

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

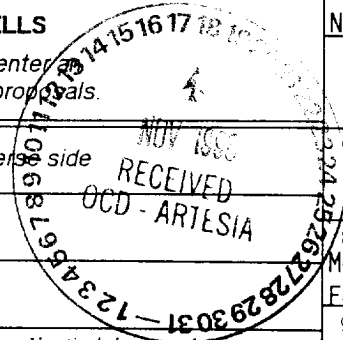
FORM APPROVED
Budget Bureau No. 1004-0135
Expires July 31, 1996

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SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side



1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 Santa Fe Energy Resources, Inc.

3a. Address
 550 W. Texas, Suite 1330, Midland, TX 79701

3b. Phone No. (include area code)
 (915) 687-3551

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 (L), 1980' FSL and 660' FWL, Sec. 34, T-17S, R-31E

5. Lease Serial No.
 NM-

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
 Mesquite "34"
 Federal No. 2

9. API Well No.
 30-015-30318

10. Field and Pool, or Exploratory Area
 Cedar Lake, Morrow, East

11. County or Parish, State
 Eddy NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Ran casing</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletable horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletable in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

10/1/98: TD 12,200'. RU BJ & pumped 75 sx cmt plug 11,500' - 11,300'. Set 90' sx cmt plug 9700' - 9443'. WOC 12 hrs and dress off plug to 9526'.

10/2/98: Santa Fe Energy Resources, Inc. took over operations.

10/3/98: Drld out cmt plugs to 12,200'.

(ORIG. SGD.) GARY GOURLEY BLM

10/4/98: RU csg crew and ran total of 293 jts 5-1/2" 20.0 & 17.0# L-80 and K-55 casing. Set shoe at 12,200'.

10/5/98: Cemented w/ 380 sx C1 "H" containing 1% FL-25 and 3% KCl. Bumped plug w/ 2800 psi. Released pressure, floats held okay. Plug down at 2:00 a.m. CDT. ND BOP. Set slips w/ 150K. Install tbg head & tested to 2500 psi, ok. Clean and jet pits. Released rig at 12:00 (Noon) on 10/5/98. WOCU. Run temp survey, TOC at 10,360'.

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

Name (Printed/Typed) Terry McCullough Title Sr. Production Clerk

Terry McCullough Date November 3, 1998

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice 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.

Office _____

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.

(Instructions on reverse)