.	Section	Township	Range	Lot 10a	Feet from the	North/South line	Feet from the	East/West line	County
M	5	22 SOUTH	24 EAST, N.M.P.M.		1230'	SOUTH	800'	WEST	EDDY

**11 "BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE**

UL or lot no.	Section	Township	Range	Lot 10a	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

Terry McCullough

Printed Name

Sr. Production Clerk

Title

Date

February 5, 1999

**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.

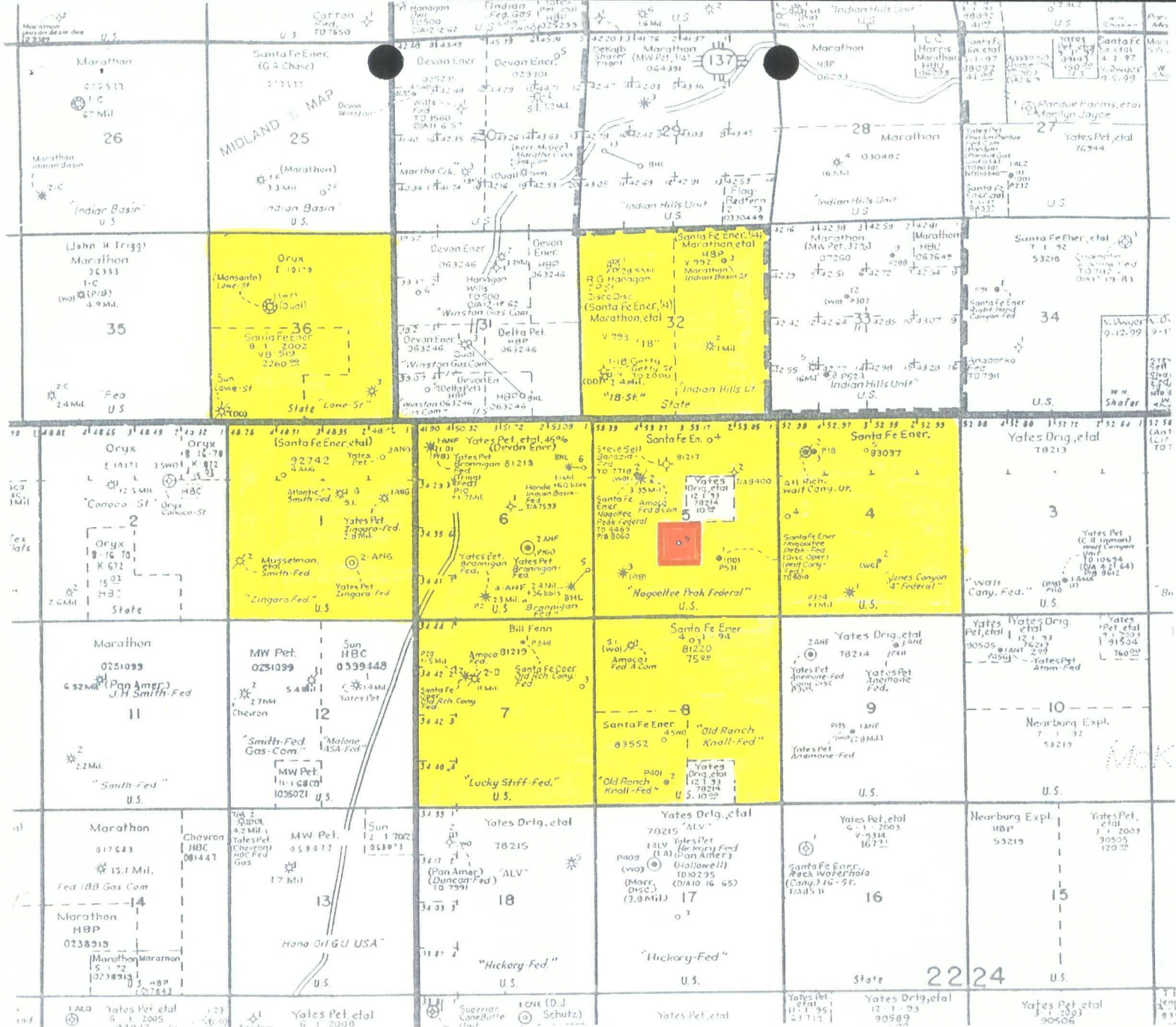
Date of Survey

SEPTEMBER 8, 1997

Signature and Seal of Professional Surveyor

Certificate No.  
ROGER M. ROBBINS, P.S. #12128

JOB # 54019 / 51 NE / JSJ



**NAGOOTLEE PEAK**  
**"5" FED COM #5**  
 2045' FSL & 2200' FWL  
 Section 5, T-22-S, R-24-E



**SFER, INC. Acreage**



**Santa Fe Energy Resources, Inc.**  
**Central Division**  
**Midland, Texas**

**EDDY COUNTY, NEW MEXICO**

**SAGINAW PROSPECT**

**DATE: 12/10/98**



Form 3160-4  
(July 1992)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTOPERATION  
SUBMIT IN DUPLICATE(See other in-  
structions on  
reverse side)FORM APPROVED  
OMB NO. 1004-0137  
Expires: February 28, 19953. LEASE DESIGNATION AND SERIAL NO.  
NM-81217  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG\*

1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ Other \_\_\_\_\_  
b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR ☐ Other \_\_\_\_\_

7. NAME OF OPERATOR

Santa Fe Energy Resources, Inc.

3. ADDRESS AND TELEPHONE NO.

550 W. Texas, Suite 1330, Midland, TX 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)  
At surface(M), 1230' FSL and 800' FWL, Sec. 5, T-22S, R-24E  
At top prod. interval reported below

At total depth

14. PERMIT NO.

LAND DEPT.  
MIDLAND, TX

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Nagooltee Peak "5"  
Federal #3

9. API WELL NO.

30-015-29900

10. FIELD AND POOL OR WILDCAT

Indian Basin  
(Upper Penn) Assoc.

11. SEC., T., R., M., OR BLK.

ND SURVEY OR AREA  
Sec. 5, T-22S, R-24E

12. COUNTY OR PARISH

Eddy

13. STATE

NM

15. DATE SPUDDED 11/18/97 16. DATE T.D. REACHED 12/12/97 17. DATE COMPL. (Ready to prod.) 12/30/97 18. ELEVATIONS (DF, RKB, RT, CR, ETC.) 4347' GR 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD &amp; TVD 8500' 21. PLUG, BACK T.D., MD &amp; TVD 8427' 22. IF MULTIPLE COMPL., HOW MANY? N/A 23. INTERVALS DRILLED BY → ROTARY TOOLS ALL CABLE TOOLS N/A

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)\* 8014'-8346' (Upper Penn) 25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN GR/DLL/CNL/LDT 27. WAS WELL CORED No

CASING RECORD (Report all strings set in well)					
CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13-3/8" H-80	48.0#	355'	17-1/2"	500 sx H & C (1" to surface)	w/ 325 sx C)
9-5/8" J-55	36.0#	1620'	12-1/4"	1000 sx H. Poz & C (1" w/	300 sx "C")
7" K-55	26.6#	8500'	8-3/4"	575 sx Super-C Mod	None

LINER RECORD				TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)
N/A					2-7/8"	8356'
						PACKER SET (MD)
						N/A

31. PERFORATION RECORD (Interval, size and number)		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
8014'-8346' 2 SPF w/4" csg gun (164 holes)		DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
		8014'-8346'	8000 gals gelled 20% HCl w/80 BS.
		8216'-8346'	500 gal 20% HCl acid.
		7963'-8216'	11,500 gal 20% acid w/140 BS.

33. PRODUCTION							
DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump)				WELL STATUS (Producing or shut-in)	
12/30/97		Submersible pump				Producing	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL - BBL	GAS - MCF	WATER - BBL	GAS - OIL RATIO
12/31/97	24	N/A		1510	2085	1523	1381
FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL - BBL	GAS - MCF	WATER - BBL	OIL GRAVITY - API (CORR.)	
N/A	BHP 1368#		1510	2085	1523	40.8	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold - Yates Petroleum TEST WITNESSED BY

35. LIST OF ATTACHMENTS C-104, Deviation Survey, Logs

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records  
SIGNED James M. Cullough TITLE St. Production Clerk DATE Jan. 5, 1998

\* (See Instructions and Spaces for Additional Data 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.

37. SUMMARY OF POROUS ZONES. (Show all important zones of porosity and contents thereof, cored intervals; and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries).

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	GEOLOGIC MARKERS		
				NAME	MEAS. DEPTH	TRUE VERT. DEPTH
Cisco/Canyon (Dolomite)	8007	8392'	Oil/Gas/Water	San Andres	1230	1230
				Glorieta	2708	2708
				Yeso	2936	2936
				Bone Spring	4902	4902
				3rd BS Sand	7225	7225
				Wolfcamp	7706	7706
				Cisco/Canyon	7950	7950

DECEMBER 16, 1997

WELL NAME AND NUMBER:

NAGOOOTEE PEAK "5" FED #1<sup>3</sup>

LOCATION:

Sec. 5 T22S R24E

OPERATOR:

SANTA FE ENERGY RESOURCES

DRILLING CONTRACTOR:

PATTERSON DRILLING

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and that he has conducted deviation tests and obtained the following results:

DEGREE AND DEPTH

1.75	148
0.75	238
0.75	355
1.00	580
1.00	825
1.25	1320
1.25	1813
1.00	2310
1.25	2787
0.75	3287
0.75	3790

DEGREE AND DEPTH

0.75	4286
1.25	4532
0.75	4783
1.00	5090
1.00	5478
1.25	5757
1.75	5914
1.50	6132
1.00	6382
1.00	6604
0.75	6910

DEGREE AND DEPTH

0.50	7044
0.50	7315
1.00	7608
1.00	7888
1.00	8266
0.25	8500

Drilling Contractor: Patterson Drilling

By:

  
Billy Jensen

Subscribed and sworn to before me this 16th day of Dec. 1997.

My Commission Expires:  
June 30, 2001

  
Mary G. Henson

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Santa Fe Energy Resources, Inc.

3. Address and Telephone No.

550 W. Texas, Suite 1330, Midland, TX 79701 915/687-3551

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

(C), 1294' FNL, & 2063' FWL, Sec. 5, T-22S, R-24E

RECEIVED  
OCT 6 11 18 AM '95  
NM OIL CON COMMISSION  
FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

5. Lease Designation and Serial No.  
NM-81217

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Bandaid Federal  
#1

9. API Well No.

Unknown 30015-26144

10. Field and Pool, or exploratory Area  
Indian Basin (Upper Penn)  
Assoc.

11. County or Parish, State

Eddy NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent  
☒ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- ☒ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☐ Other

Change of Plans

New Construction

Non-Routine Fracturing

Water Shut-Off

Conversion to Injection

Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

8/1/95: MIRU. Blow tbg and csg down.

8/2/95: Kill well w/10# brine. POOH w/tbg and SN. RIH w/7" cmt retainer to 7093', could not set retainer. Pull up to 7030', retainer would not set. Could not pull tension on retainer. POOH w/tbg. Retainer stayed in hole, do not know if set.

8/3/95: RIH w/stinger & tagged retainer @ 7145', sitting on top of liner @ 7154'. POOH, load hole w/250 bbls, casing on vacuum, could not load hole. WO 2nd 7" retainer. RIH w/retainer & set at 6950'. Load hole w/ 150 bbls, test retainer & casing to 500#, ok. Stung into retainer and pumped 150 sx C1 C cmt, sting out of retainer and pumped 50' cmt on top of retainer. BLM approved setting 2nd retainer on top of 1st.

8/4/95: RIH and free point 7" casing @ 6500', tag TOC at 6890'. RIH and cut csg off @ 6500'. Begin POOH w/7" csg. Shut down for weekend.

8/8/95: Finish pulling total of 168 jts 7". RIH w/tbg and spot 70 sx cmt plug @ 6575' (65' inside stub). POOH w/30 stds.

14. (I hereby certify that the foregoing is true and correct)

Signed

*Joe G. Lara*

Title Sr. Production Clerk

Date October 5, 1995

(This space for Federal official use only)

Approved by

(ORIG. SCD.) JOE G. LARA

Title

PETROLEUM ENGINEER

Date

11/9/95

Conditions of approval, if any:

Approved as to plugging of the well bore.  
Liability under bond is retained until  
surface restoration is completed.

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.

Bandaaid Fed. #1  
Plugging  
cont.

8/09/95: RIH w/tbg, tagged TOC @ 6165'. POOH w/88 jts. Spot 40 sx Cl "C" + 2% CaCl<sub>2</sub> at 4450'. POOH w/ 25 stds, wait 5 hrs. RIH and tagged top of cement plug @ 4292'. Spot 70 sx Cl "C" at 2575'. POOH w/ 25 stds. SDFN.

8/10/95: RIH and tagged TOC at 2386'. Spot 35 sx Cl "C" at 444'. POOH & LD 12 jts. Spot 15 sx Cl "C" from 60' to surface. SDFN.

8/11/95: Removed wellhead. Cut casing off, installed marker. Filled in cellar, removed dead men. Cleaned location.

Well plugged an abandoned. Job complete on 8/11/95.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NM OIL CONS COMMISSION  
Drawer DD  
Artesia, NM 88210

FORM APPROVED  
Bureau No. 1004-0135  
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Santa Fe Energy Operating Partners, L.P.

3. Address and Telephone No.

550 W. Texas, Suite 1330, Midland, Texas 79701

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2063' FWL & 1294' FNL, SEC.5, T-22-S, R-24-E

7. If Unit or CA, Agreement Designation

8. Well Name and No.

BAND AID FEDERAL

9. API Well No.

1

10. Field and Pool, or Exploratory Area

INDIAN BASIN

11. County or Parish, State

EDDY CO., N.M.

UT.C

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☒ Other Convert to WSW.  
☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

The subject well was temporarily abandoned in November of 1989, by the previous operator (Steve Sell). Santa Fe Energy Operating Partners, L.P., will utilize the upper well bore for water supply well purposes. Santa Fe will P&A the lower well bore by setting a plug above the existing perforations, pulling 7" production casing, setting a plug in the open hole section and across the 9-5/8" casing shoe. The 9-5/8" casing will be logged and fresh water zones will then be perforated and tested.

DEC 14 1994

The above work is to begin on or before February 20, 1995.

SUBJECT TO  
LIKE APPROVAL  
BY STATE

NOV 25 11 26 AM '94

RECEIVED

14. I hereby certify that the foregoing is true and correct

Signed

*Sherry McCall*

Title

Sr. Production Clerk

Date

11/21/94

(This space for Federal or State office use)

Orig. Signed by Shannon J. Shaw

Approved by

Conditions of approval, if any:

Title

PETROLEUM ENGINEER

Date

12/13/94

**N MEXICO OIL CONSERVATION COMMISS**  
**WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
 Supersedes C-128  
 Effective 1-1-65

All distances must be from the outer boundaries of the Section.

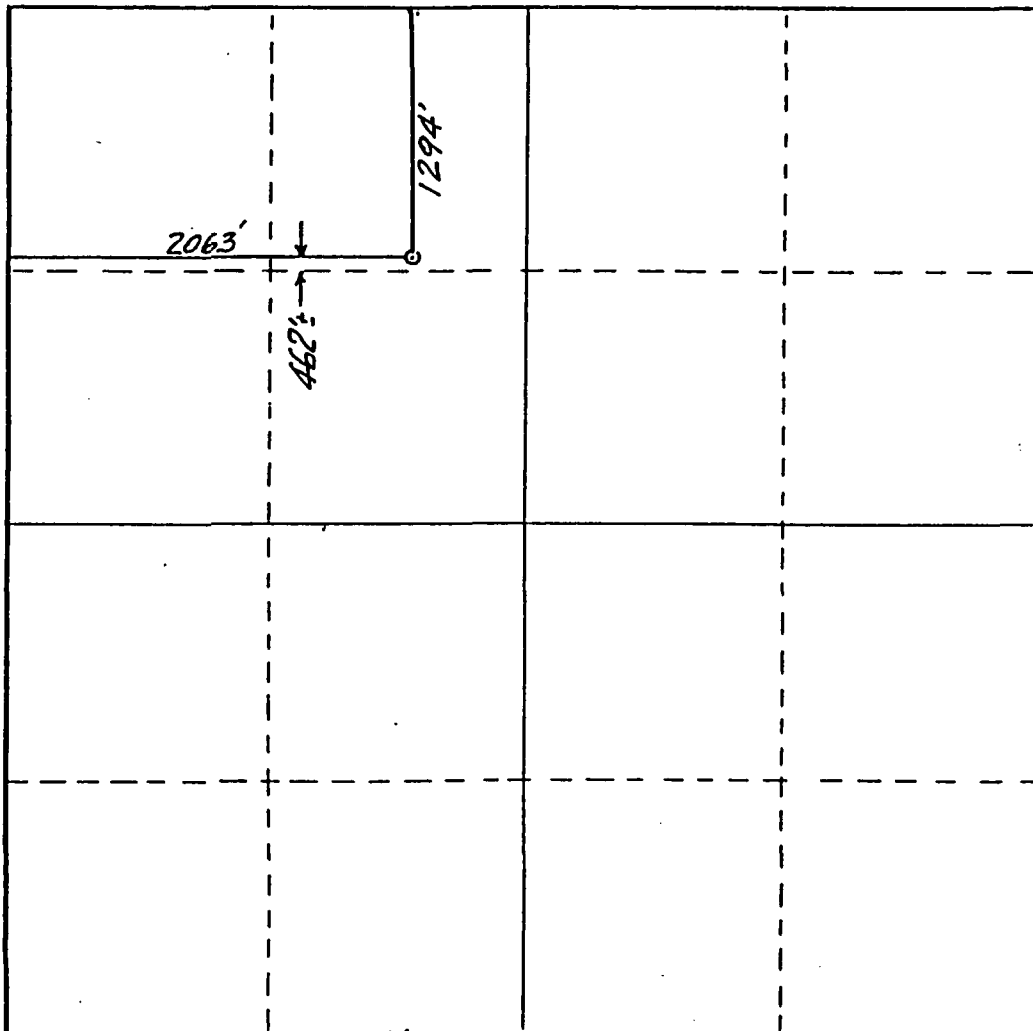
Operator <b>Steve Sell</b>			Lease <b>Bandaid Federal</b>		Well No. <b>1</b>
Unit Letter <b>C</b>	Section <b>5</b>	Township <b>22 South</b>	Range <b>24 East</b>	County <b>Eddy County, N.M.</b>	
Actual Footage Location of Well: <b>1294</b> feet from the <b>North</b> line and <b>2063</b> feet from the <b>West</b> line					
Ground Level Elev. <b>4206.</b>	Producing Formation <b>Cisco Reef</b>	Pool <b>Indian Basin W/PENN</b>		Dedicated Acreage: <b>692.88</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc? **N/A**

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



**CERTIFICATION**

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

*Kurt Boley*

Name **Kurt Boley**

Position

**Geologist**

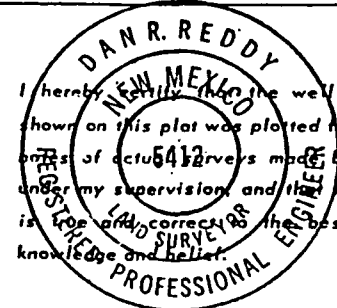
Company

**Steve Sell**

Date

**March 8, 1989**

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 knowledge and belief.



Date Surveyed

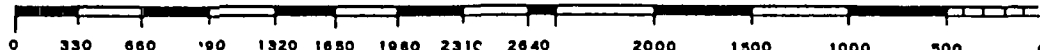
**March 7, 1989**

Registered Professional Engineer and/or Land Surveyor

*Dan R. Reddy*

Certificate No.

**NM PE&LS NO. 5412**



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

Form approved.  
Budget Bureau No. 1004-0137  
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> Other _____		5. LEASE DESIGNATION AND SERIAL NO. NM-81217	
b. TYPE OF COMPLETION: NEW WELL <input type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other <u>Re-Entry</u>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME Nagooltee Peak 5 Federal	
2. NAME OF OPERATOR Santa Fe Energy Operating Partners, L.P.		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR 550 W. Texas, Suite 1330, Midland, Texas 79701		8. FARM OR LEASE NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface (J), 1633' FSL and 1636' FEL, Sec. 5, T-22S, R-24E At top prod. interval reported below At total depth		9. WELL NO. 1	
14. PERMIT NO. 30-015-24713		DATE ISSUED	
15. DATE SPUDDED Re-Entered 3-5-94		16. DATE T.D. REACHED NEW TD 3-26-94	
17. DATE COMPL. (Ready to prod.) 4-11-94		18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 4280.3' GR	
19. ELEV. CASINGHEAD --		20. TOTAL DEPTH, MD & TVD 8565' NEW TD	
21. PLUG, BACK T.D., MD & TVD 8471'		22. IF MULTIPLE COMPL., HOW MANY* N/A	
23. INTERVALS DRILLED BY All		ROTARY TOOLS CABLE TOOLS N/A	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 8306'-8348' (Upper Penn)		25. WAS DIRECTIONAL SURVEY MADE No	
26. TYPE ELECTRIC AND OTHER LOGS RUN DLL/MSFL; LDT/CNL		27. WAS WELL CORED No	
28. CASING RECORD (Report all strings set in well)			
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE
13-3/8"	48#	310'	17-1/2"
8-5/8"	32#	2550'	12-1/4"
5-1/2"	15.5 & 17#	8564'	7-7/8"
CEMENTING RECORD			
Circ'd w/ 845 sx			
Circ'd w/ 1115 sx			
670 sx CL "H"			
AMOUNT PULLED			
None			
None			
None			
29. LINER RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*
N/A			
30. TUBING RECORD			
SIZE	DEPTH SET (MD)	PACKER SET (MD)	
2-7/8"	8079'	N/A	
31. PERFORATION RECORD (Interval, size and number) 8306'-8348' (23 holes)			
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
DEPTH INTERVAL (MD)		AMOUNT AND KIND OF MATERIAL USED	
8306'-8348'		3350 gals 20% NEFe acid w/ 42 ball sealers	
33. PRODUCTION			
DATE FIRST PRODUCTION 4-11-94		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Submersible Pump	
DATE OF TEST 4-14-94		WELL STATUS (Producing or shut-in) SI	
HOURS TESTED 22	CHOKE SIZE 32/64"	PROD'N. FOR TEST PERIOD 487	OIL—BBL. 395
GAS—MCF. 785	WATER—BBL. 811	GAS-OIL RATIO	
NEW. TUBING PRESS. 190	CASING PRESSURE 400	CALCULATED 24-HOUR RATE 531	OIL—BBL. 431
GAS—MCF. 856		WATER—BBL. 40.8°	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented during test - SI waiting on sales connection			
TEST WITNESSED BY			
35. LIST OF ATTACHMENTS Logs, Deviation Survey, C-104			
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records			
SIGNED <u>Larry McCullough</u>		TITLE <u>Sr. Production Clerk</u>	
DATE <u>4-20-94</u>			

\*(See Instructions and Spaces for Additional Data on Reverse Side)



APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☐

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER ☐

RE-ENTER ☒

SINGLE ZONE ☐

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Santa Fe Energy Operating Partners, L.P.

3. ADDRESS OF OPERATOR

550 W. Texas, Suite 1330, Midland, Texas 79701

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

At surface

(J), 1636' FEL and 1633' FSL, Sec. 5, T-22S, R-24E

At proposed prod. zone

5. PLUG BACK AGREEMENT NAME

6. FARM OR LEASE NAME

Nagooltee Peak 5 Fed

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Indian Basin (Upper Penn)

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

Sec. 5, T-22S, R-24E

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

17 miles West of Carlsbad, New Mexico

12. COUNTY OR PARISH 13. STATE

Eddy

NM

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

(Also to nearest drilg. unit line, if any)

1633'

16. NO. OF ACRES IN LEASE

600'

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.

2835'

19. PROPOSED DEPTH

8600'

20. ROTARY OR CABLE TOOLS

Rotary

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

4280.3' GR

22. APPROX. DATE WORK WILL START\*

ASAP

23. ACTUAL ~~PROPOSED~~ CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"		310'	Circ w/ 845 sx - in place
11"	8-5/8"		2550'	Circ w/ 1115 sx - in place
7-7/8"	5-1/2"	15.5 & 17.0	8600'	Est TOC @ 6000'

Santa Fe Energy Operating Partners, L.P. proposes to rig up a drilling rig to re-enter the Discovery Operating well, the Walt Canyon 5 Federal No. 1, which was plugged and abandoned on June 7, 1984. We plan to drill out plugs to 7300' and sidetrack around a 4-1/2" casing stub at 7266'-8005'. Our proposed total depth is 8600' and will be completed per the attached procedure.

Mud Program: Will utilize a fresh water mud system containing Drispac to control the water loss.

BOP Program: BOP's and Hydril will be installed at the beginning of the re-entry and will be tested daily.

OTD-8010

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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

Daniel Pobst

TITLE

Sr. Drilling Engineer

DATE

July 27, 1993

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

Scott Powers

TITLE

AREA MANAGER

DATE

11-4-93

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO

GENERAL REQUIREMENTS AND

SPECIAL STIPULATIONS

ATTACHED

\*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.

OIL CONSERVATION DIVISION

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

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator SANTA FE ENERGY OPERATING PARTNERS, L.P.		Lease NAGOOTTEE PEAK "5" FEDERAL		Well No. 1
Unit Letter J	Section 5	Township 22 SOUTH	Range 24 EAST NMPM	County EDDY

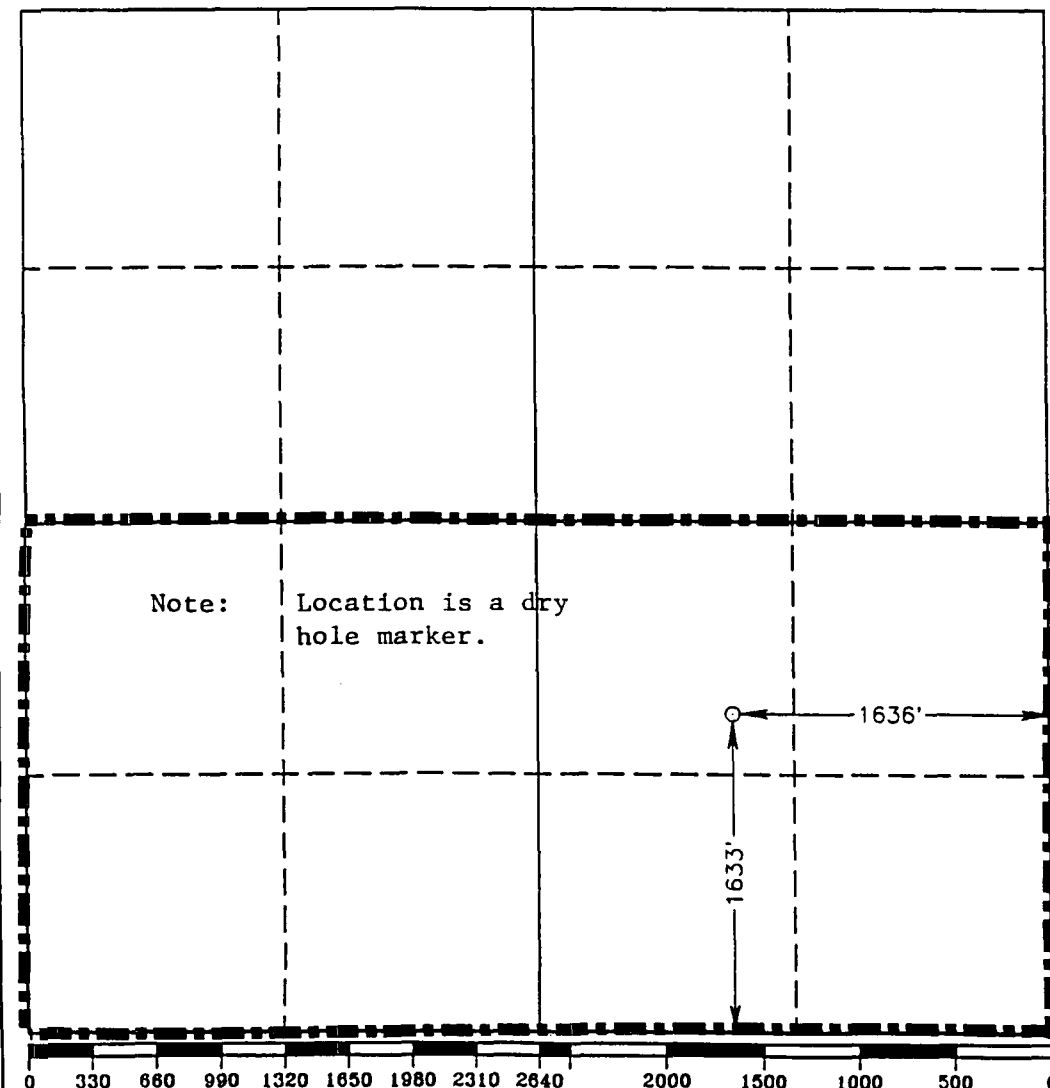
Actual Footage Location of Well:

1633 feet from the SOUTH line and		1636 feet from the EAST line	
Ground Level Elev. 4280.3'	Producing Formation Upper Penn	Pool Indian Basin (Upper Penn)	Dedicated Acreage: 320 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
☐ Yes ☐ No If answer is "yes" type of consolidation \_\_\_\_\_

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, 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  
*Darrell Roberts*  
Printed Name  
Darrell Roberts  
Position  
Sr. Drilling Engineer  
Company Santa Fe Energy  
Operating Partners, L.P.  
Date  
July 27, 1993

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 knowledge and belief.

Date Surveyed  
JUNE 17, 1993  
Signature & Seal of  
Professional Surveyor

*[Signature]*  
GARY L. JONES  
NEW MEXICO  
1977  
Certificate No. JOHN W. WEST 678  
RONALD J. ELLSON 3239  
GARY L. JONES 7977  
93-11251

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

**OIL CONSERVATION DIVISION**  
**P.O. Box 2088**  
**Santa Fe, NM 87504-2088**

Form C-104

Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

5 Copies

☐ AMENDED REPORT

**I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT**

<sup>1</sup> Operator name and Address Santa Fe Energy Resources, Inc. 550 W. Texas, Suite 1330 Midland, TX 79701		<sup>2</sup> OGRID Number 020305
<sup>3</sup> Pool Name Indian Basin (Upper Penn) Assoc.		<sup>4</sup> Reason for Filing Code NW
<sup>5</sup> API Number 30-015-28074	<sup>6</sup> Pool Code 33685	<sup>7</sup> Well Number 2
<sup>8</sup> Property Code 016774	<sup>9</sup> Property Name Nagooltee Peak "5" Federal	

**II. Surface Location**

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
E	5	22S	24E		1562	North	1202	West	Eddy

**Bottom Hole Location**

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
<sup>12</sup> Lse Code F	<sup>13</sup> Producing Method Code P	<sup>14</sup> Gas Connection Date 4/11/97	<sup>15</sup> C-129 Permit Number	<sup>16</sup> C-129 Effective Date	<sup>17</sup> C-129 Expiration Date				

**III. Oil and Gas Transporters**

<sup>18</sup> Transporter OGRID	<sup>19</sup> Transporter Name and Address	<sup>20</sup> POD	<sup>21</sup> O/G	<sup>22</sup> POD ULSTR Location and Description
138648	Amoco Pipeline ICT 502 Northwest Ave. Levelland, TX 79336	2811465	O	(N), Sec. 8, T-22S, R-24E Indian Basin Central Battery
025561	Yates Petroleum 105 So. 4th Artesia, NM 88210	2811466	G	(N), Sec. 8, T-22S, R-24E Indian Basin Central Battery

**IV. Produced Water**

<sup>23</sup> POD	<sup>24</sup> POD ULSTR Location and Description

**V. Well Completion Data**

<sup>25</sup> Spud Date	<sup>26</sup> Ready Date	<sup>27</sup> TD	<sup>28</sup> PBTB	<sup>29</sup> Perforations
WO 3/21/97	WO 4/11/97	8465'	8060'	7831'-7980'
<sup>30</sup> Hole Size	<sup>31</sup> Casing & Tubing Size	<sup>32</sup> Depth Set	<sup>33</sup> Sacks Cement	
17-1/2"	13-3/8" H-40	385'	1000 sx RFC & C (circ'd)	
12-1/4"	9-5/8" K-55	2490'	1350 sx RFC & C (circ'd)	
8-3/4"	7" K-55	8465'	650 sx "H" (TOC @ 7957')	
	2-7/8"	8012'		

**VI. Well Test Data**

<sup>34</sup> Date New Oil	<sup>35</sup> Gas Delivery Date	<sup>36</sup> Test Date	<sup>37</sup> Test Length	<sup>38</sup> Tbg. Pressure	<sup>39</sup> Csg. Pressure
4/11/97	4/11/97	4/12/97	24 hrs.	600	600
<sup>40</sup> Choke Size	<sup>41</sup> Oil	<sup>42</sup> Water	<sup>43</sup> Gas	<sup>44</sup> AOF	<sup>45</sup> Test Method
N/A	14	2096	1124	N/A	Submersible

<sup>46</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Terry McCullough*

Printed name:  
Terry McCullough

Title:  
Sr. Production Clerk

Date: 4/15/97

Phone: 915/687-3551

**OIL CONSERVATION DIVISION**

Approved by:

ORIGINAL SIGNED BY TIM W. GUM  
DISTRICT II SUPERVISOR

Approval Date:

APR 28 1997

<sup>47</sup> If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date

NM OIL CONS. COMMISSION  
DRAWN BY  
ARTESIA, NM 88210  
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE\*

(Other instructions on  
reverse side)

30-015-28074

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

RECEIVED DIVISION

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

## 1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

## b. TYPE OF WELL

OIL  
WELL ☒GAS  
WELL ☐OTHER ☐SINGLE  
ZONE ☐

O. C. D.

NAGOOOTEE PEAK  
OFFICE

## 2. NAME OF OPERATOR

Santa Fe Energy Operating Partners, L.P. ✓

## 3. ADDRESS AND TELEPHONE NO.

550 W. Texas, Suite 1330, Midland, TX 79701

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

At surface

1562' FNL and 1202' FWL, Sec. 5, T-22S, R-24E

At proposed prod. zone

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

16 3/4 Miles West of Carlsbad

15. DISTANCE FROM PROPOSED\*  
LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.

1,202 Ft.

(Also to nearest drig. unit line, if any) .6 mi. N/East

## 16. NO. OF ACRES IN LEASE

692.88

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.

7,350 Ft.

## 19. PROPOSED DEPTH

8400'

## 20. ROTARY OR CABLE TOOLS

Rotary

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

4313' GR

## 22. APPROX. DATE WORK WILL START\*

July 1, 1994

## 23.

## PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48.00 H-40	350'	400 sx to circulate
12-1/4"	9-5/8"	36.0 K-55	2500'	1200 sx to circulate
8-3/4"	7"	26.0 K-55	8400'	TOC at 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 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  
Exhibit C- Drilling Fluid Program  
Exhibit D- Auxiliary Equipment  
Exhibit E- Topo Map of Location

Exhibit F- Plat Showing Existing Wells  
Exhibit G- Well Site Layout  
Surface Use and Operations Plan  
H2S Drilling Operations Plan

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

Daniel Rohls

TITLE

Sr. Drilling Engineer

DATE

June 3, 1994

(This space for Federal or State office use)

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

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:

(ORIG. SGD.) RICHARD L. MANUS

AREA MANAGER

AUG 22 1994

APPROVED BY

TITLE

DATE

\* PENDING NSC APPROVAL

\*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 88240

**DISTRICT II**

P. O. Drawer DD  
Artesia, NM 88210

**DISTRICT III**

1000 Rio Brazos Rd  
Aztec, NM 87410

**OIL CONSERVATION DIVISION**

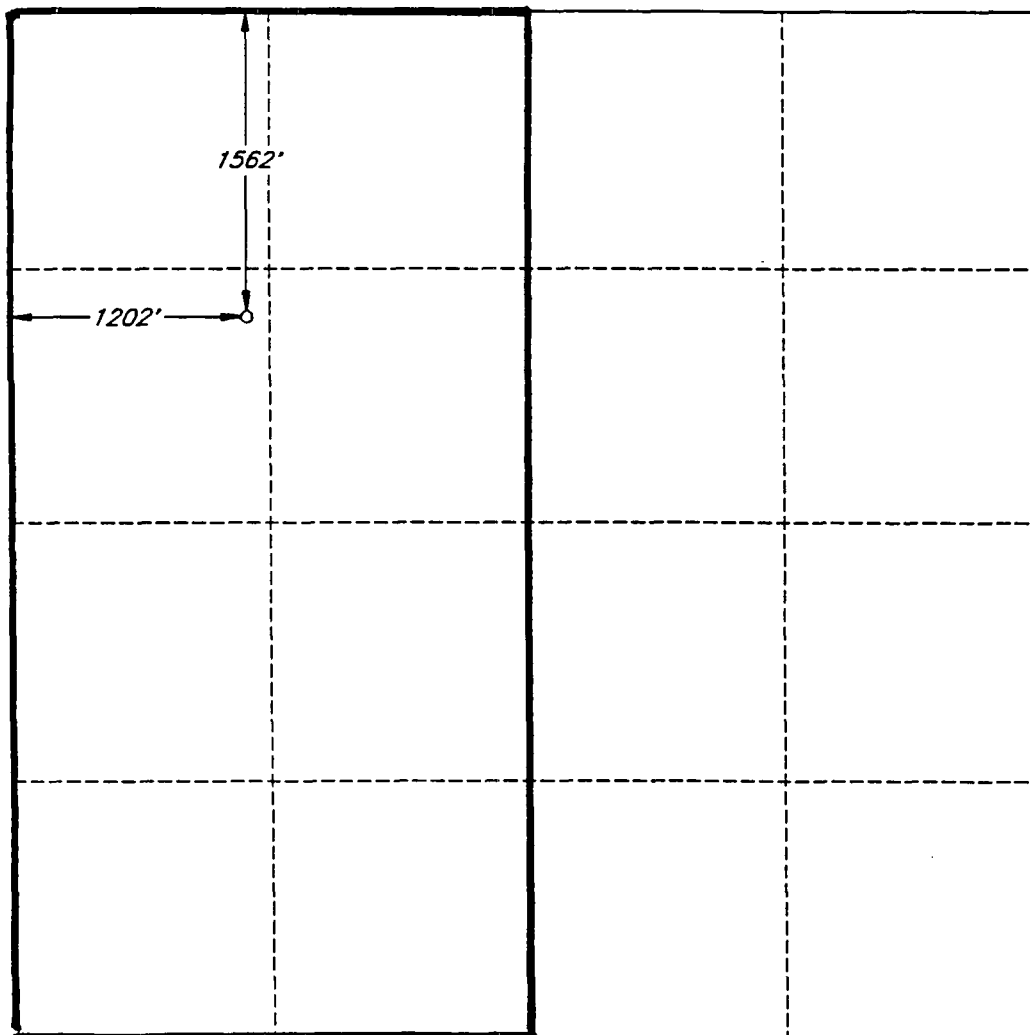
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the section.

Operator <b>SANTA FE ENERGY OPER. PART, L.P.</b>		Lease <b>NAGDOOLTEE PEAK '5' FEDERAL</b>		Well No. <b>2</b>
Unit Letter <b>E</b>	Section <b>5</b>	Township <b>22 SOUTH</b>	Range <b>24 EAST, N.M.P.M.</b>	County <b>EDDY</b>
Actual Footage Location of Well				
1562 feet from the NORTH line and		1202 feet from the WEST line		
Ground Level Elev. <b>4313'</b>	Producing Formation <b>Cisco/Canyon</b>	Pool <b>Indian Basin (Upper Penn)</b>	320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all the owners been consolidated by communitization, unitization, forced-pooling, etc.?  
☐ Yes ☐ No If answer is "yes", type of consolidation \_\_\_\_\_  
If the answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use the reverse side of this form if necessary.) \_\_\_\_\_  
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the division.



**OPERATOR CERTIFICATION**

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

Signature

*Darrell Roberts*

Printed Name

**Darrell Roberts**

Position

**Division Drilling Eng.**

**Company Santa Fe Energy,**

**Operating Partners, L.P.**

Date

**June 2, 1994**

**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 knowledge and belief.

Date Surveyed

**MARCH 2, 1994**

Signature and Seal of Professional Surveyor

**BEZNER**  
**NO. 7920**

*V. L. Bezner*

Certificate No.

**V. L. BEZNER**

**R.P.S. #7920**

**V.H.B. / 32020 / 51NE**

**WRS COMPLETION REPORT**

COMPLETIONS SEC 5 TWP 22S RGE 24E  
30-T-0017 06/26/98 30-015-29900-0000 PAGE 1

NMEX EDDY \* 1230FSL 800FWL SEC  
STATE COUNTY FOOTAGE SPOT  
SANTA FE ENERGY D DO  
OPERATOR WELL CLASS INIT FIN  
3 NAGOOTTEE PEAK '5' FEDERAL  
WELL NO. LEASE NAME  
4347GR INDIAN BASIN  
OPER ELEV FIELD/POOL/AREA  
API 30-015-29900-0000

LEASE NO. PERMIT OR WELL I.D. NO.  
11/18/1997 12/31/1997 ROTARY VERT OIL  
SPUD DATE COMP. DATE TYPE TOOL HOLE TYPE STATUS  
8500 PNSLVN U PATTERSON DRLG 49  
PROJ. DEPTH PROJ. FORM CONTRACTOR  
DTD 8500 PB 8427 FM/TD CSCO-CYN  
DRILLERS T.D. LOG T.D. PLUG BACK TD OLD T.D. FORM T.D.

**LOCATION DESCRIPTION**

17 MI W CARLSBAD, NM

**CASING/LINER DATA**

CSG 13 3/8 @ 355 W/ 500 SACKS  
CSG 9 5/8 @ 1620 W/ 1000 SACKS  
CSG 7 @ 8500 W/ 575 SACKS

**TUBING DATA**

TBG 2 7/8 AT 8356

**INITIAL POTENTIAL**

IPP1510BOPD 2085 MCFD1523BW 24HRS  
CSCO-CYN PERF W/ 2/FT 8014- 8346  
PERF 8014- 8346  
ACID 8014- 8346 8000GALS

ADDTVGELA

ACID 8216- 8346 20% HCL  
500GALS  
ACID 7963- 8216 11500GALS  
20%  
GTY 40.8 GOR 1381

FIELD /RESERVOIR  
/PENNSYLVANIAN U

CONTINUED IC# 300157063397

COPYRIGHT 1998



Petroleum Information/  
Dights LLC

P/D-WRS-GET  
Form No 187

COMPLETIONS SEC 5 TWP 22S RGE 24E  
 30-T-0017 06/26/98 30-015-29900-0000 PAGE 2

SANTA FE ENERGY D DO  
 3 NAGOOTTEE PEAK '5' FEDERAL

TYPE	FORMATION	LTH	TOP	DEPTH/SUB	BSE	DEPTH/SUB
LOG	SN ANDRS		1230	3117		
LOG	GLORIETA		2708	1639		
LOG	YESO		2936	1411		
LOG	BONE SPG		4902	-555		
LOG	BONE SP3		7225	-2878		
LOG	WOLFCAMP		7706	-3359		
LOG	CSCO-CYN		7950	-3603		

SUBSEA MEASUREMENTS FROM GR

LOGS AND SURVEYS /INTERVAL, TYPE/

LOGS	GR	DLL	CNL
LOGS	LDT		

DRILLING PROGRESS DETAILS

SANTA FE ENERGY  
 550 W TEXAS STE 1330  
 MIDLAND, TX 79701  
 915-687-3551

09/26 LOC/1997/  
 11/21 DRLG 355  
 12/02 DRLG 4630  
 12/09 DRLG 7255  
 12/18 8500 TD, PB 8427, WOCT  
 TD REACHED 12/12/97 RIG REL 12/15/97  
 06/22 8500 TD, PB 8427  
 COMP 12/30/97, IPP 1510 BOPD, 2085 MCFGPD,  
 1523 BWPD, GTY 40.8, GOR  
 1381  
 PROD ZONE - PENNSYLVANIAN U 8014-8346  
 NO CORES OR DSTS RPTD

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division

311 S. 1st Street

Albuquerque, NM 88210-2834

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

Case Designation and Serial No.

NM-81217

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Nagooltee Peak "5"

Federal #3

9. API Well No.

30-015-29900

10. Field and Pool, or exploratory Area

Indian Basin (Upper Penn)

11. County or Parish, State

Eddy NM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

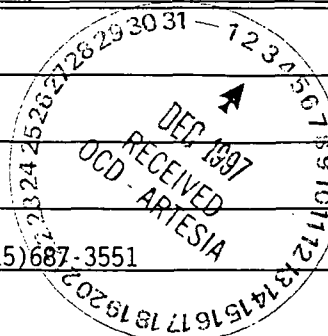
Santa Fe Energy Resources, Inc.

3. Address and Telephone No.

550 W. Texas, Suite 1330, Midland, TX 79701 (915)687-3551

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

(M), 1230' FSL and 800' FWL, Sec. 5, T-22S, R-24E



12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent  
☒ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☒ Other Spud & set casing  
☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

11/18/97: Spud 17-1/2" hole at 5:00 p.m. Drlg ahead.

11/19/97: Drilling.

11/20/97: TD 17-1/2" hole (Depth 355'). RU casing crew and ran 8 jts 13-3/8" 48.0# H-80 ST&C casing and set at 355'. RU BJ and cement w/ 100 sx Cl "H" containing 10# Gilsonite, 2% CaCl2, and 1/2 pps Celloflake. Tail w/ 400 sx Cl "C" + 2% CaCl2. Plug down at 12:00 p.m., did not circulate. WOC. Jim Amos w/ BLM on location. RIH w/ 1", tag centralizer @ 140'. Cement thru 1" w/ 200 sx Cl "C" + 3% CaCl2, did not circulate. WOC. RIH w/ 1" to 140', pumped 50 sx Cl "C" + 6% CaCl2, cmt did not circ. WOC. RIH w/ 1" to 80', pumped 50 sx Cl "C" + 4% CaCl2, cmt did not circ. WOC. RIH w/ 1" to 47', pumped 25 sx Cl "C" + 3% CaCl2, plug down at 12:00 a.m. 11/21/97. Circ'd to surface.

11/21/97: WOC. Cut casing off and weld on flow nipple. Patterson Drilling working on mouse hole. PU BHA and TIH. Drld cmt plug 305'-355'. Work on mouse hole.

11/22/97: Work on mouse hole. Resume drilling operations.

14. I hereby certify that the foregoing is true and correct.

Signature

*Gary Gourley*

Title Sr. Production Clerk

Date 11/25/97

(This space for Federal or State office use)

Approved by

Title

ACCEPTED FOR RECORD  
DEC 21 1997  
(CRIG. SGD.) GARY GOURLEY

Date

Conditions of approval, if any:



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.

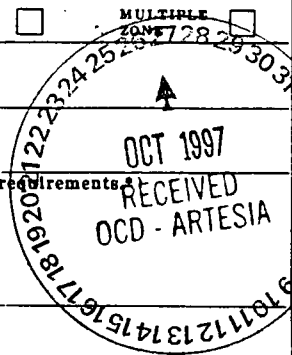
550 W. Texas, Suite 1330; Midland, Texas 79701 (915)682-6373

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

At surface  
(M) 1230' FSL & 800' FWL

At proposed prod. zone

W.M.



5. LEASE DESIGNATION AND SERIAL NO.  
NM 81217

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.  
Nagooltee Peak "5" Fed #3

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT

Indian Basin (Upper Penn)

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

Sec. 5, T-22-S, R-24-E

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

16 3/4 miles west of Carlsbad, New Mexico

12. COUNTY OR PARISH 13. STATE  
Eddy New Mexico

15. DISTANCE FROM PROPOSED\*

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

800'

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.

2520

19. PROPOSED DEPTH

8500'

20. ROTARY OR CABLE TOOLS

Rotary

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

'4347' GR

22. APPROX. DATE WORK WILL START\*

October 25, 1997

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 to circulate

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

NSL -

- 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

RECEIVED  
1997 SEP 24 A 9:17  
BUREAU OF LAND MANAGEMENT  
ROSWELL, NM

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 B. "Bill" Stinson

TITLE

Agent for Santa Fe Energy

DATE

9-22-97

(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 thereon.  
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

(ORIG. SGD.) JOHN S. SIMITZ

TITLE

Acting ADM. MINERALS

DATE

10-23-97

\*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

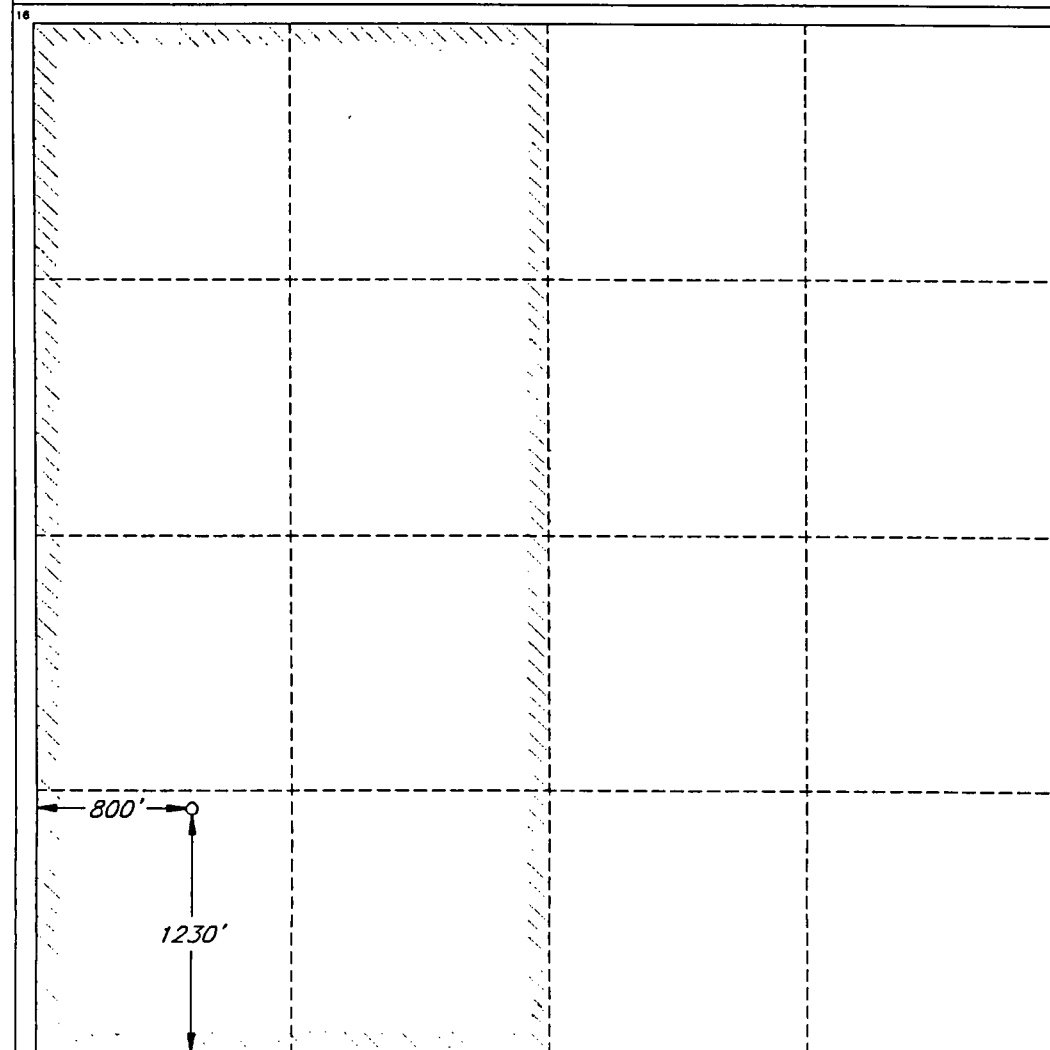
☐ AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number <b>30-015-29900</b>		2 Pool Code <b>79040</b>		3 Pool Name Indian Basin (Upper Penn)					
4 Property Code		5 Property Name NAGDOOLTEE PEAK '5' FEDERAL						6 Well Number 3	
7 OGRID No.		8 Operator Name SANTA FE ENERGY RESOURCES, INC.						9 Elevation 4347'	
10 SURFACE LOCATION									
UL or lot no. M	Section 5	Township 22 SOUTH	Range 24 EAST, N.M.P.M.	Lot Ida	Feet from the 1230'	North/South line SOUTH	Feet from the 800'	East/West line WEST	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  
9-22-97

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  
SEPTEMBER 8, 1997

Signature and Seal of  
Professional Surveyor

*Roger M. Robbins*  
Certificate No. 12128  
ROGER M. ROBBINS P.S. #12128

JOB # 54019 / 51 NE / JSJ

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

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

At surface

(Lot 2) 610' FNL & 1900' FEL

At proposed prod. zone

Unit B

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)

610'

16. NO. OF ACRES IN LEASE

640-652.88

17. NO. OF ACRES ASSIGNED

TO THIS WELL

320-372.88

18. DISTANCE FROM PROPOSED LOCATION\*

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

2394'

19. PROPOSED DEPTH

8500'

20. ROTARY OR CABLE TOOLS

Rotary

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

'4248' GR

22. APPROX. DATE WORK WILL START\*

October 26, 1998

23.

PROPOSED CASING AND CEMENTING PROGRAM

CARLSBAD CONTROLLED WATER BASIN

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 to circulate

WITNESS

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

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS

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. ATTACHED

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. "Phil" Hanson

TITLE

Agent for Santa Fe Energy

DATE

10-5-98

(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 Assistant Field Office Manager,  
Lands and Minerals

APPROVED BY

(ORIG. SGD.) ARMANDO A. LOPEZ

TITLE

DATE

NOV 04 1998

\*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

☐ AMENDED REPORT

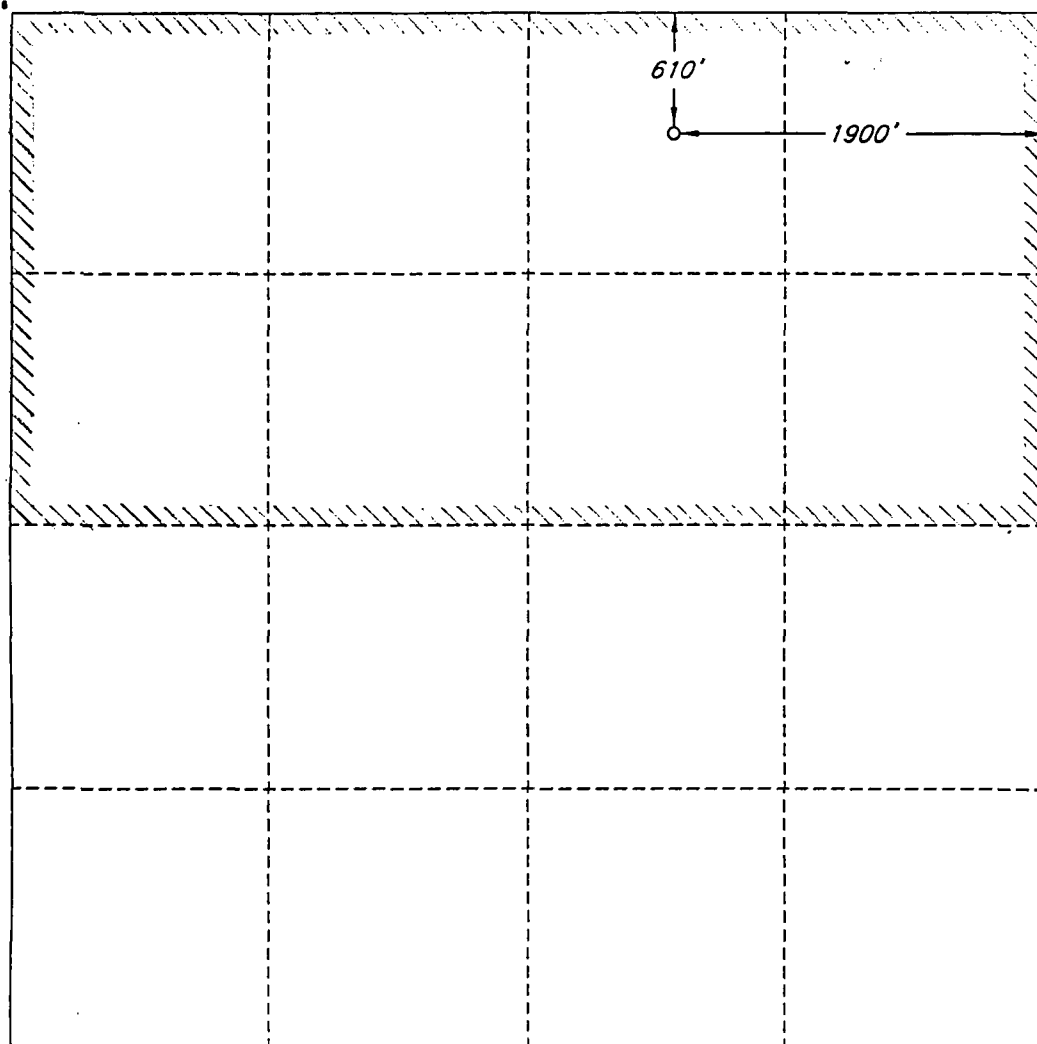
DISTRICT III  
1000 Rio Brazos Rd.  
Aztec, NM 87410

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)					
4 Property Code		5 Property Name NAGQOLTEE PEAK '5' FEDERAL COM					6 Well Number 4		
7 OGRID No. 20305		8 Operator Name SANTA FE ENERGY RESOURCES, INC.					9 Elevation 4248'		
10 SURFACE LOCATION									
UL or lot no. LOT 2	Section 5	Township 22 SOUTH	Range 24 EAST, N.M.P.M.	Lot Ida	Feet from the 610'	North/South line NORTH	Feet from the 1900'	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 349.08		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  
10/05/98

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  
SEPTEMBER 16, 1998

Signature and Seal of  
Professional Surveyor  
*Roger M. Robbins*  
Certificate No. 12128  
ROGER M. ROBBINS, P.S. #12128  
JOB #60438 / 51 NE / V.H.B.

TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION  
ENGINEERING BUREAU  
(505) 827-7131 (OFFICE)  
(505) 827-1389 (FAX)

*to  
Mr. [unclear]  
[unclear]  
[unclear]*

PLEASE DELIVER THIS FAX TO:

*James Bruce*

TO:

*Michael E. Stogner (505) 827-8185*

FROM:

*Santa Fe Energy Resources, Inc.'s Navajo Nat. Park S. Fed. Com. #5*

SUBJECT:

*2-1-99*

DATE:

*2* (INCLUDING COVER SHEET)

PAGES:

IF YOU HAVE ANY PROBLEMS RECEIVING THIS FAX, PLEASE CALL THE  
OFFICE NUMBER ABOVE.



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

February 1, 1999

Santa Fe Energy Resources, Inc.  
c/o James Bruce  
P. O. Box 1056  
Santa Fe, New Mexico 87504

Telefax No. (505) 982-2151

*RE: Administrative application of Santa Fe Energy Resources, Inc. to drill its Nagoolte Peak "5" Federal Com. Well No. 5 (API No. 30-015-30558) at an unorthodox gas well location 2045 feet from the South line and 2200 feet from the West line (Unit K) of Section 5, Township 22 South, Range 24 East, NMPM, Eddy County, New Mexico. The existing standard 320-acre spacing and proration unit within the Indian Basin-Upper Pennsylvanian Associated Pool comprising the S/2 of Section 5 is to be dedicated to this well.*

Dear Mr. Bruce:

In reviewing the subject application I find that additional data is needed to properly prepare an administrative order. There appear to be six wells within Section 5 that are drilled to and/or completed within the Upper Pennsylvanian interval. For each of these wells please indicate its status, proper dedicated acreage (with a copy of each C-102), and any previous order associated with the well.

Thank you for your assistance in this matter.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad

2/8/99 3/1/99 MS RW NSL

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

#4

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
[DD-Directional Drilling] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☐ SD

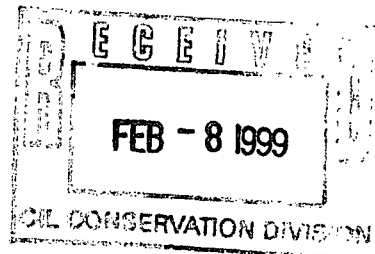
Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

JAMES BRUCE  
P.O. BOX 1056  
SANTA FE, NM 87504

Note: Statement must be completed by an individual with supervisory capacity.

Print or Type Name

Signature

Title

Date

James Bruce Attorney for Applicant 2/8/99

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

SUITE B  
612 OLD SANTA FE TRAIL  
SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)

February 8, 1999

**Hand Delivered**

Michael E. Stogner  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rules 104.F(2) and 104.D(2), Santa Fe Energy Resources, Inc. ("Santa Fe") applies for administrative approval of an unorthodox location and non-standard proration unit for the following well:

Nagoolte Peak "5" Fed. Com. Well No. 4  
610 feet FSL & 1900 feet FEL  
N½ S5, Township 22 South, Range 24 East, NMPM  
Eddy County, New Mexico

Santa Fe plans to drill the well to a depth sufficient to test the Upper Pennsylvanian formation (Indian Basin-Upper Pennsylvanian Associated Pool). Under Order No. R-9922, as amended, well spacing is 320 acres, with wells to be no closer than 660 feet to the outer boundary of the unit, and no closer than 330 feet to a quarter-quarter section line. An APD and Form C-102 for the well are attached as Exhibits A and B.

The proposed location is based on topographic and geologic reasons. Attached as Exhibit C is a topographic map. The Bureau of Land Management required Santa Fe to move the well slightly north of an orthodox location to stay in the center of the flat area marked by the 4200' contour line. Attached as Exhibit D is a structure map of the Cisco/Canyon dolomite, showing that a well at the proposed location has a favorable structural position, thus minimizing the risk involved in drilling the well.

Attached as Exhibit E is a land plat of the area. Santa Fe operates all of Section 32 to the north, and is the only affected offset. As a result, notice has not been mailed to anyone.

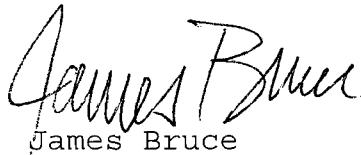


The N½ of Section 5 is comprised of Lots 1-4 and the S½N½, comprising 372.88 acres, and thus Santa Fe requests a non-standard proration unit for the well.

In connection with an unorthodox location application for the Nagoolte Peak "5" Fed. Com. Well No. 5, you requested additional information on certain wells in Section 5. A copy of my response letter is attached to this application.

This application is submitted in duplicate. Please call me if you need anything further on this matter.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce".

James Bruce

Attorney for Santa Fe  
Energy Resources, Inc.

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

## 4. LOCATION OF WELL (Report location clearly and in accordance with the requirements.)

At surface

(Lot 2) 610' FNL &amp; 1900' FEL

At proposed prod. zone

Unit B

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

16 3/4 miles west of Carlsbad, New Mexico

## 15. DISTANCE FROM PROPOSED\*

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

610'

## 18. DISTANCE FROM PROPOSED LOCATION\*

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

2394'

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

'4248' GR

## 23.

## PROPOSED CASING AND CEMENT

## CARLSBAD CONTROLLED WATER BASIN

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 to circulate

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. 100719

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.

## 34.

SIGNED

James G. "Blut" Atkinson

TITLE

Agent for Santa Fe Energy

DATE

10-5-98

(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

CONDITIONS OF APPROVAL, IF ANY:

Acting Assistant Field  
Lands and Minerals

APPROVED BY

(ORIG. SGD.) ARMANDO A. LOPEZ

TITLE

DATE

NOV 04 1998

\*See Instructions On Reverse Side

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

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

DISTRICT III  
1000 Rio Brazos Rd.  
Aztec, NM 87410

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

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

Form C-102  
Revised 02-10-94

Instructions on back

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

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name Indian Basin (Upper Penn)		
4 Property Code		5 Property Name NAGDOLTEE PEAK '5' FEDERAL COM			6 Well Number 4	
7 OGRID No. 20305		8 Operator Name SANTA FE ENERGY RESOURCES, INC.			9 Elevation 4248'	

10 SURFACE LOCATION

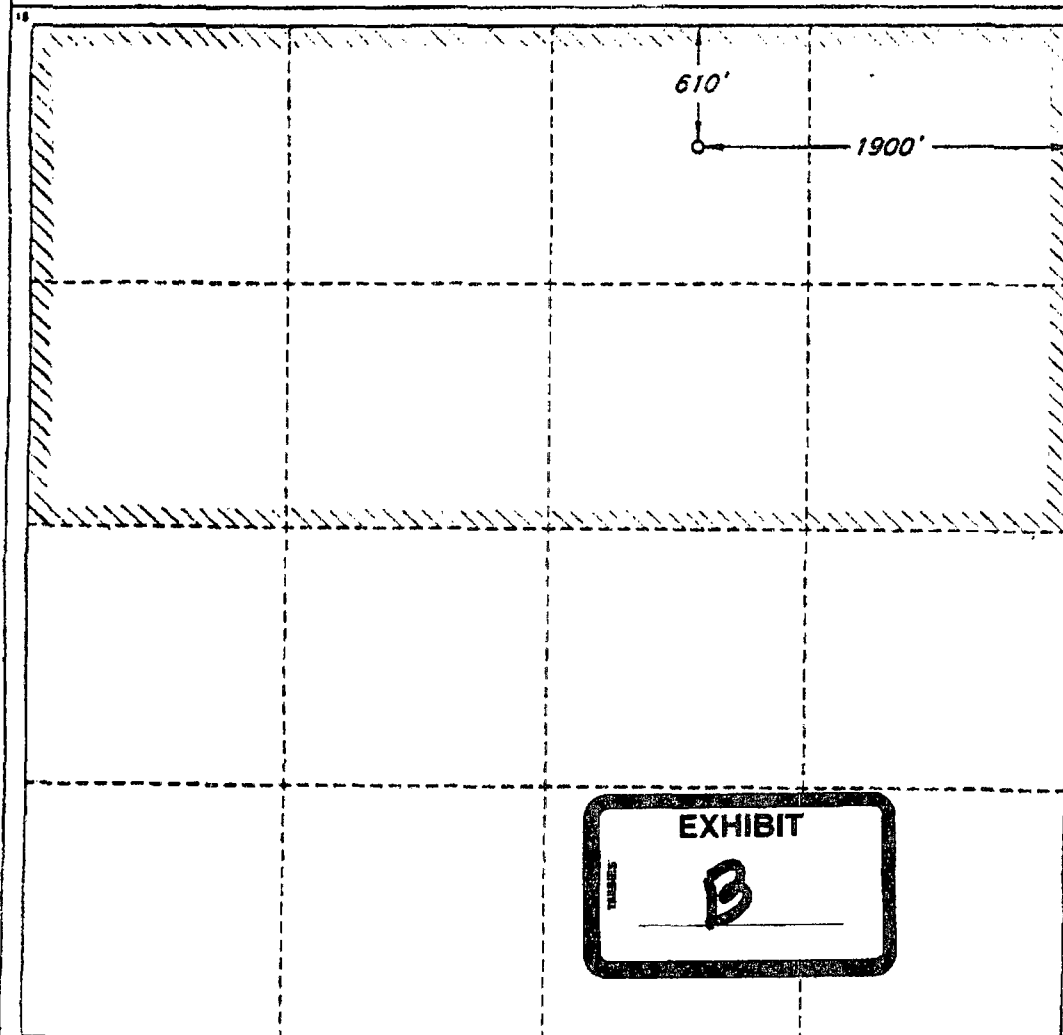
UL or lot no. LOT 2	Section 5	Township 22 SOUTH	Range 24 EAST, N.M.P.M.	Lot Ida	Feet from the 610'	North/South line NORTH	Feet from the 1900'	East/West line EAST	County EDDY
------------------------	--------------	----------------------	----------------------------	---------	-----------------------	---------------------------	------------------------	------------------------	----------------

"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
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

11 Dedicated Acres 3.48	12 Joint or Infill	14 Consolidation Code	13 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  
10/05/98

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  
SEPTEMBER 15, 1998

Signature and Seal of  
Professional Surveyor

ROGER M. ROBBINS  
REGISTERED SURVEYOR  
12128  
P.S. #12128

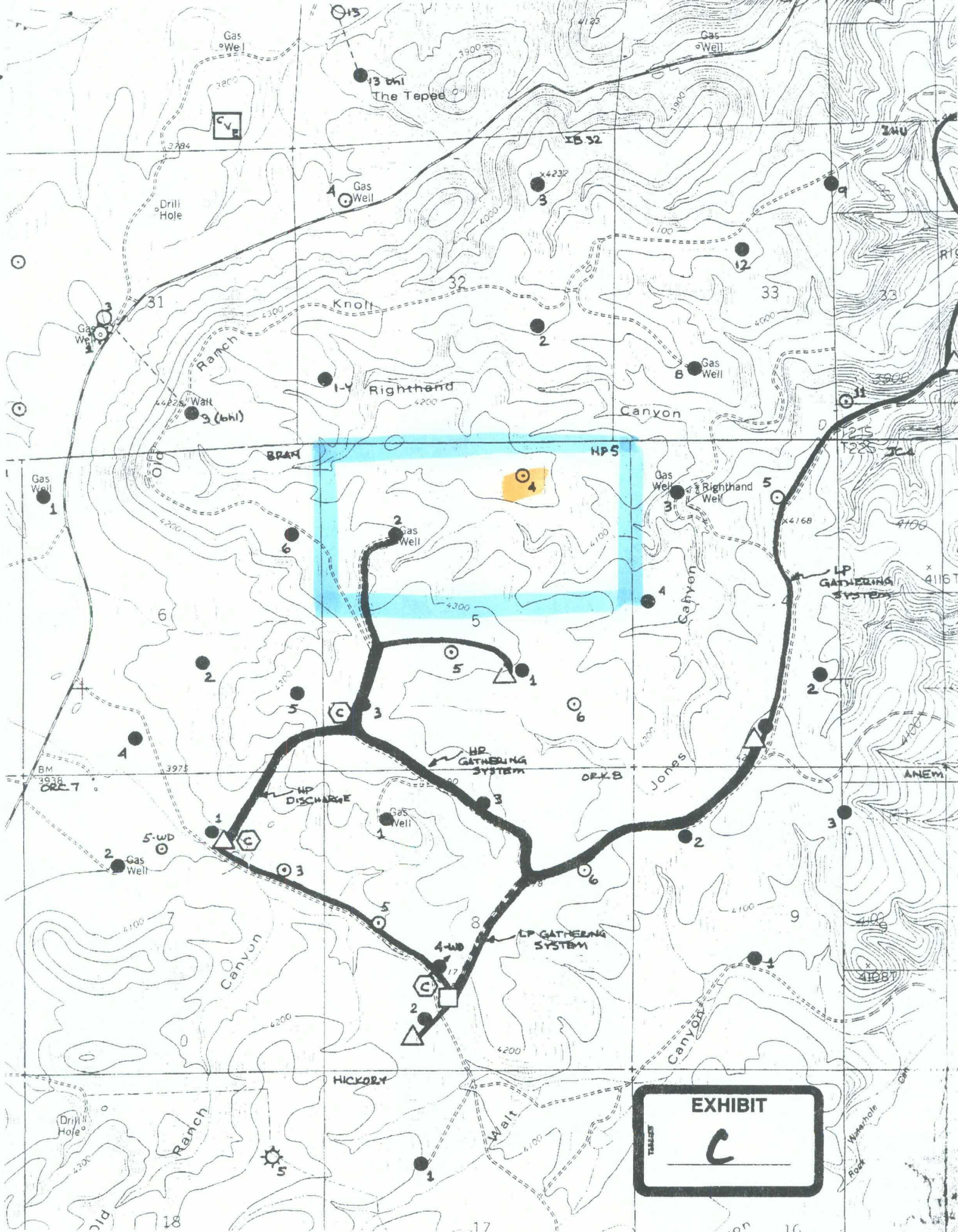


EXHIBIT  
**C**



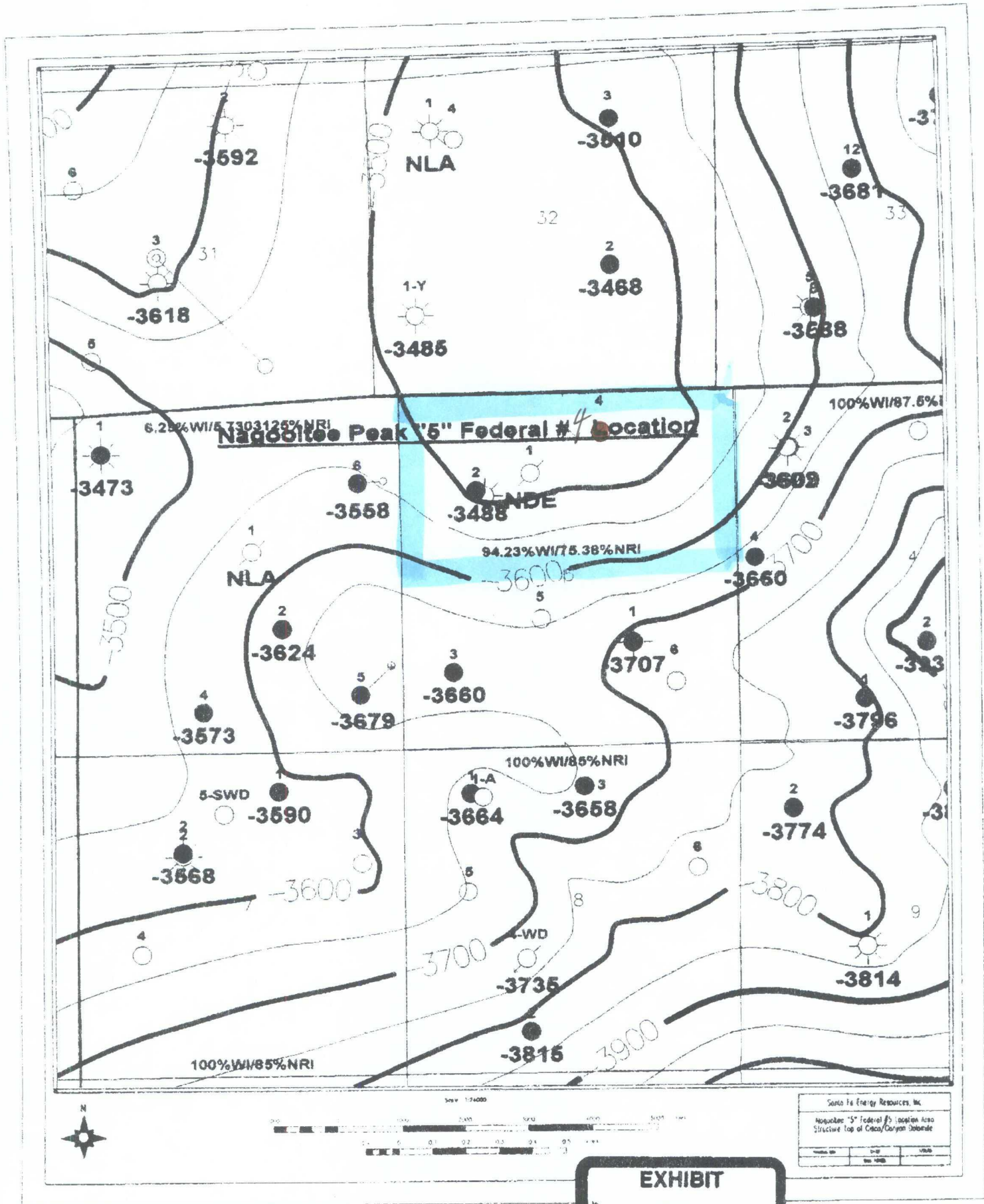


EXHIBIT  
D

**NAGOOOTEE PEAK**  
**"5" FED COM No. 4**  
 610' FNL + 1900' FEL  
 Section 5, T-22-S, R-24-E

**SFER, INC. Acreage**

*Yates, et al (Santa Fe-operated)*



**Santa Fe Energy Resources, Inc.**  
**Central Division**  
**Midland, Texas**

**EDDY COUNTY, NEW MEXICO**

**SAGINAW PROSPECT**

DATE: 12/10/98

**EXHIBIT**

**E**



ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

#3

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
[DD-Directional Drilling] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] ☒ Location - Spacing Unit - Directional Drilling  
☒ NSL ☐ NSP ☐ DD ☐ SD

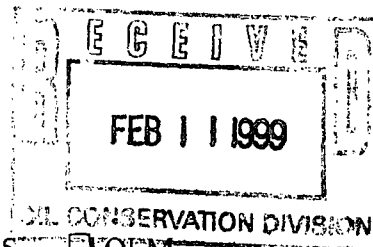
Check One Only for [B] or [C]

[B] ☐ Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] ☐ Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

JAMES BRUCE  
P.O. BOX 1056  
SANTA FE, NM 87504

Note: Statement must be completed by an individual with supervisory capacity.

Print or Type Name

Signature

Title

Date

James Bruce Attorney for Applicant 2/11/99

**JAMES BRUCE**

ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

SUITE B  
612 OLD SANTA FE TRAIL  
SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)

February 11, 1999

**Hand Delivered**

Michael E. Stogner  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), Santa Fe Energy Resources, Inc. ("Santa Fe") applies for administrative approval of an unorthodox location for the following well:

Nagoolte Peak "5" Fed. Com. Well No. 3  
1230 feet FSL & 800 feet FWL  
S½ §5, Township 22 South, Range 24 East, NMPM  
Eddy County, New Mexico

Santa Fe has drilled and completed the well in the Indian Basin-Upper Pennsylvanian Associated Pool. Under Order No. R-9922, as amended, well spacing is 320 acres, with wells to be no closer than 660 feet to the outer boundary of the unit, and no closer than 330 feet to a quarter-quarter section line. An APD and Form C-102 for the well are attached as Exhibits A and B.

The location is based on topographic reasons. Attached as Exhibit C is a topographic map. The Bureau of Land Management required Santa Fe to move the well north from an orthodox location to stay near an existing road (to minimize surface disturbance), and in the center of the flat area marked by the 4300' contour line.

Attached as Exhibit D is a land plat of the area. Santa Fe operates all of Section 5, and is the only affected offset. As a result, notice has not been mailed to anyone.

In connection with an unorthodox location application for the Nagoolte Peak "5" Fed. Com. Well No. 5, you requested additional information on certain wells in Section 5. A copy of my response letter is attached to this application.



Please note that this well has been drilled and completed. A copy of the completion report is attached as Exhibit E. We do not know why an application for an unorthodox location was not previously filed. This application is submitted to correct that error.

This application is submitted in duplicate. Please call me if you need anything further on this matter.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce".

James Bruce

Attorney for Santa Fe  
Energy Resources, Inc.

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, Texas 79701 (915)682-6373

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

At surface  
(M) 1230' FSL & 800' FWL

At proposed prod. zone

Wt. M

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

16 3/4 miles west of Carlsbad, New Mexico

15. DISTANCE FROM PROPOSED

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

800'

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.

2520

19. PROPOSED DEPTH

8500'

20. ROTARY OR CABLE TOOLS

Rotary

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

'4347' GR

22. APPROX. DATE WORK WILL START

October 25, 1997

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 to circulate

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

NSL -

- 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

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1997 SEP 24 A 9 17  
BUREAU OF LAND  
MANAGEMENT  
ROSWE

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. "Jim" Stinson

TITLE

Agent for Santa Fe Energy

DATE

9-22-97

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

EXHIBIT

A

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the

land to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

(ORIG. SGD.) JOHN S. SIMITZ

TITLE

Acting ADM. MINERALS

DATE

10-23-97

\*See Instructions On Reverse Side

**DISTRICT I**P. O. Box 1980  
Hobbs, NM 88241-1980State of New Mexico  
Energy, Minerals, and Natural Resources Department

Revised 02-10-94

Instructions on back

**DISTRICT II**P. O. Drawer DD  
Artesia, NM 88211-0719Submit to the Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies**OIL CONSERVATION DIVISION**P. O. Box 8088  
Santa Fe, New Mexico 87504-2088☒ AMENDED REPORT**DISTRICT III**1000 Rio Brezoe Rd.  
Aztec, NM 87410**DISTRICT IV**P. O. Box 2088  
Santa Fe, NM 87507-2088**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number 30-015-29900		2 Pool Code 33685		3 Pool Name Indian Basin (upper Penn) ASSOC.					
4 Property Code 016774		5 Property Name NAGDOOLTEE PEAK '5' FEDERAL						6 Well Number 3	
7 OGRD No. 020305		8 Operator Name SANTA FE ENERGY RESOURCES, INC.						9 Elevation 4347'	
<b>" SURFACE LOCATION</b>									
10 UL or lot no. H	11 Section 5	12 Township 22 SOUTH	13 Range 24 EAST, N.M.P.M.	14 Lot 100	15 Feet from the 1250'	16 North/South line SOUTH	17 Feet from the 800'	18 East/West line WEST	19 County EDDY
<b>" BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE</b>									
20 UL or lot no.	21 Section	22 Township	23 Range	24 Lot 100	25 Feet from the	26 North/South line	27 Feet from the	28 East/West line	29 County
10 Dedicated Acres 320		11 Joint or Infill		12 Consolidation Code		13 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									
						<b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.			
						Signature <i>Terry McCullough</i> Printed Name Terry McCullough Title Sr. Production Clerk Date February 5, 1999			
						<b>SURVEYOR CERTIFICATION</b> 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 SEPTEMBER 8, 1997 Signature and Seal of Professional Surveyor  Certified by ROGER M. ROBBINS, P.S. #12128 JOB # 34019 / 51 NE / JSV			

EXHIBIT

B

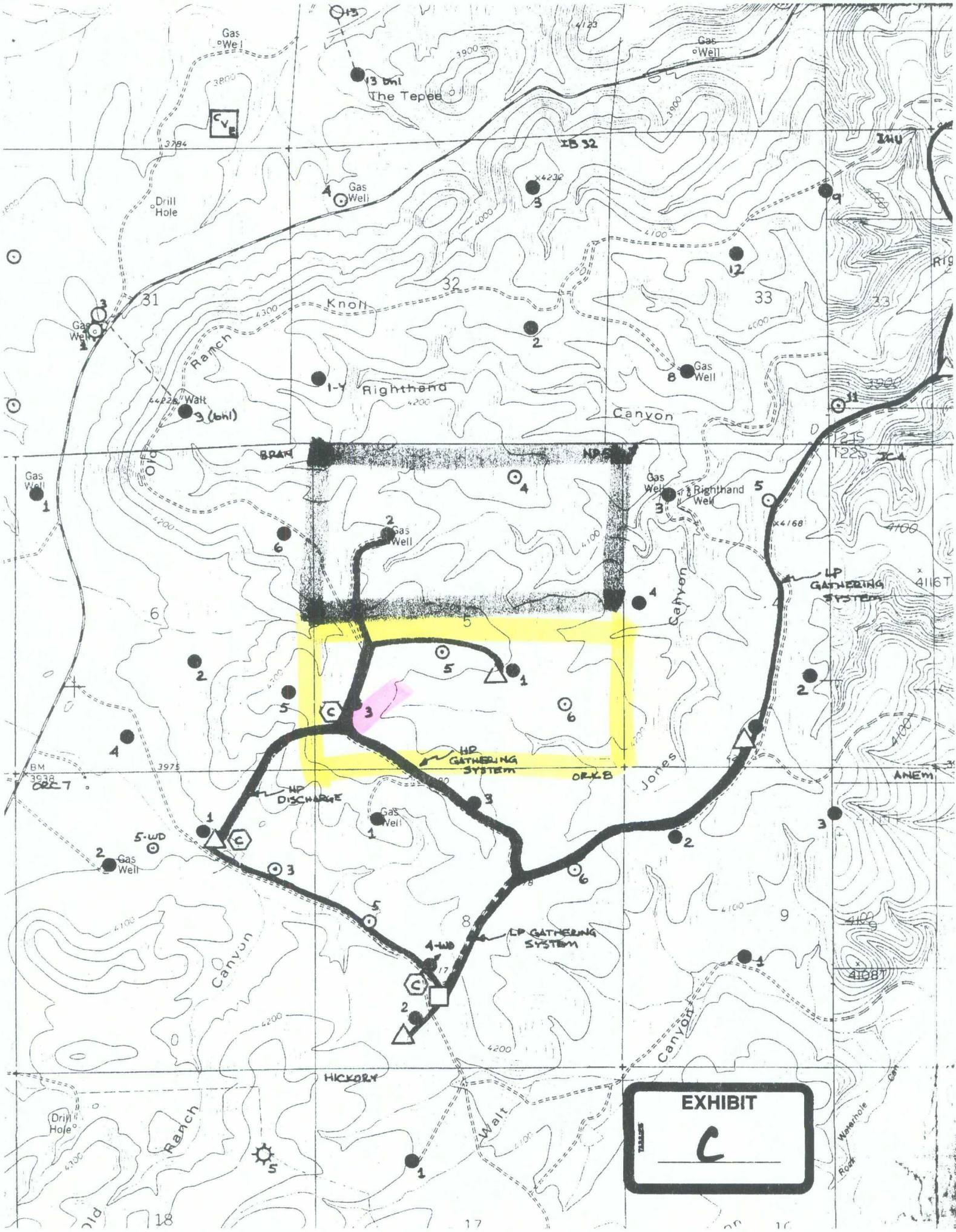


EXHIBIT  
C







**NAGOOLTEE PEAK**  
**"5" FED COM No. 4**  
 610' FNL + 1900' FEL  
 Section 5, T-22-S, R-24-E

**SFER, INC. Acreage**

*Yates, et al (Santa Fe-operated)*



**Santa Fe Energy Resources, Inc.**  
**Central Division**  
**Midland, Texas**

**EDDY COUNTY, NEW MEXICO**

**SAGINAW PROSPECT**

DATE: 12/10/98

**EXHIBIT**

**E**

Form 3160-4  
(July 1992)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTOPERATION  
SUBMIT IN DUPLICATE(See other in-  
structions on  
reverse side)FORM APPROVED  
(OMB NO. 1004-0137)  
Expires: February 28, 1995

3. LEASE DESIGNATION AND SERIAL NO.

NM-81217

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG\*

1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ Other \_\_\_\_\_

b. TYPE OF COMPLETION:

NRW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ LIFT. DRIVE ☐ Other \_\_\_\_\_

7. NAME OF OPERATOR

Santa Fe Energy Resources, Inc.

3. ADDRESS AND TELEPHONE NO.

550 W. Texas, Suite 1330, Midland, TX 79701

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

At surface

(M). 1230' FSL and 800' FWL, Sec. 5, T-225, R-24E

At sup prod. interval reported below

At total depth

14. PERMIT NO.

JAN 08 1998

BUREAU OF LAND MGMT.  
MIDLAND, TX12. COUNTY OR  
PARISH  
Eddy13. STATE  
NM

15. DATE SPUDDED

11/18/97

16. DATE T.D. REACHED

12/12/97

17. DATE COMPL. (Ready to prod.)

12/30/97

18. ELEVATIONS (LIP, RKB, RT, OR ETC.)

4347' GR

19. ELEV. CANNONHEAD

20. TOTAL DEPTH, MD &amp; TVD

8500'

21. PLUG, BACK T.D. MD &amp; TVD

8427'

22. IF MULTIPLE COMPL., HOW MANY?

N/A

23. INTERVALS

VALUED BY

ROTARY TOOLS

All

CABLE TOOLS

N/A

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)

8014'-8346' (Upper Penn)

25. TYPE ELECTRIC AND OTHER LOGS RUN

GR/DLL/CNL/LDT

27. WAS WELL CORED

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13-3/8" H-80	48.0#	355'	17-1/2"	500 sx H & C (1" to surface)	w/ 325 sx C)
9-5/8" J-55	36.0#	1620'	12-1/4"	1000 sx H. Poz & C (1" w/	300 sx "C")
7" K-55	26.6#	8500'	8-3/4"	575 sx Super-C Mod	None

29. LINES RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
N/A					2-7/8"	8356'	N/A

31. PERFORATION RECORD (Interval, size and number)

8014'-8346' 2 SPF w/4" csg gun (164 holes)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
8014'-8346'	8000 gals gelled 20% HCl w/80 BS.
8216'-8346'	500 gal 20% HCl acid.
7963'-8216'	11,500 gal 20% acid w/140 BS.

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump)				WELL STATUS (Producing or shut-in)	
12/30/97		Submersible pump				Producing	
DATE OF TEST	HOURS TESTED	CHOKES SIZE	PROD'N. FOR TEST PERIOD	OIL - BBL	GAS - MCF	WATER - BBL	GAS - OIL RATIO
12/31/97	24	N/A		1510	2085	1523	1381
FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL - BBL	GAS - MCF	WATER - BBL	OIL GRAVITY - API (CORR.)	
N/A	BHP 1368#		1510	2085	1523	40.8	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Sold - Yates Petroleum

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

C-104, Deviation Survey, Logs

36. I hereby certify that the foregoing well completion information is complete and correct as described herein on 1/5/98

SIGNED

*James M. Cullough*

TITLE

Sr. Production Clerk

DATE

Jan. 5, 1998

\* (See Instructions and Spaces for Additional Data 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.

EXHIBIT

E

37. SUMMARY OF POROUS ZONES. (Show all important zones of porosity and contents thereof, cased intervals; and all drill-stem, test, including depth interval tested, casing used, time tool open, flowing and shut-in pressures, and recoveries)

## 38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Cisco/Canyon (Dolomite)	8067	8392'	Oil/Gas/Water	San Andres	1230	1230
				Glorieta	2708	2708
				Yeso	2936	2936
				Bone Spring	4902	4902
				3rd BS Sand	7225	7225
				Holcamp	7706	7706
				Cisco/Canyon	7950	7950

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JOHANN I. THOMPSON  
NORTHWEST DIVISION  
SANTA FE ENERGY RESOURCES



DECEMBER 16, 1997

WELL NAME AND NUMBER:  
LOCATION:  
OPERATOR:  
DRILLING CONTRACTOR:

NAGOOTTEE PEAK "5" FED #1<sup>3</sup>  
Sec. 5 T22S R24E  
SANTA FE ENERGY RESOURCES  
PATTERSON DRILLING

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and that he has conducted deviation tests and obtained the following results:

DEGREE AND DEPTH		DEGREE AND DEPTH		DEGREE AND DEPTH	
1.75	148	0.75	4286	0.50	7044
0.75	238	1.25	4532	0.50	7315
0.75	355	0.75	4783	1.00	7608
1.00	580	1.00	5090	1.00	7888
1.00	825	1.00	5478	1.00	8266
1.25	1320	1.25	5757	0.25	8500
1.25	1813	1.75	5914		
1.00	2310	1.50	6132		
1.25	2787	1.00	6382		
0.75	3287	1.00	6604		
0.75	3790	0.75	6910		

Drilling Contractor: Patterson Drilling

By:

  
Billy Jensen

Subscribed and sworn to before me this 16th day of Dec. 1997.

My Commission Expires:  
June 30, 2001

  
Mary G. Hanson