**Santa Fe Energy Resources, Inc.**

DHC - 1138
2/1/96

January 29, 1996

Michael Stogner
New Mexico Oil Conservation District
P. O. Box 1980
Hobbs, NM 88240

Dear Mr. Stogner:

Santa Fe Energy Resources hereby requests approval to commingle Bone Spring and Delaware production in the Mesa Verde "7" Federal #7, located 990' FWL & 330' FNL of Sec 7, T24S, R32E, in Lea County, NM. A plat of the area is attached. Daily production from December for the Bone Spring zone is also attached. The Delaware was only swab tested for a short time. The estimated bottom-hole pressure for each zone is around 1500 psi. Both zones produce 42° to 41° API gravity oil and the water analysis from each zone is attached. The value of the commingled oil will be the same. The oil is currently commingled at the battery from different wells.

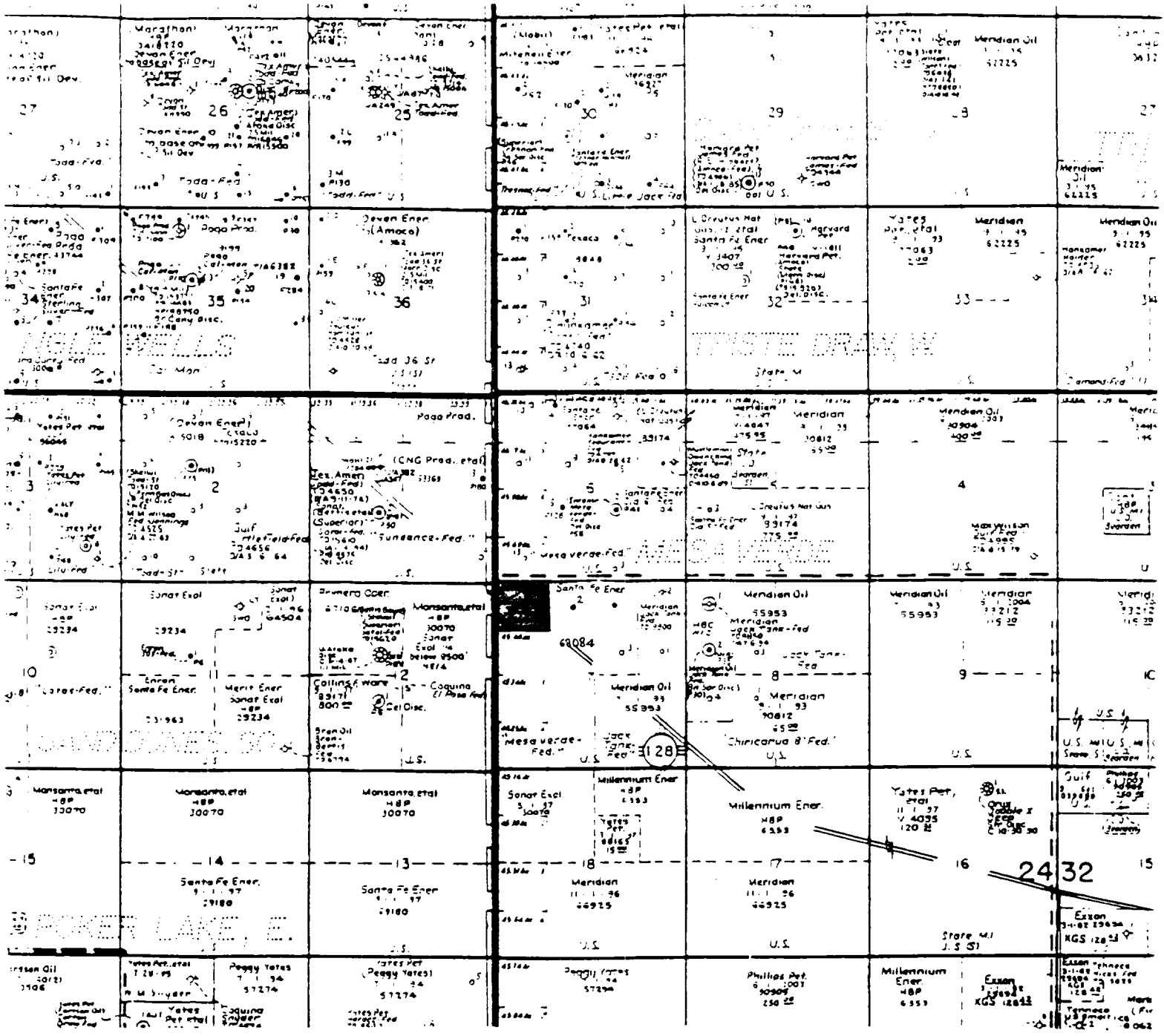
The production will be allocated on a percent basis with 20% allocated to the Delaware and 80% to the Bone Spring.

Santa Fe Energy Resources operates all the offset proration units and the BLM has been notified in writing of the proposed commingling.

Sincerely,

James Blount
Production Engineer

Central Division
550 W Texas Suite 1330
Midland, Texas 79701
915/687-3551


Mesa Verde "7" Fed # 7
330' FNL & 990' FWL
Section 7, T-24-S, R-32-E
40 Acre Proration
SFER, INC. Offset Acreage
Santa Fe Energy Resources, Inc.
Central Division
Midland, Texas
LEA COUNTY, NEW MEXICO
OSPREY PROSPECT
DATE: 10/31/95
SCALE: 1":4000'
FILE:

**Laboratory Services, Inc.**
1331 Tasker Drive
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

## WATER ANALYSIS

COMPANY Enron Oil & Gas Company

SAMPLE Mesa Verde 7 Federal #2 BONE SPRING
SAMPLED BY Ray Gallagher - Pro Well

DATE TAKEN 9/23/94 4:30PM
REMARKS

| | | |
|---|---|---|
| Barium as Ba | 0.00 | |
| Carbonate alkalinity PPM | 0 | |
| Bicarbonate alkilinity PPM | 1,680 | |
| pH at Lab | 7.39 | |
| Specific Gravity @ 60° F | 1.079 | |
| Magnesium as Mg | 3,842 | |
| Total Hardness as CaCO3 | 4,900 | |
| Chlorides as Cl | 62,481 | |
| Sulfate as SO4 | 1,775 | |
| Iron as Fe | 40.25 | |
| Potassium | 16.25 | |
| Hydrogen Sulfide | 0.00 | |
| Resistivity Ohms | 0.1150 | 23.4° C |
| Total Dissolved Solids | 91,750 | |
| Calcium as CA | 2,058 | |
| Nitrate | 33.00 | |

Results reported as Parts per Million unless stated

Langelier Saturation Index +1.89

Analysis by Rolland Perry
Date 09-25-94

# Laboratory Services, Inc.

1331 Tasker Drive
Hobbs, New Mexico 88240

Telephone: (505) 397-3713


**RECEIVED** NOV 9 1995

## WATER ANALYSIS

COMPANY Santa Fe Energy

SAMPLE Mesa Verde 7-2
SAMPLED BY

DATE TAKEN
REMARKS

| | | |
|---|---|---|
| Barium as Ba | 5.00 | |
| Carbonate alkalinity PPM | 0 | |
| Bicarbonate alkilinity PPM | 104 | |
| pH at Lab | 6.45 | |
| Specific Gravity @ 60° F | 1.165 | |
| Magnesium as Mg | 22,910 | |
| Total Hardness as CaCO3 | 39,500 | |
| Chlorides as Cl | 150,025 | |
| Sulfate as SO4 | 375 | |
| Iron as Fe | 186.25 | |
| Potassium | 53.75 | |
| Hydrogen Sulfide | 0.00 | |
| Resistivity Ohms | 0.0420 | 23.3° C |
| Total Dissolved Solids | 213,750 | |
| Calcium as CA | 16,590 | |
| Nitrate | 13.20 | |

Results reported as Parts per Million unless stated

Langelier Saturation Index +0.9

Analysis by Rolland Perry
Date: 11-01-95

HISTORY
RUN DATE : 01/24/96

THE OILFIELD WORKSTATION
MONTHLY WELL DETAIL
SANTA FE ENERGY RESOURCES
31-DAY PRODUCTION

FOREMAN NAME : ROY HANNIGAN
PUMPER NAME : CARLSBAD ROUTE 1 (JOE H.)
LEASE NAME : MESA VERDE 7 FED #7
WELL NAME : MESA VERDE 7 FED #7
PRODUCING METHOD : SR - SUCKER ROD

| DAY | CHOKE SPM | --SITP--- PSI | HRS | TUB PSI | CAS PSI | SEP PSI | LINE PRESS | DOWN HRS | RS | REASON DESCRIPTION | OIL PROD | GAS PROD | WATER PROD | COMMENTS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2 | 8.0 | 0 | 0 | 250 | 120 | 0 | 0 | 0 | | | 35.11 | 209.38 | 5.80 | |
| 3 | 8.0 | | | 250 | 120 | | 0 | 0 | | | 41.17 | 211.48 | 7.19 | |
| 4 | 8.0 | | | 250 | 120 | | 0 | 0 | | | 49.45 | 211.62 | 8.29 | |
| 5 | 8.0 | 0 | 0 | 250 | 120 | 0 | 0 | 0 | | | 47.68 | 207.28 | 4.86 | |
| 6 | 8.0 | | | 250 | 120 | | 0 | 0 | | | 53.75 | 205.82 | 4.77 | |
| 7 | 8.0 | | | 250 | 120 | | 0 | 0 | | | 44.78 | 201.47 | 3.68 | |
| 8 | 8.0 | | | 250 | 120 | | 0 | 0 | | | 29.61 | 192.78 | 3.68 | |
| | 8.0 | | | 250 | 120 | | 0 | 0 | | | 3.30 | 175.38 | 0.65 | |
| 10 | 8.0 | | | 250 | 120 | | 0 | 0 | | | 34.12 | 154.37 | 3.80 | |
| 11 | 8.0 | 0 | 0 | 250 | 120 | 0 | 0 | 0 | | | 39.48 | 129.54 | 1.70 | |
| 12 | 8.0 | | | 250 | 120 | | 0 | 0 | | | 55.78 | 129.43 | 0.54 | |
| 13 | 8.0 | | | 250 | 120 | | 0 | 0 | | | 32.92 | 122.44 | 0.87 | |
| 14 | 7.0 | 0 | 0 | 250 | 120 | 0 | 0 | 0 | | | 35.58 | 125.05 | 3.70 | |
| 15 | 6.5 | | | 250 | 120 | | 0 | 0 | | | 26.69 | 126.26 | 1.06 | |
| 16 | 6.5 | | | 250 | 120 | | 0 | 0 | | | 43.12 | 138.83 | 10.96 | |
| 17 | 6.5 | | | 250 | 120 | | 0 | 0 | | | 43.61 | 144.05 | 14.32 | |
| 18 | 6.5 | 0 | 0 | 250 | 120 | 0 | 0 | 0 | | | 50.16 | 127.74 | 14.35 | |
| 19 | 6.5 | | | 250 | 120 | | 0 | 0 | | | 47.60 | 132.06 | 9.05 | |
| 20 | 6.5 | | | 250 | 120 | | 0 | 0 | | | 44.59 | 140.20 | 5.72 | |
| 21 | 6.5 | | | 250 | 120 | | 0 | 0 | | | 39.01 | 133.90 | 8.18 | |
| 22 | 6.5 | | | 250 | 120 | | 0 | 0 | | | 44.58 | 131.08 | 9.87 | |
| 23 | 6.5 | | | 250 | 120 | | 0 | 0 | | | 44.59 | 117.61 | 6.87 | |
| 24 | 6.5 | 0 | 0 | 250 | 120 | 0 | 0 | 0 | | | 37.31 | 106.97 | 17.72 | |
| 25 | 6.5 | 0 | 0 | 250 | 120 | 0 | 0 | 0 | | | 42.91 | 102.92 | 2.14 | |
| 26 | 6.5 | | | 250 | 120 | | 0 | 0 | | | 56.21 | 109.93 | 2.40 | |
| 27 | 6.5 | | | 250 | 120 | | 0 | 0 | | | 50.59 | 109.35 | 1.75 | |
| 28 | 6.5 | | | 250 | 120 | | 0 | 0 | | | 54.88 | 108.18 | 3.70 | |
| 29 | 6.5 | | | 250 | 120 | | 0 | 0 | | | 44.71 | 104.67 | 3.55 | |
| 30 | 6.5 | | | 250 | 120 | | 0 | 0 | | | 42.67 | 102.34 | 3.80 | |
| 31 | 6.5 | | | 250 | 120 | | 0 | 0 | | | 50.87 | 101.17 | 3.85 | |
| 1 | 6.5 | | | 250 | 120 | | 0 | 0 | | | 45.52 | 106.43 | 2.42 | |
| | | | | | | | | | | TOTALS : | 1312.35 | 4419.73 | 171.24 | |


Received
Hobbs
OCD