

OIL CONSERVATION DIVISION

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

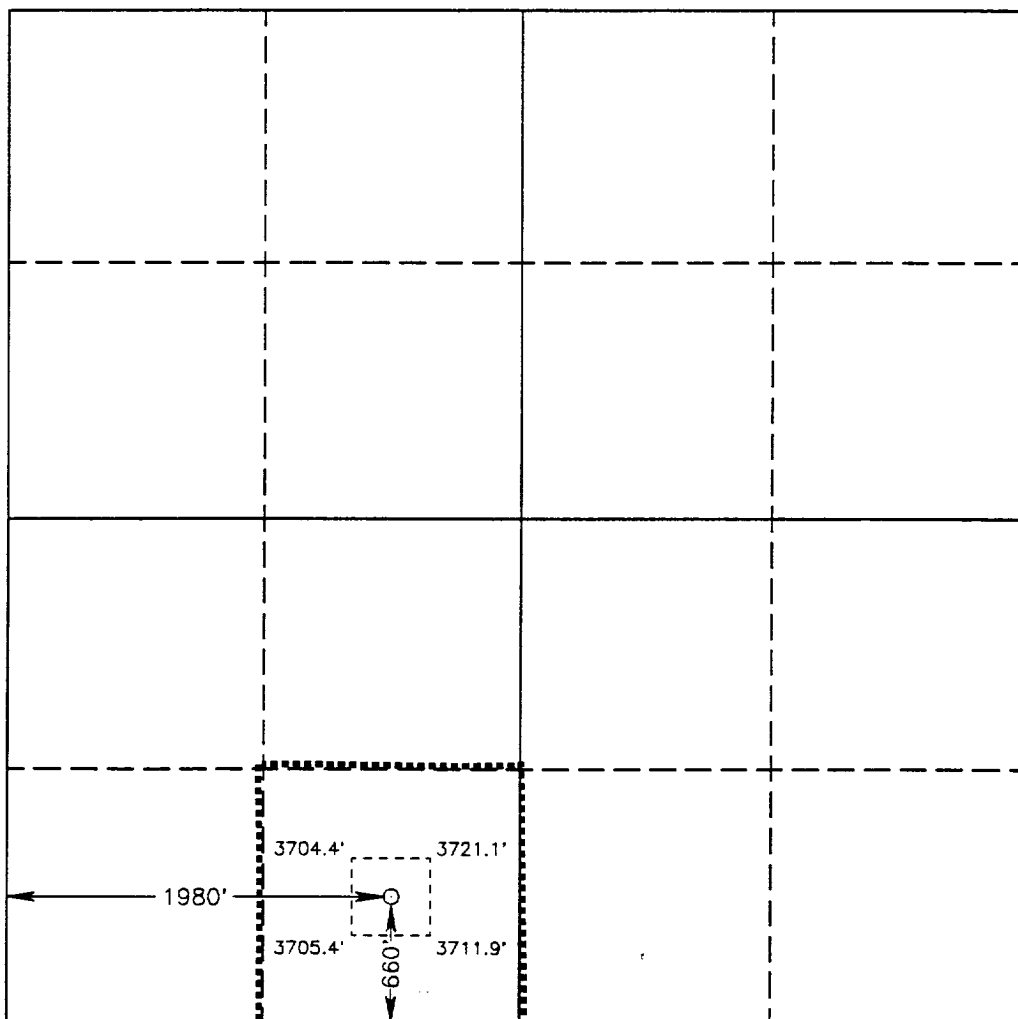
| | | | | | |
|---|------------------------------------|----------------------|----------------------------------|--------------------------------|---------------|
| Operator SANTA FE ENERGY OPERATING PARTNERS, L.P. | | | Lease WATKINS "29" FEDERAL | | Well No. 1 |
| Unit Letter N | Section 29 | Township 18 SOUTH | Range 32 EAST NMPM | County LEA | |
| Actual Footage Location of Well: 660 feet from the SOUTH line and 1980 feet from the WEST line | | | | | |
| Ground Level Elev. 3707.2' | Producing Formation Bone Spring | | Pool North Lusk (Bone Spring) | Dedicated Acreage: 40 Acres | |

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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.



0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

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

June 8, 1993

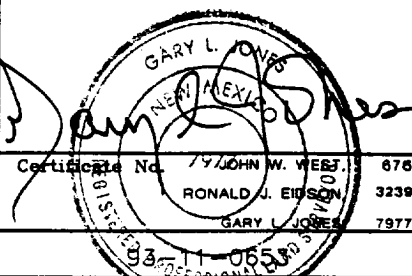
SURVEYOR CERTIFICATION

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

APRIL 21, 1993

Signature & Seal of
Professional Surveyor



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TOBACCO
OFFICE

DRILLING PROGRAM
SANTA FE ENERGY OPERATING PARTNERS, L.P.
Watkins "29" Federal No.1

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 | 1030' |
| Base of Salt | 2550' |
| Yates | 2773' |
| Seven Rivers | 3154' |
| Queen | 3753' |
| Penrose | 3988' |
| Grayburg | 4425' |
| Delaware | 5042' |
| Bone Spring | 6889' |
| 1st Bone Spring Sand | 8215' |
| 1st Bone Spring Carbonate | 8510' |
| 2nd Bone Spring Carbonate | 8624' |
| Total Depth | 8750' |

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

| | |
|-------|---------------------------------------|
| Water | None expected in area |
| Oil | 1st Bone Spring Carbonate 8560'-8600' |

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 intermediate casing at 2700'.

8. **Testing, Logging and Coring Program:**

Drill Stem Tests: (all DST's to be justified on the basis of a valid show of oil or gas):

Bone Spring 8500'-8600'

Logging:

| | |
|---|---------------|
| Dual Laterolog w/MSFL and Gamma Ray | 2700'- 8750' |
| Compensated Neutron/Litho-Density/Gamma Ray | 2700'- 8750' |
| Compensated Neutron/Gamma Ray (thru csg) | Surface-2700' |

Coring: None Planned

DRILLING PROGRAM

Watkins "29" Federal No.1

Page 2

9. Abnormal Conditions, Pressures, Temperatures, & Potential Hazards:

No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature is 135 °F and the estimated bottom hole pressure is 3500 psi. No Hydrogen Sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. No major lost circulation zones have been reported in the offsetting wells.

10. Anticipated Starting Date and Duration of Operations:

Road and location work will not begin until approval has been received from the BLM. The anticipated spud date is August 15, 1993. Once spudded, the drilling operation should be completed in approximately 18 days. If the well is productive, an additional 30 days will be required for completion and testing before permanent facilities are installed.

PROPOSED 3-M BOPE AND CHOKE ARRANGEMENT

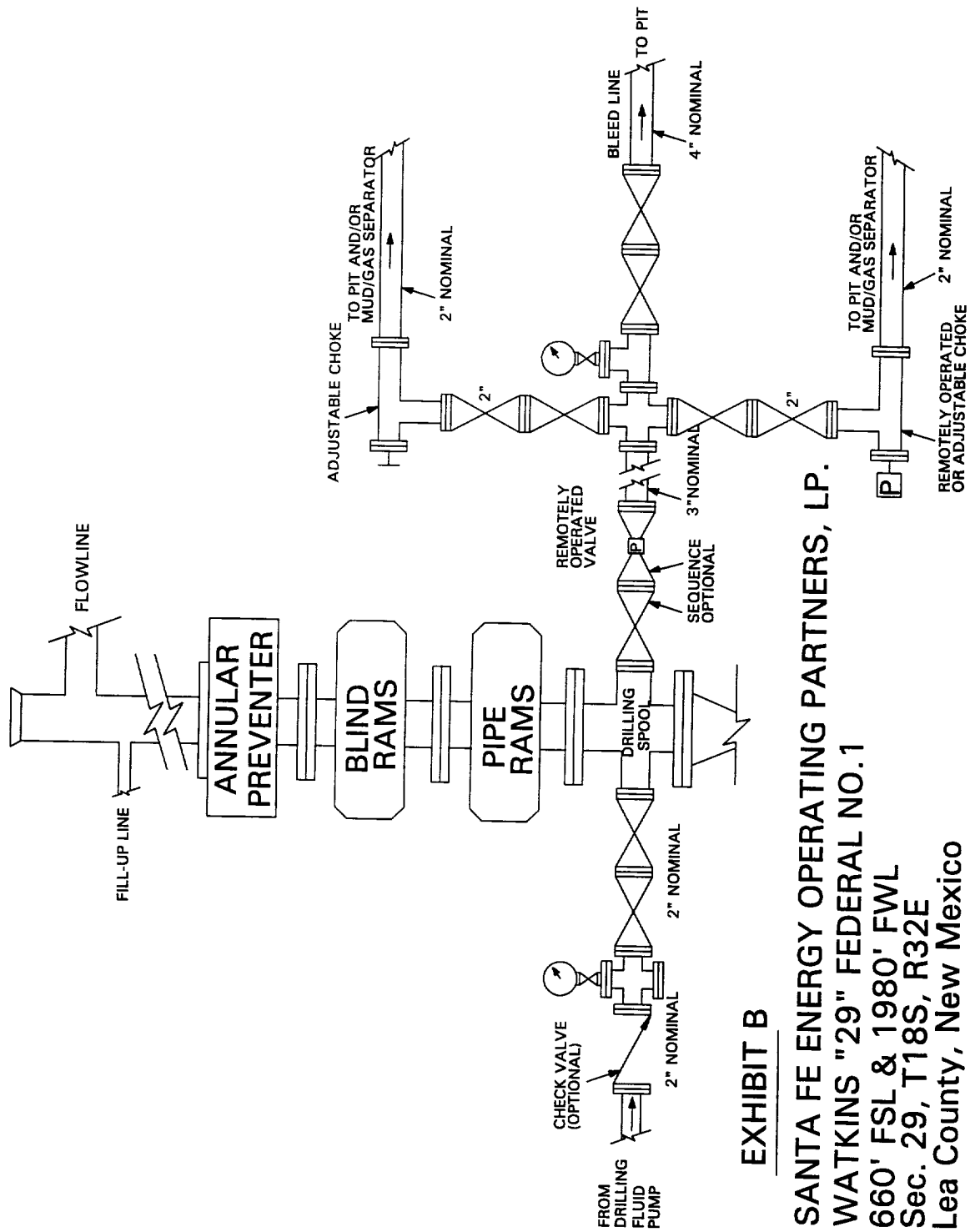


EXHIBIT B

SANTA FE ENERGY OPERATING PARTNERS, LP.

WATKINS "29" FEDERAL NO.1

660' FSL & 1980' FWL

Sec. 29, T18S, R32E

Lea County, New Mexico

12-5-1

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ROBSON
OFFICE