

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' FEL and 1980' FNL, Sec. 8, T-18S, R-33E

At proposed prod. zone

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

10 miles SE from Maljamar, NM

15. DISTANCE FROM PROPOSED*

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

660'

16. NO. OF ACRES IN LEASE

280'

17. NO. OF ACRES ASSIGNED TO THIS WELL

80

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

1976'

19. PROPOSED DEPTH

11,500'

20. ROTARY OR CABLE TOOLS

Rotary

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

3895.4' GR

22. APPROX. DATE WORK WILL START*

November 15, 1992

23.

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	450'	450 sx to circulate
12-1/4"	8-5/8"	32.0	3100'	1500 sx to circulate
7-7/8"	5-1/2"	15.5 & 17.0	11,500'	TOC 600' above possible pays

We propose to drill to a depth sufficient to test the Wolfcamp formation for oil. If productive, 5-1/2" casing will be cemented at 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 Fluids Program

Exhibit D - Auxiliary Equipment

Exhibit E - Topo Map of Location

Exhibit F - Plat showing Existing Wells

Exhibit G - Well Site Layout

- 1) We respectfully request a variance waiver to BLM requirements to install pit monitoring equipment when drilling below the Wolfcamp. The Wolfcamp is not over pressured in the area, therefore, the equipment serves no purpose. SEE STIPS.

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 Roberts

TITLE

Sr. Drilling Engineer

DATE

10/14/92

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

11-17-92

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO

GENERAL REQUIREMENTS AND

SPECIAL STIPULATIONS

*See Instructions On Reverse Side

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

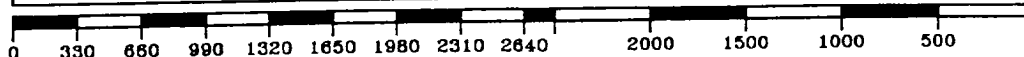
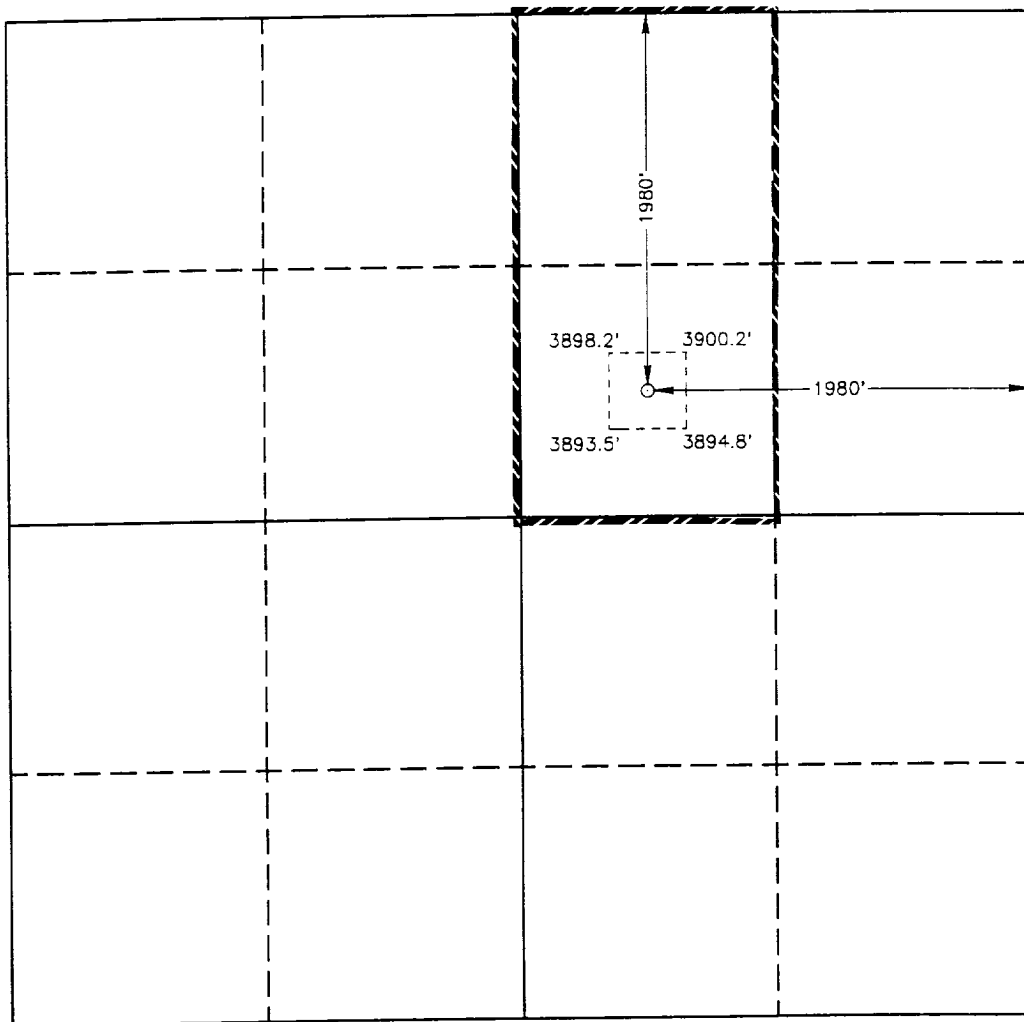
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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 KACHINA 8 FEDERAL		Well No. 3
Unit Letter G	Section 8	Township 18 SOUTH	Range 33 EAST	NMPM	County LEA
Actual Footage Location of Well: 1980 feet from the NORTH line and 1980 feet from the EAST line					
Ground Level Elev. 3895.4'	Producing Formation Wolfcamp		Pool South Corbin (Wolfcamp)		Dedicated Acreage: 80 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 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 the 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

October 12, 1992

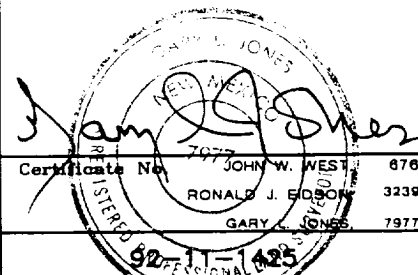
SURVEYOR CERTIFICATION

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

SEPTEMBER 26, 1992

Signature & Seal of
Professional Surveyor



DRILLING PROGRAM
SANTA FE ENERGY OPERATING PARTNERS, L.P.
Kachina "8" Federal No.3

In conjunction with Form 3160-3, Application to Drill the subject well, Santa Fe Energy Operating Partners, L.P., submits the following ten items of pertinent information in accordance with Onshore Oil & Gas Order No. 10.

1. **Geologic Name of Surface Formation:** Alluvium

2. **Estimated Tops of Significant Geologic Markers:**

Rustler Anhydrite	1450'
Base of Salt	2880'
Yates	3120'
Seven Rivers	3370'
Queen	4200'
Penrose	4550'
Delaware	5590'
Bone Spring	6510'
1st Bone Spring Sand	8240'
1st Bone Spring Carbonate	8490'
2nd Carbonate	9340'
3rd Sand	9550'
Wolfcamp	9880'
Lower Wolfcamp	10,810'
Pennsylvanian Shale	11,440'
Total Depth	11,500'

3. **The estimated depths at which water, oil, or gas formations are expected:**

Water	None expected in area
Oil	Lower Wolfcamp Carbonate @ 11,000'
Oil	Lower Wolfcamp Carbonate @ 11,200'

4. **Proposed Casing Program:** See Form 3160-3 and Exhibit A.

5. **Pressure Control Equipment:** See Exhibit B.

6. **Drilling Fluid Program:** See Exhibit C.

7. **Auxiliary Equipment:** A mud logging unit will be utilized to monitor penetration rate and hydrocarbon shows while drilling below the Delaware at 5500'.

PROPOSED 3-M BOPE AND CHOKE ARRANGEMENT

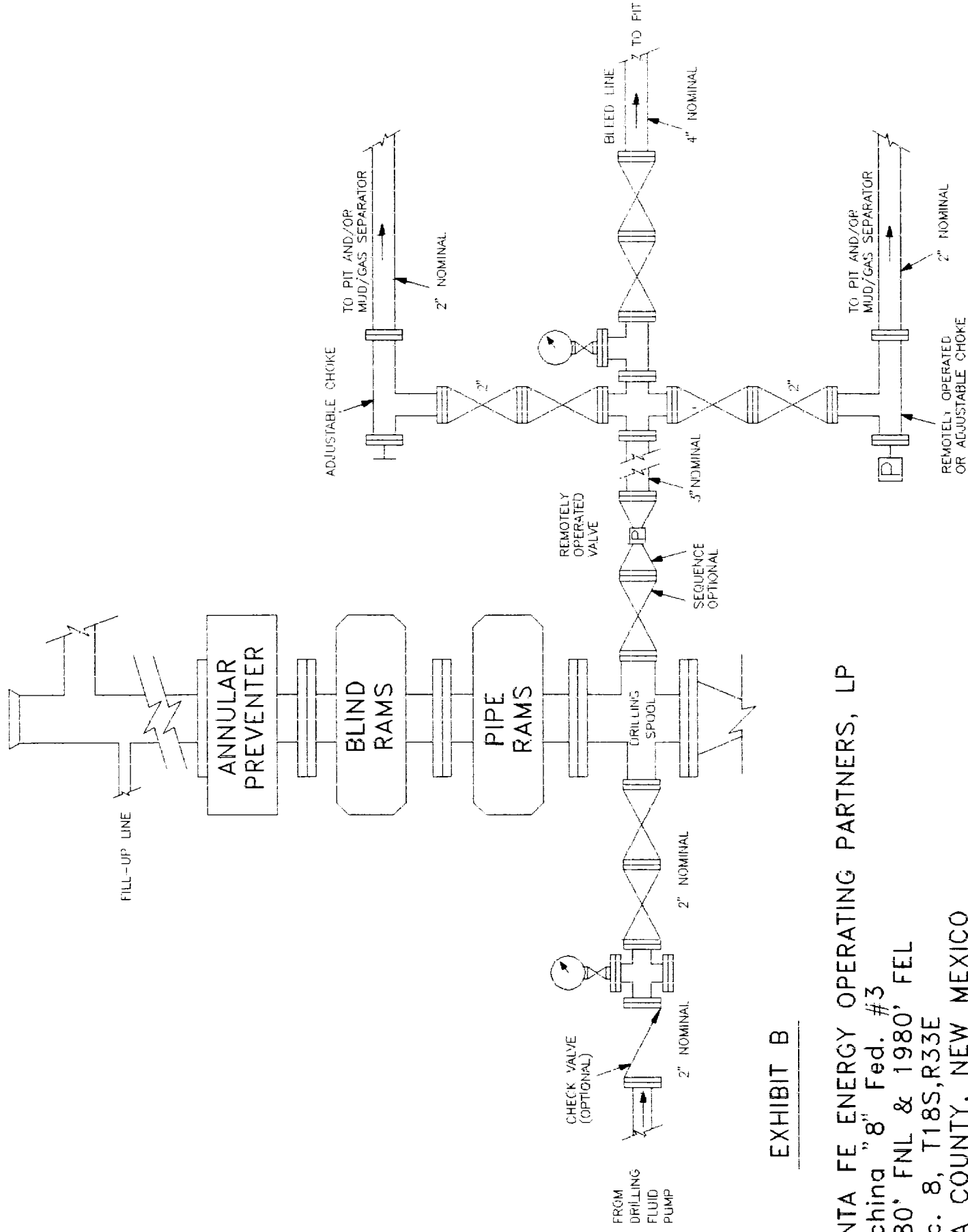


EXHIBIT B

SANTA FE ENERGY OPERATING PARTNERS, LP
 Kachina "8" Fed. #3
 1980' FNL & 1980' FEL
 Sec. 8, T18S, R33E
 LEA COUNTY, NEW MEXICO