

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 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: 1980' FNL and 990' FWL, Sec. 34, T-21S, R-24E
 At proposed prod. zone: Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
 15 miles West of Carlsbad, New Mexico

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 990'

16. NO. OF ACRES IN LEASE
 1120

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.
 N/A

19. PROPOSED DEPTH
 9850'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3762.1' GR

22. APPROX. DATE WORK WILL START
 June 28, 1992

5. LEASE DESIGNATION AND SERIAL NO.
 NM-53218

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 Right Hand Canyon Federal

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Right Hand Canyon Federal

9. WELL NO.
 1

10. FIELD AND POOL, OR WILDCAT
 Indian Hills (Morrow)

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 34, T-21S, R-24E

12. COUNTY OR PARISH
 Eddy

13. STATE
 NM

W. E. GUNN
 1992

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"	48.0	300'	350 sx Circulate
12-1/4"	8-5/8"	32.0	2300'	1200 sx - Circulate
7-7/8"	5-1/2"	17.0	9850'	See Below

Move in drilling rig. Drill 17-1/2" hole to 300'. Run 13-3/8" casing and cement to surface with 350 sx "C" cement w/ 2% CaCl₂ and 1/4 pps celloflake. WOC 6 hours. Nipple up BOP and test BOP and casing to 600 psi. Drill 12-1/4" hole to 2300'. Run 8-5/8" casing and cement with 1000 sx 35/65 Poz/"C" cement w/ 6% gel and 1 pps celloflake followed by 200 sx of "C" cement w/ 2% CaCl₂. Install BOP and test rams and choke to 3000 psi, annular to 1000 psi. Drill 7-7/8" hole to 9850'. Run logs. Run 5-1/2" casing and cement with 50/50 Poz/"H" cement, 2% gel, 6 pps NaCl and 0.75% fluid loss additive. Sufficient cement will be used to cover 600' above all potentially productive zones.

STIPULATIONS
 APPLICABLE

*Post ID-1
 7-10-92
 New Loc & API*

RECEIVED
 JUN 15 1992

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 Darrell Roberts TITLE Sr. Drilling Engineer DATE May 14, 1992

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY [Signature] TITLE _____ DATE 6-29-92

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side