

N.M. 01
P.O. 60
HOBES

PROPERTY NO. 4439
POOL CODE 13145
EFF. DATE 11-4-94

FORM APPROVED
OMB NO. 1004-0130
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

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 AND TELEPHONE NO.

550 W. Texas, Suite 1330, Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface

(F) 1980' FNL & 1980' FWL Sec 14, T-18-S,R-32-E
At proposed prod. zone

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

15 miles east of Loco Hills, New Mexico

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

920

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.

1320'

19. PROPOSED DEPTH

5200'

20. ROTARY OR CABLE TOOLS

Rotary

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

3813' GR

22. APPROX. DATE WORK WILL START*

November 10, 1994

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	K-55 8-5/8"	24.0	500' 525	275 sx to circulate
7-7/8"	K-55 5-1/2"	15.5	5200'	650 sx to circulate

We propose to drill to a depth sufficient to test the Grayburg formation for oil. If productive 5-1/2" casing will be run to 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 Manifold
Exhibit C - Drilling Fluid Program
Exhibit D - Auxiliary Equipment

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

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 James P. Phil Anson

TITLE Agent for Santa Fe Energy

DATE 9-28-94

(This space for Federal or State office use)

PERMIT NO. _____

APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

James A. Jones

TITLE

(for)
AREA MANAGER

DATE

10-31-94

*See Instructions On Reverse Side

DISTRICT I
P. O. Box 1980
Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94

Instructions on back

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

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

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 36-125 30 32	2 Pool Code 1346	3 Pool Name
4 Property Code 4441	5 Property Name SHINNERY '14' FEDERAL	6 Well Number 7
7 GRID No. 36 241	8 Operator Name SANTA FE ENERGY OPER. PART, L.P.	9 Elevation 3813'

10 SURFACE LOCATION

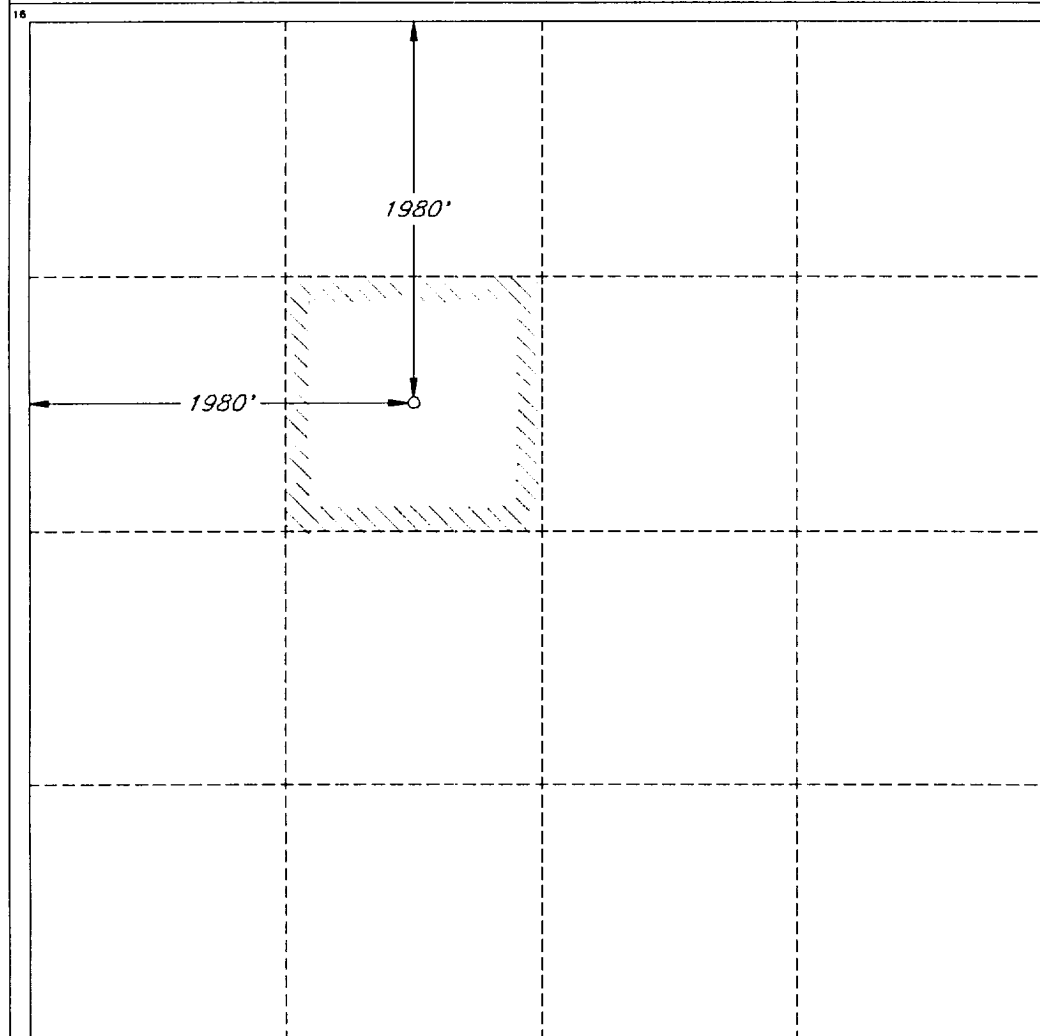
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
F	104	18 SOUTH	32 EAST, N.M.P.M.		1980'	NORTH	1980'	WEST	LEA

"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
F									

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Signature
James P. (Phil) Stinson
Printed Name
James P. (Phil) Stinson
Title
Agent for Santa Fe Energy
Date
9-28-94

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 belief.

Date of Survey
SEPTEMBER 1, 1994

Signature and Seal of Professional Surveyor
V. LYNN BEZNER
NO. 7920
Certification No.
V. L. BEZNER, P.E.S. #7920
JOB #35246 / 72 NW / V.H.B.

DRILLING PROGRAM
SANTA FE ENERGY OPERATING PARTNERS, L.P.
SHINNERY "14" FEDERAL NO. 7

In conjunction with Form 3160-3, Application For Permit 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. 1.

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

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

Rustler	1250'
Base of Salt	2800'
Yates	3200'
Queen	3970'
Grayburg	4580'
Total Depth	5200'

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

Water	None expected in area
Oil	Grayburg @ 4500'-TD

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 salt at 2800'.

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

Drill Stem Tests: None Planned.

Logging:

Dual Laterolog w/MSFL and Gamma Ray	425'-5200'
Compensated Neutron/Litho-Density/Gamma Ray	425'-5200'
Compensated Neutron/Gamma Ray (thru csg)	Surface-425'

Coring: Rotary sidewall coring planned in the Grayburg

DRILLING PROGRAM

Shinnery "14" Federal No. 7

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

No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature is 115° psi and the estimated bottom hole pressure is 2400 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 November 10, 1994. Once spudded the drilling operation should be completed in approximately 10 days. If the well is productive, an additional 30 days will be required for completion and testing before permanent facilities are installed.

EXHIBIT A
OPERATIONS PLAN
SANTA FE ENERGY OPERATING PARTNERS, L.P.
Shinnery "14" Federal No. 7
Section 14, T-18-S, R-32-E
Lea County, New Mexico

1. Drill a 12-1/4" hole to approximately ⁵⁰⁰~~425~~'.
2. Run 8-5/8" 24.0 ppf K-55 ST&C casing. Cement with 275 sx Class "C" cement containing 2% CaCl₂. Run centralizers on every other joint above the shoe. Apply thread lock to bottom two joints and guide shoe.
3. Wait on cement twelve hours prior to cutting off.
4. Nipple up and install a 3000 psi. Double Ram and Annular BOP system with choke manifold. WOC 24 hours prior to drilling out.
5. Test BOP system to 1500 psi with a rig pump. Test casing to 1500 psi.
6. Drill 7-7/8" hole to 5200'. Run logs.
7. Either run and cement 5200' of 5-1/2" 15.5 ppg K-55 LT&C casing or plug and abandon as per BLM requirements.

EXHIBIT B
BOP AND CHOKE ARRANGEMENT
 SANTA FE ENERGY OPERATING PARTNERS, L.P.
 SHINNERY "14" FEDERAL NO. 7
 1980' FNL & 1980' FWL
 SEC 14, T-18-S, R-32-E
 LEA COUNTY, NEW MEXICO

