

DRILLING PROGRAM

SANTA FE ENERGY RESOURCES, INC.

Gaucho Unit No. 3

In conjunction with Form 3160-3, Application to Drill the subject well, Santa Fe Energy Resources, Inc. 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	1050'
Salado	1400'
Delaware	5000'
Bone Spring	8450'
Wolfcamp	10900'
Strawn	11900'
Atoka	12100'
Morrow	12700'
Total Depth	13600'

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

Water	None expected in area
Oil	Bone Spring @ 9100'
Gas	Upper Morrow @ 13100'

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 4600' to TD.

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

Drill Stem Tests: (all DST's to be justified on the basis of valid show of oil or gas):

Bone Spring	9100'- 9200'
Atoka	12200'-12250'
Morrow	13100'-13150'

Logging:

Dual Laterolog W/MSFL and Gamma Ray 11850'-13600'

Compensated Neutron/Litho-Density/Gamma Ray 5000'-11850' & 11850'- 13600'

Compensated Neutron/Gamma Ray (thru csg) Surface-5000'

Coring: No conventional cores are planned.