Form 3160-5 (November 1994)

L TED STATES DEPARTMENT OF THE INTERIOR

N.M. C. Cons	DIVISION APPROVED
P.O. Box 1980	Budget Bureau No. 1004-01: Expires July 31, 1996
Habba MM 000	4. 5. Lease Serial No.

BUREAU OF LAND MANAGEMENT Hobbs, NM 8824 NM-43564 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an ahandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE - Other instructions on reverse side Pep of William 1.56 8. Well Name and No. Gaucho 21 Federal No.1 Santa Fe Energy Resources, Inc. 9. API Well No. 3b. Phone No. (include area code) <u>30-025-34266</u> 550 W. Texas Suite 1330, Midland, TX 79701 915/686-6612 10. Field and Pool, or Exploratory Area 1. Long on A.W. P. (Footage, Sec., T., R., M., or Survey Description) (L), Sec. 21, T-22S, R-34E, 1980' FSL and 660' FWL Ojo Chiso Morrow, West 11. County or Parish, State NM CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12 TYPE OF SUBMISSION TYPE OF ACTION Acidize Production (Start/Resume) Water Shut-Off Notice of Intent Deepen Alter Casing Fracture Treat Reclamation Well Integrity Subsequent Report Casing Repair New Construction Other Ran casing Recomplete Change Plans Plug and Abandon Temporarily Abandon string Final Abandonment Notice Convert to Injection Plug Back Water Disposal Describe Proposed or Coomingleted Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days tollowing completion of the involved operations. If the operation results in a multiple completion or recompleted, Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.) 9/25/98: TD 8-3/4" hole at 11.880'. Circ for logs. 9/26/98: RU Schlumberger & log. 9/27/98: RU casing crew and begin running 7" csg. 9/28/98: Run a total of 266 jts 7" 26.0# S-95 LT&C csg and set at 11,880', FC @ 11,787'. Cemented w/ 1500 sx 50/50 Poz "H" containing 1% FL-26 & 0.3% CD32. PD @ 3:37 a.m., bumped plug w/ 700 psi over. float held. ND BOP, set slips w/ 270K. Cut off 7" & install C-sec and test to 4000 psi. NU 10K BOP & choke manifold. Testing BOP. 9/29/98: Testing BOP, choke manifold, & mud lines to 5000 psi, held ok. Test csg to 2500 psi, okay. PU BHA & 3-1/2" DP. Displ hole w/ 10# brine & replace valve in flowline. Drlg FC, cmt, & shoe. 9/30/98: Drlg cmt & shoe. Resume drlg formation. ACCEPTED FOR RECORD PETER W. CHESTER I hereby certify that the foregoing is true and correct Title Name (Printed/Typed) Terry McCullough Sr. Production Clerk Oct. 7, 1998 BUREAU GE LAND MANAGEME ROSWELL RESOL THIS SPACE FOR FEDERAL OR STATE OFFICE USE Deto

Lote 18 USC 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 It considers statements or representations as to any matter within its jurisdiction

Conditions of approval, if any, are attached. Approval of this notice does not warrant or cities that the applicant holds legal or equitable title to those rights in the subject lease

which would entitle the applicant to conduct operations thereon