

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons
P.C. x 1980
Hobbs, NM 88241

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	7. If Unit or CA, Agreement Designation
2. Name of Operator Santa Fe Energy Resources, Inc.	8. Well Name and No. Topaz "19" Fed. #1
3. Address and Telephone No. 550 W. Texas, Suite 1330, Midland, TX 79701 (915)687-3551	9. API Well No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface: (N), 660' FSL & 2083' FWL, Sec 19, T-20S, R-34 Location at TD: (M), 1100' FSL & 660' FWL	10. Field and Pool, or exploratory Area Quail Ridge (Morrow)
	11. County or Parish, State Lea NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other Re-entry oper. ran csg & released rig	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

11/25/97

thru

12/1/97: Drld our cement plugs, scale, CIBP, and junk to 12,988'

12/02/97

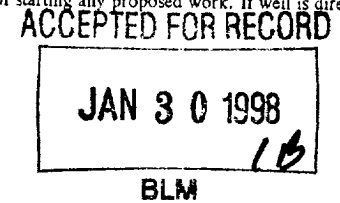
Set plug #1 (50sx "H") 12,350-12,210'. LD DP to 11,140', set plug #2 (50 sx "H") 11,140-11,000'. LD DP to 10,200'. Set plug #3 (150 sx "H") 10,200-9,870' for sidetrack. LD 22 jts DP to 9516'. TIH w/ bit, 10 DCs & 57 jts DP to 5600'. WOC.

12/03/97

WOC. TIH to 9758'. PU rot head. Wash to plug @ 9970'. Drl cmt 9970'-10,034'. Circ. Ran gyro, finish displ hole. LD 2 jts DP.

12/04/97

TIH w/motor & collars. Brk out kelly hose, RU circ head. Cont in hole. RU circ hd, wash to btm. Run steering tool, pull, run again. Drlg 1 1/5 min - side track. Drlg 1 1/5 min.



14. I hereby certify that the foregoing is true and correct

Signed Sheri McCullough Title Sr. Production Clerk Date 1/23/97

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

1/5/97

Directional drld to TD of 14,140' at 10:45 a.m. LD BHA. RU loggers and begin running logs.

1/6/97

Logging.

1/11/98

RU casing crew.

1/12/98

RU csg crew, ran 25 jts 5-1/2" csg. Brk circ. Ran total 96 jts, install DV tool & break circ. Ran 5-1/2" csg to 13,800'. RU BJ, brk circ & wash csg to 13,828'. Cmt 1st stage. Drop bomb, open DV tool @ 9678', circ for 2nd stage.

1/13/98

Circ for 2nd stage. Cmt 2nd stage thru DV tool @ 9678', PD @ 4:30am. PU BOPs. Set slips 200K#. Cut 5-1/2" csg, set out BOPs. NU tbg hd 11" 3000K 7-1/16x5000#. Ran temp log. Jet & clean pits. Released rig @ 6:00pm, 1/13/98. WO completion.

THU JAN 26 10:37

POSTAL OFFICE

Received
Hobbs
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NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 26, 1997

Santa Fe Energy Resources, Inc.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87501

CW

Administrative Order NSL-3910(NSBHL)

Dear Mr. Bruce:

Reference is made to the following (i) your original application on behalf of the operator, Santa Fe Energy Resources, Inc. ("Santa Fe"), dated September 26, 1997; (ii) the Division's initial response to said application by letter from Mr. Michael E. Stogner dated October 27, 1997; (iii) Mr. Stogner's second response by letter dated November 12, 1997; (iii) your letter dated November 20, 1997; and, (vi) the records of the Division in Santa Fe on the subject well, Division Case 11296, and 11888: all concerning Santa Fe's request to re-enter the plugged and abandoned Cities Service Oil Company Government "N" Com Well No. 1-Y (API No. 30-025-22564), located 660 feet from the South line and 2084 feet from the West line (Unit N) of Section 19, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, in order to test the Morrow formation within a standard "stand-up" 320.28-acre gas spacing and proration unit for either the Undesignated West Lynch-Morrow Gas Pool or Undesignated Quail Ridge-Morrow Gas Pool that comprises Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of said Section 19.

It is our understanding from the Division records on this well that it was originally drilled by Cities Service Oil Company in 1968 to a total depth of 15,137 feet in order to test the Devonian formation for gas production within the standard 320.19-acre gas spacing and proration unit comprising Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of said Section 19. This location was considered to be "standard" for the original lay-down 320.19-acre unit. The Devonian interval tested dry and was subsequently plugged and abandoned.

Per your application, Santa Fe, at this time, intends to re-enter the wellbore, complete in the Morrow formation, and reorient the acreage dedicated to the Government "N" Com Well No. 1-Y, to be redesignated the Topaz "19" Federal Com Well No. 1, to a standard 320.28-acre "stand-up" gas spacing and proration unit comprising Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of said Section 19 and, pursuant to the applicable rules and procedures for both the Undesignated West Lynch-Morrow Gas Pool or Undesignated Quail Ridge-Morrow Gas Pool [Division General Rule 104.C(2)(b)], said location is now considered to be "unorthodox".

If a Morrow gas test at this location is found to be unsuccessful or non-commercial the

Administrative Order NSL-3910(NSBHL)

Santa Fe Energy Resources, Inc.

November 26, 1997

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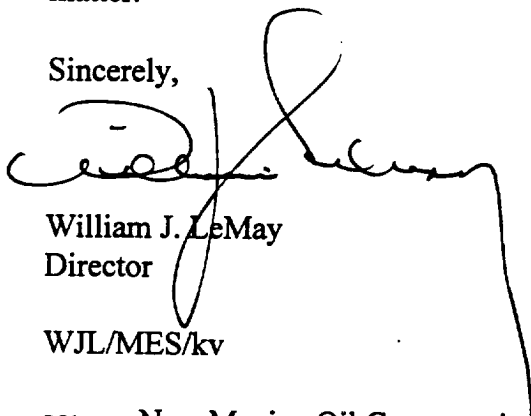
operator intends to plug-back and drill directionally to an alternate subsurface location approximately 1,423 feet to the west-northwest of its surface location.

The subject application has been duly filed under the provisions of **Rule 104.F** of the General Rules and Regulations of the New Mexico Oil Conservation Division.

By the authority granted me under the provisions of Division General Rule 104.F(2), Santa Fe Energy Resources, Inc., is hereby authorized to re-enter the plugged and abandoned Cities Service Oil Company Government "N" Com Well No. 1-Y (API No. 30-025-22564), located 660 feet from the South line and 2084 feet from the West line (Unit N) of Section 19, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, in order to test the Morrow formation within a standard "stand-up" 320.28-acre gas spacing and proration unit for either the Undesignated West Lynch-Morrow Gas Pool or Undesignated Quail Ridge-Morrow Gas Pool that comprises Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of said Section 19. Should this Morrow re-entry be deemed non-commercial, Santa Fe is hereby authorized to recomplete said well by kicking-off from vertical at a depth of approximately 10,100 feet and directionally drill in a west-northwesterly direction in such a manner as to bottom back into the Morrow formation at a subsurface location considered to be unorthodox that is within a target area 100 feet in radius of a point that is 1100 feet from the South line and 660 feet from the West line (Lot 4/Unit M) of said Section 19.

The operator shall comply with all provisions of Division General Rule 111 applicable in this matter.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs /
U. S. Bureau of Land Management - Carlsbad
File: Case No. 11888
Case No. 11296