CHMISSION BURNIT IN *LICATE* Form approved. Other Instructions on Form 3160-3 Budget Bureau No. 1004 (November 1983) UNITED STATES RECEIVED Expires August 31, 1985 (formerty 9-331C) DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT NM-025777 6. IF INDIAN, ALLOTTED OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL 1a. TYPE OF WORK ARTESIA, OFFICE 7. UNIT AGREEMENT NAME DRILL X DEEPEN b. TYPE OF WELL MULTIPLE WELL X BINGLE S. FARM OR LEASE NAME WELL 2. HAMB OF OPERATOR Geronimo Federal 20% Siete Oil & Gas Corporation 9. WELL NO. 10 S. ADDRESS OF OPERATOR P. O. Box 2523, Roswell, NM 88201 10. FIBLD AND POOL, OR WILDCAT 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) East Shugart Delaware 11. SEC., T., R., M., OR BLE AND SURVEY OR AREA 2310' FSL, 1650' FEL, NW/4 SE/4, Unit Letter J At proposed prod. sone Sec. 24: T18S, R31E 12. COUNTY OR PARISH | 18. STATE 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE® Eddy 14.75 miles southeast of Loco Hills, NM 13. DISTANCE FROM PROPOSED®
LOCATION TO NEAREST
PROPERTY OR LEARS LINE, PT.
(Also to nearest drig, unit line, if any) 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED TO THIS WELL 320' 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 18. DISTANCE FROM PROPOSED LOCATION® TO NEAREST WELL, DEILLING, COMPLETED, 4660 Potary 5500's see 22. APPROX. DATE WORK WILL START 21. BLEVATIONE (Show whether DF, RT, GR, etc.) March 1, 1987 3700' GR 23 PROPOSED CASING AND CEMENTING PROGRAM QUANTITY OF CEMENT WEIGHT PER FOOT SETTING DEPTH SIZE OF HOLE SIZE OF CASING 200 sx (circulate) 350' 12½* 24.0# 8 5/8" 5500' 2200 sx (circulate) 7 7/8" 5 1/2" 15.5# Selectively perforate and treat pay zones. Attachements: Survey plat (C-102) Supplemental drilling data Surface use plan IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive sone and proposed new productive sone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any. 24. DATE _2/23/87 TITLE Vice President RIGNED A (This space for Federal or State office use)

*See Instructions On Reverse Side

APPROVAL DATE

CARLESAD RESOURCE AREA

RREA FINANCE

2-26.57

TITLE .

PERMIT NO.

APPROVED BY

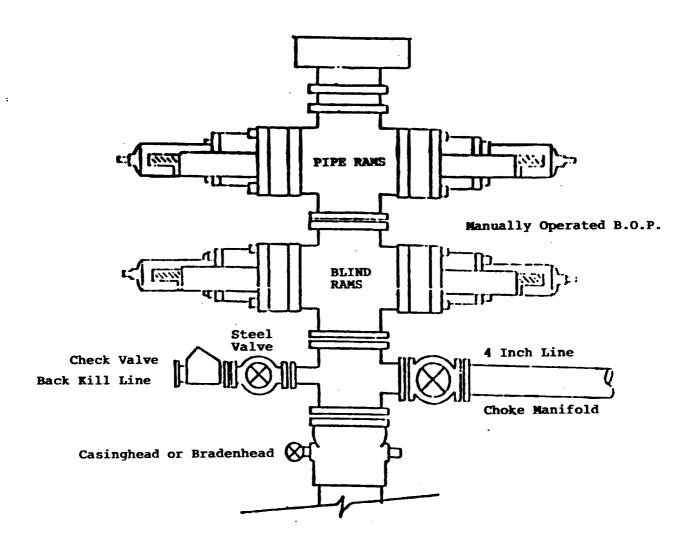
CONDITIONS OF APPROVAL

un

.. ZW MEXICO OIL CONSERVATION COMMI ON WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

Our and a contract of		1.			Well No.			
Operator	TT AND CAS CO	-	ease Geronimo Fe	10				
SIETE OIL AND GAS CORPORATION Unit Letter Section Township		Township	Geronimo Federal Runge County					
J	24	18 South	31 East	Eddy				
Actual Footage Loc	1			<u> </u>				
2310 feet from the South line and 1650 feet from the East line								
Ground Level Elev.			ool Charles	- 7	Dedicated Acreage:			
3700.	Delaw		East Shugart D		40 Acres			
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.								
 If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc? 								
Yes No If answer is "yes;" type of consolidation								
this form if necessary.)								
	1		· !		CERTIFICATION			
	! 		; ; ;	tained he	certify that the information con- crein is true and complete to the cy knowledge and belief.			
	 		 	Company	Dil & Gas Corporation			
	+	\	HHH	shown for	AN R. RED De well location will plat a Colored from field of tual survers mide by me or supervision, and that the same and arrect is the Sect of my PROFESSIONAL			
	, 		23//	Registered and/or Lar	Professional Engineer and Surveyor			
10 220 660	190 1320 1650 1	80 2310 2640 2000	1500 1000	500 0 1 111 1 1				



SUPPLEMENTAL DRILLING DATA

SIETE OIL AND GAS CORPORATION

GERONIMO FEDERAL NO. 10

2310' FSL & 1650' FRL

Section 24: T18S, R31E

Eddy County, New Mexico

Lease Number - NM-025777

The following items supplement "Onshore Oil and Gas Order No. 1:

- 1. The geologic surface is quaternary.
- 2. The estimated geological marker tops:

Yates	2653'
Queen	35231
Grayburg	3934'
San Andres	4430'
Delaware	4644'

3. Estimated depths to water, oil or gas:

Water: 220'

Oil or Gas: 4300' - 4900'

4. Proposed casing program:

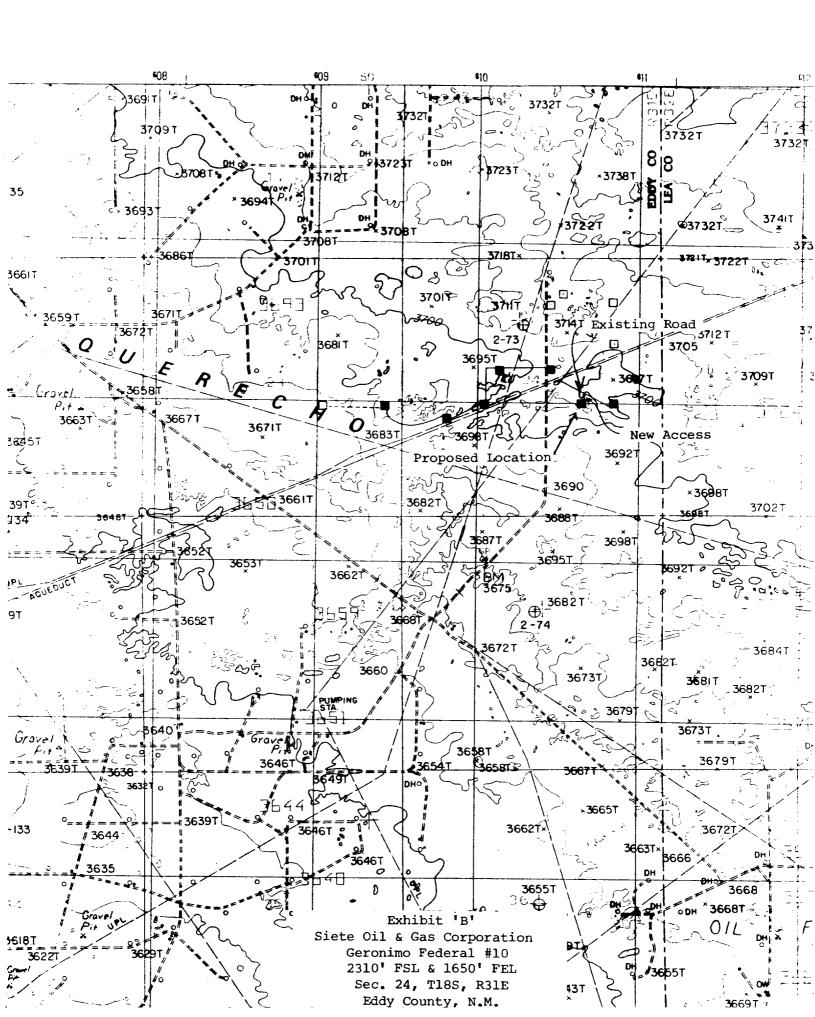
Size	<u>Interval</u>	Weight	Grade	<u>Joint</u>	New or Used
8 5/8"	0 - 350'	24#	J-55	ST&C	New
5 1/2"	0 - 5500'	15.5#	J-55	ST&C	New

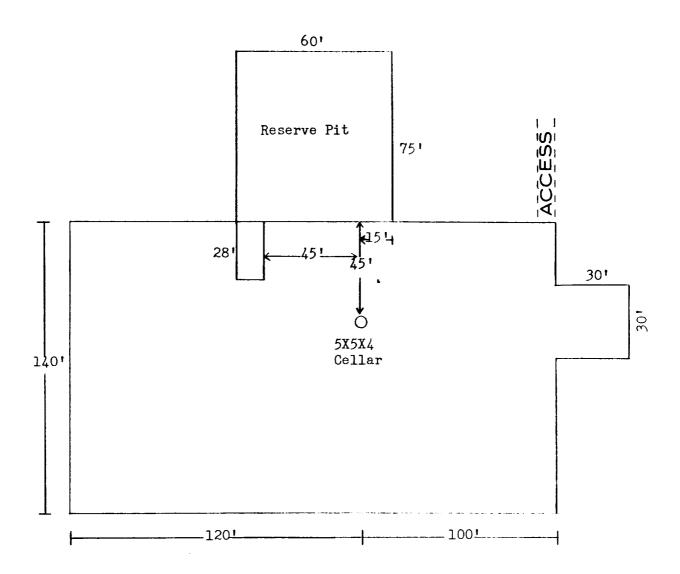
- 5. Pressure Control Equipment: The blowout preventer will be a double ram type preventer. A sketch is attached.
- 6. Mud Program: 0-350': Native mud adding gel and lime for sufficient viscosity to insure clean hole for running casing.

350' - 5500': Native brine, add lime for ph @10 for corrosion protection. At 4200' add starch and salt gel to establish a viscosity of 32-38, mud weight 9.8 - 10.0#/gallon, water loss of 20 cc or less.

- 7. Auxiliary Equipment: A kelly cock will be installed on the rig floor while drilling operations are in progress.
- 8. Testing, Logging and Coring Programs: Possible drill stem tests and/or coring is not planned through the Grayburg Zone.

Logging: Compensated Neutron - Formation Density - Gamma Ray - Caliper - Dual Laterolog - RXO





L&M Drilling Rig No. 1

Exhibit 'D'
Siete Oil & Gas Corporation
Geronimo Federal #10
2310' FSL & 1650' FEL
Sec. 24, T18S, R31E
Eddy County, N.M.