

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT

1a. TYPE OF WORK

DRILL ☒

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒OTHER ☐SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Santa Fe Energy Resources, Inc.

3. ADDRESS AND TELEPHONE NO.

550 W. Texas, Suite 1330; Midland, Texas 79701 (915) 682-6373

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

At surface

(G) 1650' FNL & 2310' FEL

At proposed prod. zone

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

20 miles west of Jal, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drilg. unit line, if any)

990'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

2380'

16. NO. OF ACRES IN LEASE

320

19. PROPOSED DEPTH

13600'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

20. ROTARY OR CABLE TOOLS

Rotary

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

3454' GR

22. APPROX. DATE WORK WILL START*

May 25, 1997

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	H-40 13 3/8"	48.0	800'	850 sx to circulate
12 1/4"	K-55 9 5/8"	40.0	5000'	1550 sx to circulate
8 3/4"	S-95 & P-110 7"	26.0	11800'	800 sx to TOC @ 6000'
6 1/8"	S-95 4 1/2"	13.5	13600'	225 sx (circ to liner top)

We propose to drill to a depth sufficient to test the Morrow formation for gas. If productive, a 4 1/2" liner 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 Schematic 5-M

Exhibit B(A) - BOP and Choke Schematic 10-M

Exhibit C - Drilling Fluid Program

Exhibit D - Auxiliary Equipment

Exhibit E - Topo Map at Location

Exhibit F - Map Showing Existing Wells

Exhibit F (A) - Plat of Location

Exhibit G - Well Site Layout

Surface Use and Operations Plan

Santa Fe Energy Resources, Inc. accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof as described above.

Bond Coverage: Blanket Bond

BLM Bond File No.: MT 320

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed 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 G. "Old" Stinson

TITLE

Agent for Santa Fe Energy

DATE

3-12-97

(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

TITLE

ADM. MINERALS

DATE

3-16-97

*See Instructions On Reverse Side