Form 3160-5

(This space for Federal or State office use)

Conditions of approval, if any:

Approved by

UNITED STATES

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HO.	RS.	NEW	Wex	100	4-0135

(June 1990)		T OF THE INTERIOR	HOBBS NEW MEXICO04-0135 Expires: March 31, 1993
	BUREAU OF L	AND MANAGEMENT	5. Lease Designation and Serial No.
_		D REPORTS ON WELLS	NM - 68084
Do not use this	form for proposals to drill on the "APPLICATION FOR	or to deepen or reentry to a different reservoir PERMIT - " for such proposals	6. If Indian, Allottee or Tribe Name
I. Type of Well	SUBMIT	IN TRIPLICATE	7. If Unit or CA, Agreement Designation
Oil X w	oas Vell Other		8. Well Name and No.
2. Name of Operator Santa Fe F	nergy Resources, Inc		Mesa Verde "7" Federal
3. Address and Telepho		•	9. API Well No.
550 W. Tex	as.Suite 1330, Midla	ind,TX 79701915/687-3551	32-1/25-32398
4. Location of Well (Fo	potage, Sec., T., R., M., or Survey Des	cription)	10. Field and Pool, or exploratory Area Mesa Verde (Bone Spring)
Sec. /,	T-24S, R-32E		Mesa Verde (Delaware)
			11. County or Parish, State
12. CHECK	K APPROPRIATE BOX(s)	TO INDICATE NATURE OF NOTICE, REPO	Lea NM OR OTHER DATA
	F SUBMISSION	TYPE OF ACT	
X	tice of Intent	Abandonment	
_		Recompletion	Change of Plans
Sub	sequent Report	Plugging Back	New Construction Non-Routine Fracturing
		Casing Repair	Water Shut-Off
Fina	al Abandonment Notice	Altering Casing	Conversion to Injection
		X Other <u>Surface comming</u>	ing Dispose Water
13 Describe Proposed or C	201		(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)
Per the attack commingle the There are curr Spring comple The wells wou	hed, Santa Fe Energy Bone Spring and Del rently two producing tion in progress	ertinent details, and give pertinent dates, including estimated date of all depths for all markers and zones pertinent to this work.)* Resources, Inc. respectfully requirement above refused wells (both Delaware completions on the above refused wells (both Delaware completions of the laware completions of the laware common working integrated at the T-24S, R-32E.	uests permission to surface erenced lease (NM-68084).) on this lease and one Bone
			OCATION TO THE RESERVE TO THE RESERV
			##* < 3
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			5 K
			
14. I hereby certify that t	he foregoing is true and correct.	Sugar Senior Production Clerk	October 9 1995

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.

Title

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.

Well No.	Loc.	Sec.	Twp.	Rng.	Formation
1	В	7	24S	32E	Delaware
2	С	7	24S	32E	Delaware

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

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

Production from the wells involved is as follows:

	BOPD	Oil Gravity	<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...

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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.

ignature: 12 sry Mc (ullough

Name: Terry McCullough

Title: Sr. Production Clerk

Date: October 9, 1995

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Mesa Verde "7" Fed #1 660' FNL & 1980' FEL Section 7, T-24-S, R-32-E

Mesa Verde "7" Fed #2 660' FNL & 1980' FWL Section 7, T-24-S, R-32-E

BLM NM-68084

Mesa Verde "7" Fed #7 330'FNL & 990' FWL Sec. 7, T-24S, R-32E



Santa Fe Energy Resources, Inc. Central Division Midland, Texas

LEA COUNTY, NEW MEXICO

OSPREY PROSPECT

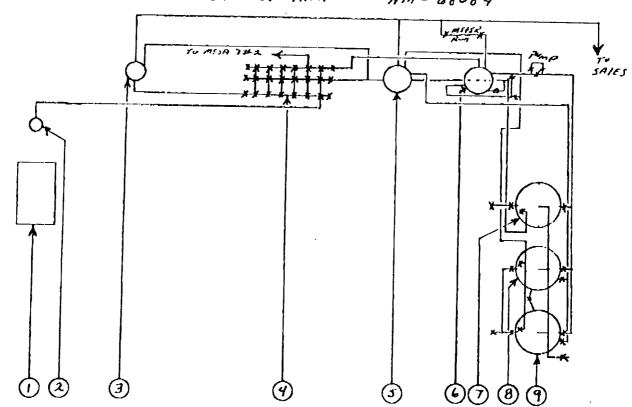
DATE: 5/05/95

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FILE:

MESA YERDE 7 FED. #1
660' FAL & 1980' FEL

SECTION 7, T-245, R-32E
LEA Co. N.M. NM-68084



- (1) AMERICAN Pumping Unit D456-F.21, 450-304-144, SN-T-30 F144308-1599 E-42 AJAY Motor 6/2×10, SN-73883
- 2 27/8" x 3000 LB WITHEAD, HUBER PACKOFF, 27/8 x 27/8 x 2" Pumping + EE,
 13/4" Stuffing Box, 2" Flowline.
- 3 Challing IR 30" X 10" 2 Phase SEPARATOR, SN. 01510, MAX, WP-125, MANU.
 7-94, 3" Enlet, GAS 3" out, 2" Dump
- 4" x 6 WILL Switch HEADER, 2" INLET, 2" CROSSOURS, D'OUTLET
- (5) Challengir l'x 20' Histir treater, max wp-50, SN-0575, Manue. 91 3" Inlet, 3" GAD out, 3" will Dump, 2" water Dump.
- (6) Challenger 4'x 20' Heater Treater, max wros's, SN-01537, MANUE. 8-94, TEST TREATER with I water meter, 2" GAS Flow meter, 2" GAS out, 2" o'l Dump, 2" water Dump.
- DELCO SON BBL. FIBERGIASS CLOSED FOR HANK, SN-10494, 4" LOAD SEALSO Shut, J" Dump SEALSO UPEN, D" DROIN SEALED STUT, 3" VENT
- (8) Challenger 500 BBL WELDED STELL TANK, SN-02180, MANUA, 94, 4"LOAD STATED Shut, 2"DRAIN STATED Shut, 1"Roll STATED Shut, 3"DUMP STATED OPEN.

 3" VINT, 3"Equilizer Line STATED OPEN.
- Thallsager Sou BBL wilded Stell tank, SN-02179, MANUE 94, SAME DRESS
 AS #8, 3" VEAT with CARDO VEAT VAIVE