

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. OIL CONS. COMMISSION
P.O. BOX 1980
HOBBS, NEW MEXICO 88240
APPROVED
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
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Santa Fe Energy Resources, Inc.

3. Address and Telephone No.
550 W. Texas, Suite 1330, Midland, TX 79701 915/687-3551

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec. 7, T-24S, R-32E

5. Lease Designation and Serial No.
NM-68084

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Mesa Verde "7"
Federal

9. API Well No.
32-1225-32398

10. Field and Pool, or exploratory Area
Mesa Verde (Bone Spring)
Mesa Verde (Delaware)

11. County or Parish, State
Lea NM

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

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | |
|--|--|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> Change of Plans |
| <input type="checkbox"/> Recompletion | <input type="checkbox"/> New Construction |
| <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 <u>Surface commingling</u> | <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.)*

Per the attached, Santa Fe Energy Resources, Inc. respectfully requests permission to surface commingle the Bone Spring and Delaware formations on the above referenced lease (NM-68084). There are currently two producing wells (both Delaware completions) on this lease and one Bone Spring completion in progress. All wells have common working interest and royalty interest. The wells would produce into a common tank battery located at the Mesa Verde "7" Federal Well No. 1 located in UL (B), Sec. 7, T-24S, R-32E.

RECEIVED
OCT 15 8 45 AM '95
OCT 15 1995

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

Signed Sally McCullough Title Senior Production Clerk

Date October 9, 1995

(This space for Federal or State office use)

Approved by _____

Title _____

Date 11/22/95

Conditions of approval, if any: _____

Title 18 U.S.C. 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 fraudulent statements or representations as to any matter within its jurisdiction.

* See Instruction on Reverse Side

APPLICATION FOR SURFACE COMMINGLING,
OFF LEASE STORAGE AND MEASUREMENT APPROVAL

To: Bureau of Land Management
P. O. Box 1778
Carlsbad, New Mexico 88221-1778

Santa Fe Energy Resources, Inc. is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following formations and wells on Federal Lease No. 68084; Lease Name: Mesa Verde "7" Federal.

<u>Well No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
1	B	7	24S	32E	Delaware
2	C	7	24S	32E	Delaware

with hydrocarbon production from the following formation and wells on Federal Lease No. 68084; Lease Name: Mesa Verde "7" Federal.

<u>Well No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
7	D	7	24S	32E	Bone Spring

Production from the wells involved is as follows:

	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
Mesa Verde 7 Fed. #1	34	42 deg	57
Mesa Verde 7 Fed. #2	10	40 deg	21
Mesa Verde 7 Fed. #7	80	40 deg	160 (estimated)

Continued...

Continued:

The proposed operation is described in detail on the attached diagrams.

A map is enclosed showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling/common storage facility. All unitized/communitized areas, producing zones/pools are also clearly illustrated.

A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

The storage and measuring facility is located in Unit Letter B, Sec. 7, T-24S, R-32E, on Lease No. 68084, Lea County, New Mexico. The BLM will be notified if there is any future change in the facility location.

Details of the proposed method for allocating production to contributing sources is as follows:

Test separator with dividing header system.

The working interest owners have been notified of the proposal.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for continued operation of the above referenced Federal leases.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument, and we will submit within 30 days on an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

Additional wells require additional commingling approvals.

Signature: Terry McCullough

Name: Terry McCullough

Title: Sr. Production Clerk

Date: October 9, 1995

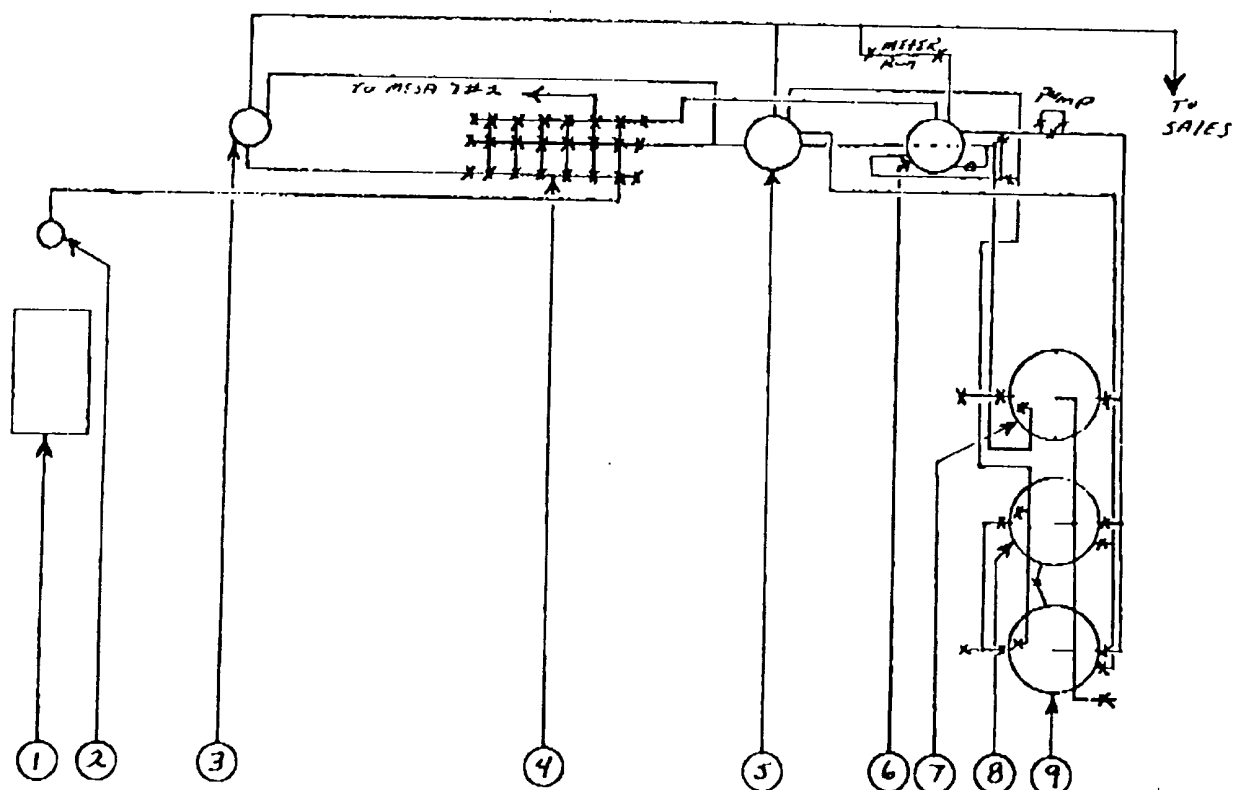
MESA VERDE 7 FED. #1

660' FNL & 1980' FLL

SECTION 7, T-245, R-32E

LEA Co. N.M.

NM-68084



- ① AMERICAN Pumping Unit D456-F-21, 450-304-144, SN-T-30F144308-1599
E-42 Ajax motor 6 1/2 x 10, SN-73883
- ② 2 7/8" x 3000 LB wellhead, HUBER PACKOFF, 2 7/8" x 2 7/8" x 2" pumping tee,
1 3/4" stuffing Box, 2" Flowline.
- ③ Challenger 30" x 10' 2 PHASE SEPARATOR, SN-01510, MAX. WP-125, MANUF.
7-94, 3" Inlet, GAS 3" out, 2" Dump
- ④ 4" x 6 well switch HEADER, 2" Inlet, 2" CROSSOVERS, 2" outlet
- ⑤ Challenger 6' x 20' HEATER TREATER, MAX WP-50, SN-0575, MANUF. 91
3" Inlet, 3" GAS out, 3" oil Dump, 2" WATER Dump.
- ⑥ Challenger 4' x 20' HEATER TREATER, MAX WP-50, SN-01537, MANUF. 8-94,
Test treaters with 1" WATER meter, 2" GAS Flow meter, 2" GAS out,
2" oil Dump, 2" WATER Dump.
- ⑦ Belco 500 BBL. FIBERGLASS Closed top tank, SN-10494, 4" Load seal
shut, 2" Dump seal open, 2" Drain seal shut, 3" Vent
- ⑧ Challenger 500 BBL WELDED STEEL TANK, SN-02180, MANUF. 94, 4" Load
seal shut, 2" Drain seal shut, 1" Roll seal shut, 3" Dump seal open,
3" Vent, 3" Equalizer line sealed open.
- ⑨ Challenger 500 BBL WELDED STEEL TANK, SN-02179, MANUF 94, SAME DIFF
AS #8, 3" Vent with (hard) vent valve