

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

P.O. BOX 1020 API 30-035-32177  
NOBBS, NEW MEX 30-03246  
Form approved.  
Budget Bureau No. 1004-0136  
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM-77052
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Santa Fe Energy Operating Partners, L.P.			7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR 550 W. Texas, Suite 1330, Midland, Texas 79701			8. FARM OR LEASE NAME Watkins 29 Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface (N), 660' FSL & 1980' FWL, Sec. 29, T-18S, R-32E At proposed prod. zone			9. WELL NO. 1
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 12 miles South of Maljamar, New Mexico			10. FIELD AND POOL, OR WILDCAT North Lusk (Bone Spring)
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)	660'	18. NO. OF ACRES IN LEASE 640	11. SEC., T., R. M., OR BLK. AND SURVEY OR AREA Sec. 29, T-18S, R-32E
16. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	N/A	19. PROPOSED DEPTH 8750'	12. COUNTY OR PARISH Lea
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3707.2' GR		20. ROTARY OR CABLE TOOLS Rotary	13. STATE NM
22. APPROX. DATE WORK WILL START August 15, 1993			

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'	500 sx to circulate
12-1/4"	8-5/8"	32.0	2700'	1450 sx to circulate
7-7/8"	5-1/2"	15.5 & 17.0	8750'	TOC at 6000' (tie back)

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 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  
Exhibit C - Drilling Fluid Program  
Exhibit D - Auxiliary Equipment

Exhibit E - Topo Map of Location  
Exhibit F - Plat Showing Existing Wells  
Exhibit G - Well Site Layout  
Surface Use and Operations Plan

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.

SIGNED Daniel Pobito TITLE Sr. Drilling Engineer DATE June 8, 1993

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY (ORIG. SGD.) RICHARD L. MANUS TITLE AREA MANAGER DATE AUG 6 - 1993

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO

GENERAL REQUIREMENTS AND

SPECIAL STIPULATIONS

ATTACHED

\*See Instructions On Reverse Side