

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK  
 DRILL  DEEPEN  *SP 9/11/97*

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 (P) 660' FSL & 400' FEL  
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 7.5 miles east of Malaga, New Mexico

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
 400'

16. NO. OF ACRES IN LEASE 480

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3028'

19. PROPOSED DEPTH 8300'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 2944 GR

22. APPROX. DATE WORK WILL START\* October 1, 1997

5. LEASE DESIGNATION AND SERIAL NO.  
 NM 81616

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME  
 22059

8. FARM OR LEASE NAME, WELL NO.  
 H. B. "10-A" Federal #8

9. API WELL NO.  
 30-015-29915

10. FIELD AND POOL, OR WILDCAT  
 Cedar Canyon Bone Spring

11. SEC., T., R., M., OR BLK. AND BUREY OR AREA 11520  
 Sec. 10, T-24-S, R-29-E

12. COUNTY OR PARISH Eddy

13. STATE New Mexico

BLM  
ROSWELL, NM

23. PROPOSED CASING AND CEMENTING PROGRAM

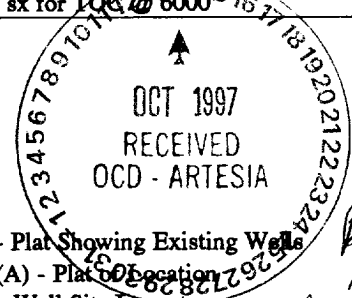
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	H-40 13 3/8"	48.0	350'	350 sx to circulate
11"	K-55 8 5/8"	32.0	3000'	850 sx to circulate
7 7/8"	K-55 5 1/2"	17.0	8300'	500 sx for TD @ 8000'

We propose to drill to a depth sufficient to test the Bone Spring formation for oil. If productive, 5 1/2" casing will be cemented 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 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



*Plat TD-1  
11-7-97  
API & NOC*

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

Subject to  
General Requirements and  
Special Stipulations  
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.

34. SIGNED James J. "Phil" Stinson TITLE Agent for Santa Fe Energy DATE 9-10-97

(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:

(ORIG. SGD.) TONY L. FERGUSON

ADM, MINERALS

OCT 10 1997

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

\*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

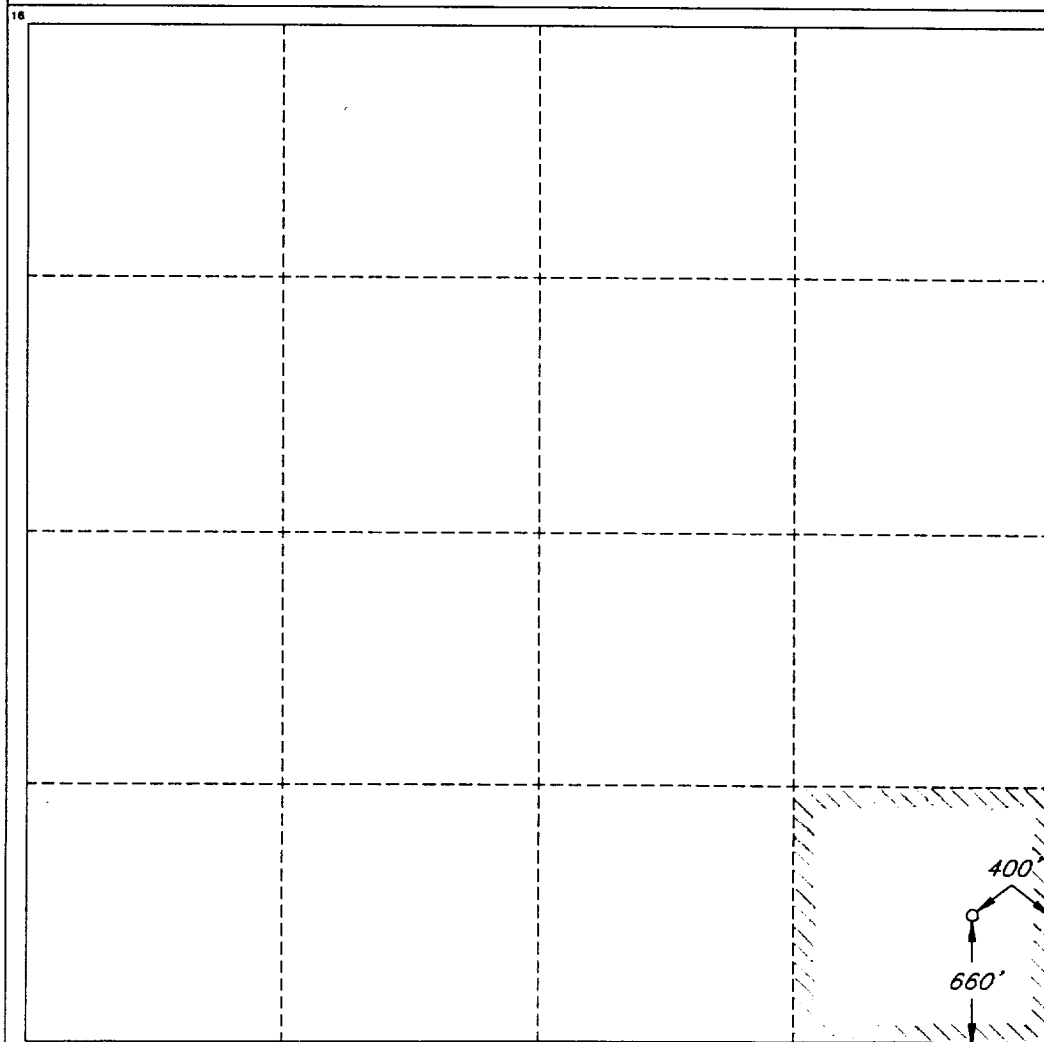
AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name Cedar Canyon Bone Spring					
4 Property Code		5 Property Name HB '10-A' FEDERAL					6 Well Number 8		
7 OGRID No.		8 Operator Name SANTA FE ENERGY RESOURCES, INC.					9 Elevation 2944'		
10 SURFACE LOCATION									
UL or lot no. P	Section 10	Township 24 SOUTH	Range 29 EAST, N.M.P.M.	Lot Ida	Feet from the 660'	North/South line SOUTH	Feet from the 400'	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 40		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: 9.10.97

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: AUGUST 20, 1997

Signature and Seal of Professional Surveyor: *Roger M. Robbins*  
Professional Surveyor Seal: ROGER M. ROBBINS, P.S. #12128  
Certificate No. ROGER M. ROBBINS P.S. #12128  
JOB #53647 / 23 NW / V.H.B.

**EXHIBIT B**  
**SANTA FE ENERGY RESOURCES, INC.**  
 H. B. "10-A" Federal No. 8  
 660' FSL & 400' FEL  
 Section 10, T-24-S, R-29-E  
 Eddy County, New Mexico

