

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

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

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

API NO. (assigned by OCD on New Wells)
30-025-32010
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LG-7635

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Lease Name or Unit Agreement Name Watkins "32" State	
b. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Well No. 2	
2. Name of Operator Santa Fe Energy Operating Partners, L.P.		9. Pool name or Wildcat Lusk, N (Bone Spring)	
3. Address of Operator 550 W. Texas, Suite 1330, Midland, Texas 79701			
4. Well Location Unit Letter C : 660 Feet From The North Line and 1980 Feet From The West Line Section 32 Township 18S Range 32E NMPM Lea County			
10. Proposed Depth 8750'		11. Formation Bone Spring	12. Rotary or C.T. Rotary
13. Elevations (Show whether DF, RT, GR, etc.) 3705.5' GR	14. Kind & Status Plug. Bond Blanket-Current	15. Drilling Contractor To Be Determined	16. Approx. Date Work will start July 1, 1993

17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17-1/2"	13-3/8"	48.0	450'	450	Surface
11"	8-5/8"	32.0	2700'	1800	Surface
7-7/8"	7-7/8"	15.50 & 17.0	8750'	600	5000'

Move on location and rig up. Spud 17-1/2" hole and drill to $\pm 450'$. Run 13-3/8" casing and cement with sufficient Class "C" containing 2% CaCl₂ to circulate to surface. WOC 4 hrs. prior to cut off and weld on 13-3/8" casing head and NU 13-5/8" annular BOP. Test casing and BOP to 600 psi. for 30 minutes. Drill a 11" hole to $\pm 2700'$. Run 8-5/8" casing and cement with sufficient 35/65/6 Class C Lite + 10% Salt followed by 300 sx Class "C" Neat to circulate. Drill 7-7/8" hole to 8750'. Run 5-1/2" casing and cement to 5000' with Class "C" cement, 1.0% fluid loss additive, 5% Salt.

An 11" X 3000 psi BOP stack will be nipped up on the 8-5/8" casing. It will consist of an annular double ram preventer and choke manifold - test casing to 1500 psi. and test BOP stack to 3000 psi.

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Darrell Roberts TITLE Senior Drilling Engineer DATE June 3, 1993

TYPE OR PRINT NAME Darrell Roberts 915/686-6614 TELEPHONE NO.

(This space for State Use) ORIGINAL SUBMITTED TO DISTRICT OFFICE

APPROVED BY _____ TITLE _____ DATE JUN - 8 1993

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval
Date Unless Drilling Underway.

JUN 07 1993

LCD HOBBS OFFICE