

30-02530570

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APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK			5. LEASE DESIGNATION AND SERIAL NO. NM 40452	
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			6. IF INDIAN, ILLUSTRATE OR TRIBE NAME 11-12-89	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			7. UNIT AGREEMENT NAME 11-12-89	
2. NAME OF OPERATOR Santa Fe Energy Operating Partners, L.P.			8. FARM OR LEASE NAME Shinnery 14 Federal	
3. ADDRESS OF OPERATOR 500 W. Illinois, Suite 500, Midland, TX 79701			9. WELL NO. 3	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1980' FSL & 1980' FEL of Sec. 14, 18S, 32E At proposed prod. zone			10. FIELD AND POOL, OR WILDCAT Querecho Flare upper Bone Spring	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 25 miles NE of Carlsbad, New Mexico			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 14, 18S, 32E	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1980'		16. NO. OF ACRES IN LEASE 40	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. 1820'		19. PROPOSED DEPTH 10,200'	20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 1980' 622'			22. APPROX. DATE WORK WILL START* ASAP	

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	400+	475 sx CIRCULATE
12 1/4	8 5/8	24.0	2680+	See below CIRCULATE
7 7/8	5 1/2	17.0	10200	See below

Move in drilling rig. Drill 17 1/2" hole to 400'. Run 13 3/8" casing and cement to surface with 475 sx "C" cement w/2% CaCl₂. WOC 6 hours. Nipple up BOP and and test BOP and casing to 600 psi. Drill 12 1/4" hole to 2680' (200' below base of salt). Run 8 5/8" casing and cement with sufficient C1 "C" poz cement w/6% gel, 10% NaCl and 1 lb/sk celloflake followed by 360 sx of "C" cement w/2% CaCl₂ to circulate. Install BOP and test rams and choke to 3000 psi, annular to 1500 psi. Drill 7 7/8" hole to core point in Queen (+3850'). Cut 60' core. Drill 7 7/8" hole to core point in Penrose (+4120'). Cut 40' core. Drill 7 7/8" hole to TD. Run logs. Run 5 1/2" casing and cement with 50/50 poz/"H" cement, 2% gel, 6 lbs/sk NaCl and 0.75% fluid loss additive. Sufficient cement will be used to cover all potentially productive zones.

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 <u>Michael R. Burton</u>	TITLE <u>District Drilling Engineer</u>	DATE <u>1-10-89</u>
(This space for Federal or State office use)		
PERMIT NO. _____	APPROVAL DATE _____	
APPROVED BY <u>Orig. Signed by Richard L. Manus</u>	TITLE <u>CARLSBAD RESOURCE AREA</u>	DATE <u>2-24-89</u>

CONDITIONS OF APPROVAL, IF ANY:
APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

*See Instructions On Reverse Side

ATTACHED
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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FEB 27 1989
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NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

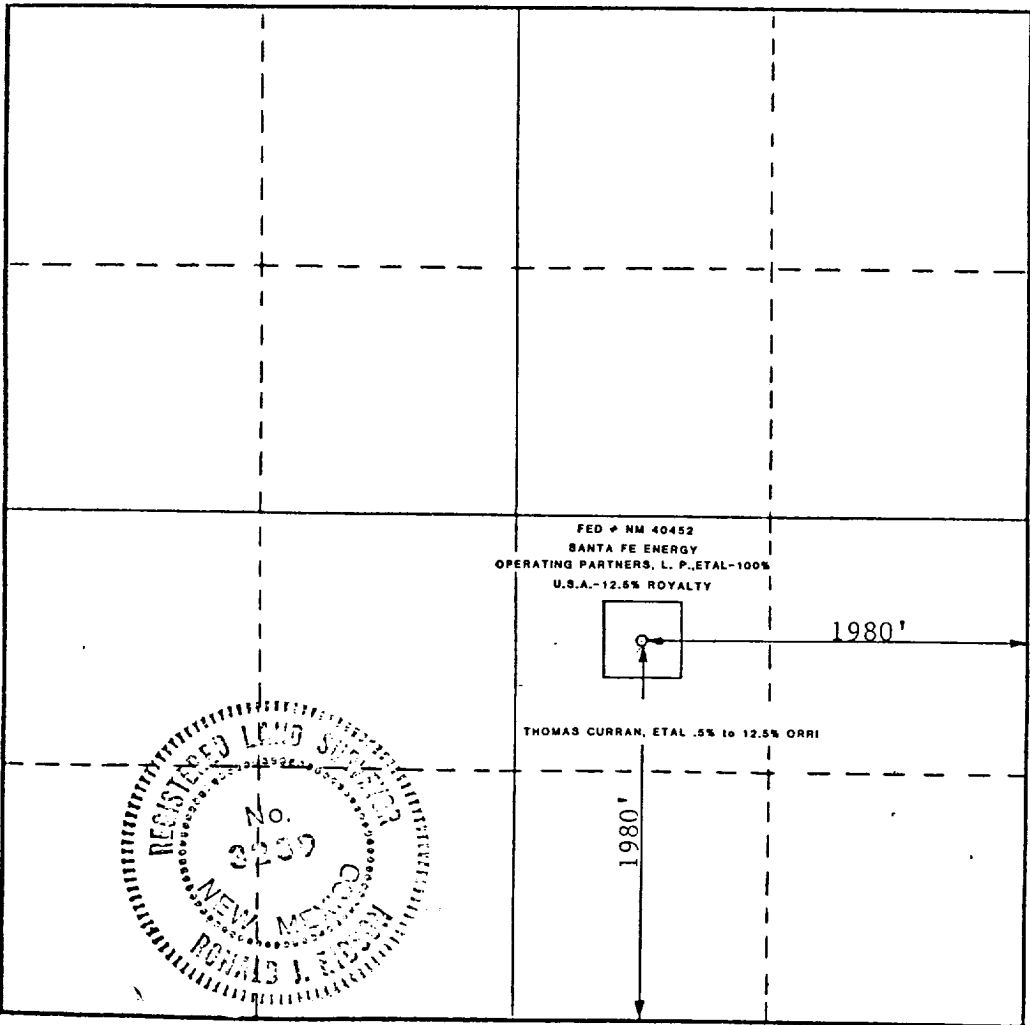
Operator SANTA FE ENERGY OPERATING PARTNERS L.P.			Lease SHINNERY 14 FEDERAL		Well No. 3
Unit Letter J	Section 14	Township 18 SOUTH	Range 32 EAST	County LEA	
Actual Footage Location of Well: 1980 feet from the SOUTH line and 1980 feet from the EAST line					
Ground Level Elev. 3806.0'	Producing Formation BONE SPRING		Pool QUECHERO PLAINS		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☒ No If answer is "yes," type of consolidation One lease

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Michael R. Burton

Name

Michael R. Burton

Position

District Drilling Engineer

Company Santa Fe Energy Operating Partners, L.P.

Date

1-23-89

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

1-5-89

Registered Professional Engineer and/or Land Surveyor

Ronald J. Eidson

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

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1000
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PROPOSED BOPE AND CHOKE ARRANGEMENT

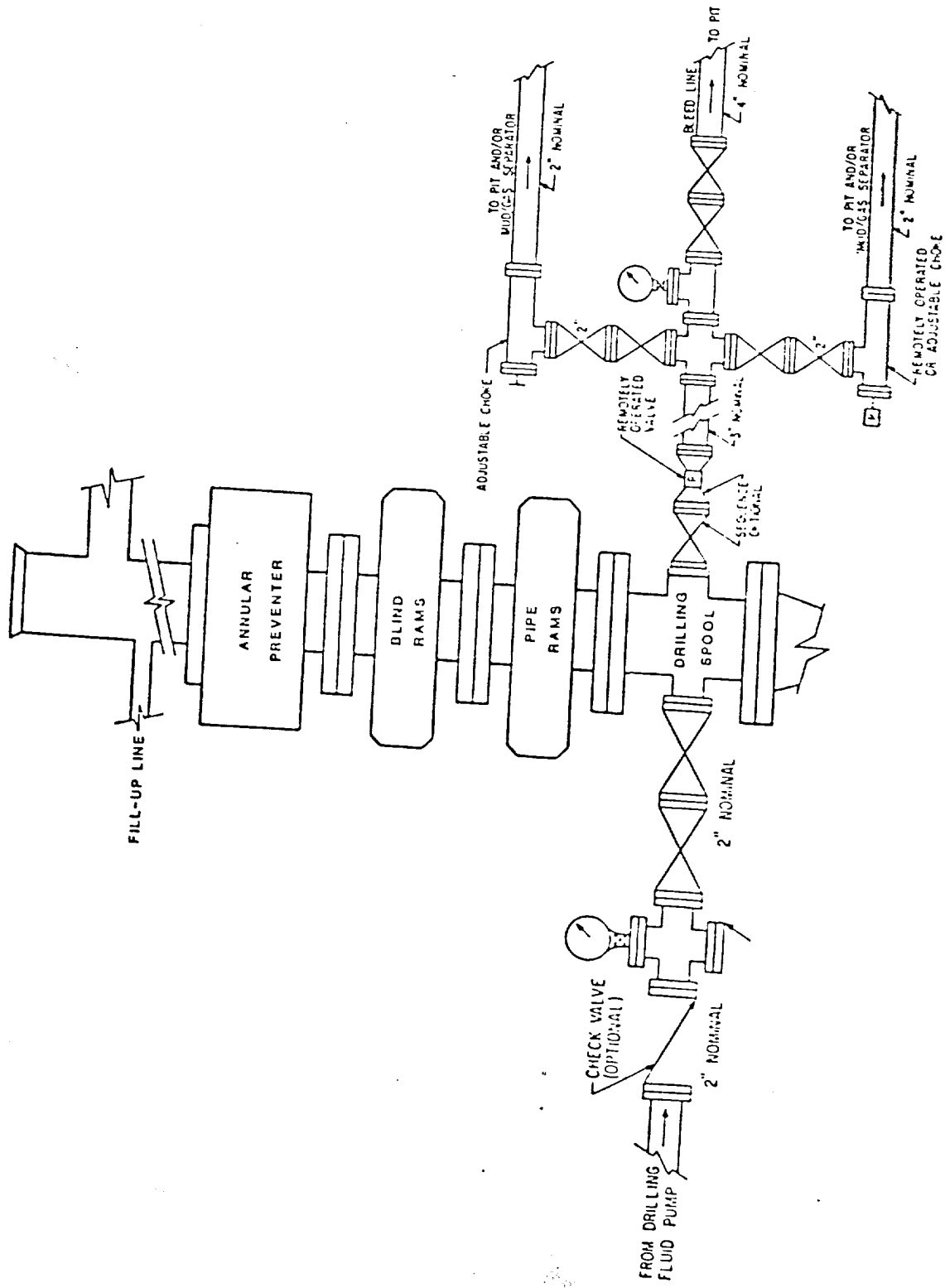


EXHIBIT B

68-51-5 0204

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