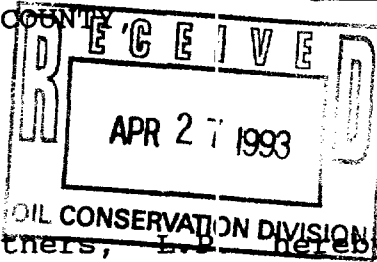


BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE ENERGY OPERATING
PARTNERS, L.P. FOR COMPULSORY POOLING AND
AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY
NEW MEXICO.

No. 10733

APPLICATION



Santa Fe Energy Operating Partners, L.P. hereby makes application for an order pooling all mineral interests from the surface to the base of the Atoka formation underlying the N $\frac{1}{2}$ of Section 33, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and for an unorthodox gas well location, and in support thereof states:

1. Applicant is an interest owner and has the right to drill a well in the N $\frac{1}{2}$ of said Section 33.
2. Applicant proposes to drill its Salt Draw 33 Fed. Com. No. 1 Well in the N $\frac{1}{2}$ of Section 33, at an unorthodox location 1,980 feet from the North line and 1,730 feet from the East line of the Section, to a depth sufficient to test the Atoka formation and seeks to dedicate the N $\frac{1}{2}$ of Section 33 for all pools or formations spaced on 320 acres.
3. Applicant has in good faith sought to join all other mineral or leasehold interest owners in the N $\frac{1}{2}$ of Section 33 for the purposes set forth herein.
4. Although Applicant attempted to obtain voluntary agreements from all mineral or leasehold interest owners to participate in the drilling of the well or to otherwise commit

their interests to the well, certain interest owners have failed or refused to join in dedicating their acreage. Therefore, Applicant seeks an order pooling all mineral and leasehold interest owners underlying the N½ of Section 33, as described above, pursuant to N.M. Stat. Ann. § 70-2-17 (1987 Repl.).

5. Applicant requests the Division to order the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty of 200% for the risk involved in drilling the well.

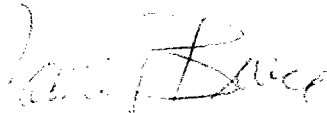
6. The pooling of all interests underlying the N½ of Section 33, as described above, and the approval of the unorthodox gas well location will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that the Division grant the relief requested above.

Dated: April 27, 1993.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY



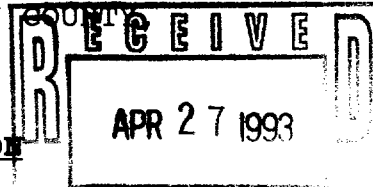
James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Applicant

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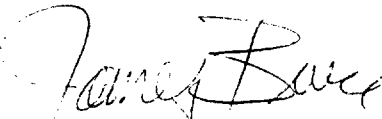
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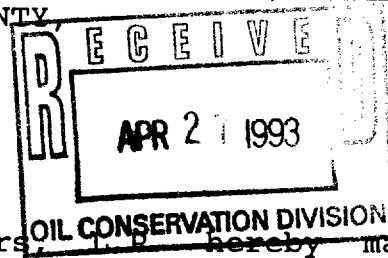
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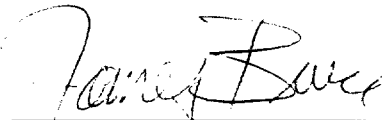
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