



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
ROSWELL DISTRICT OFFICE  
P.O. BOX 1397  
ROSWELL, NEW MEXICO 88201



NM-24160  
3162.41 (065)

RECEIVED

DEC 29 '88

O. C. D.  
ARTESIA, OFFICE

Siete Oil & Gas Corporation  
P.O. Box 2523  
Roswell, New Mexico 88202-2523

Gentlemen:

Your application for Permit to Drill the Osage Federal No. 7 well in the NE1/4 sec. 35, T. 19 S., R. 29 E., Eddy County, New Mexico, lease NM-24160, to a depth of 1700 feet to test the Yates formation in the oil-potash area, is hereby approved as amended by stipulations attached to the application.

One copy of the application is returned herewith. Please notify the Bureau of Land Management Office checked on the attached special stipulation, in sufficient time for a representative to witness all cementing operations.

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Sincerely,

Francis R. Cherry, Jr.  
District Manager

1 Enclosure

cc:  
NMOCB-Artesia - 2

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DEC 29 1988

U.S. AIR FORCE  
OFFICE OF THE  
SECRETARY

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL  
WELL ☒

GAS  
WELL ☐

OTHER

SINGLE  
ZONE ☒

MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

Siete Oil & Gas Corporation

3. ADDRESS OF OPERATOR

P. O. Box 2523

Roswell, N.M. 88202-2523

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
At surface

1980' FSL & 2080' FWL, NE $\frac{1}{4}$ SW $\frac{1}{4}$  Unit Letter K

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

17 miles Northeast of Carlsbad, New Mexico

15. DISTANCE FROM PROPOSED\*  
LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drig. unit line, if any)

1980'

16. NO. OF ACRES IN LEASE

1320

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

100'

19. PROPOSED DEPTH

1700'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3309' GR

22. APPROX. DATE WORK WILL START\*

ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 $\frac{1}{2}$ "	8 5/8"	24.0#	350'	350 sks. circ.
7 7/8"	5 1/2"	15.5#	1700'	300 sks. <b>CIRCULATE</b>

Selectively Perforate and treat pay zones.

Attachments:

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS

Survey plat (C-102) **ATTACHED**

Supplemental drilling data

Surface use plan

Post ID-1  
NH & API  
1-6-89

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. 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.

SIGNED

*[Signature]*

TITLE V.P. Drilling/Production

DATE 12/8/88

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

RECEIVED  
DEC 9 11 56 AM '88  
CARLSBAD DISTRICT OFFICE  
AREA 1111-1111-1111

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

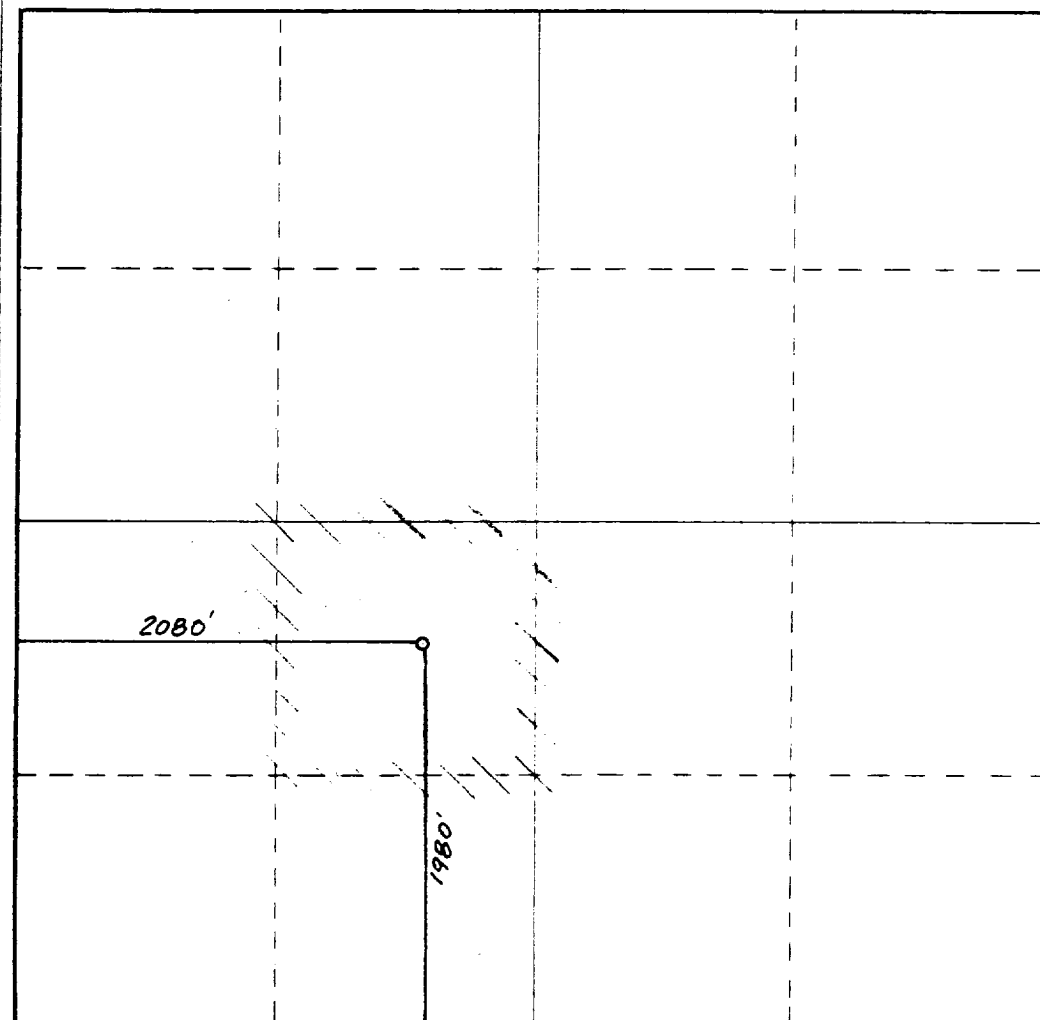
Operator <b>SIETE OIL &amp; GAS CORPORATION</b>			Lease <b>Osage Federal</b>		Well No. <b>7</b>
Unit Letter <b>K</b>	Section <b>35</b>	Township <b>19 South</b>	Range <b>29 East</b>	County <b>Eddy County, N.M.</b>	
Actual Footage Location of Well: <b>1980</b> feet from the <b>South</b> line and <b>2080</b> feet from the <b>West</b> line					
Ground Level Elev. <b>3309.</b>	Producing Formation <b>Yates</b>		Pool <b>Wildcat - Yates</b>		Dedicated Acreage <b>40</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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 \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Harold D. Justice*  
Name

Harold D. Justice

Position

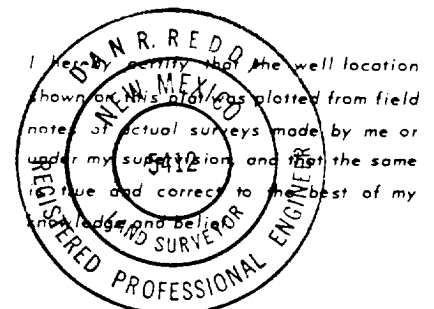
V.P. Drilling & Production

Company

Siete Oil & Gas Corporation

Date

December 8, 1988



Date Surveyed

November 16, 1988

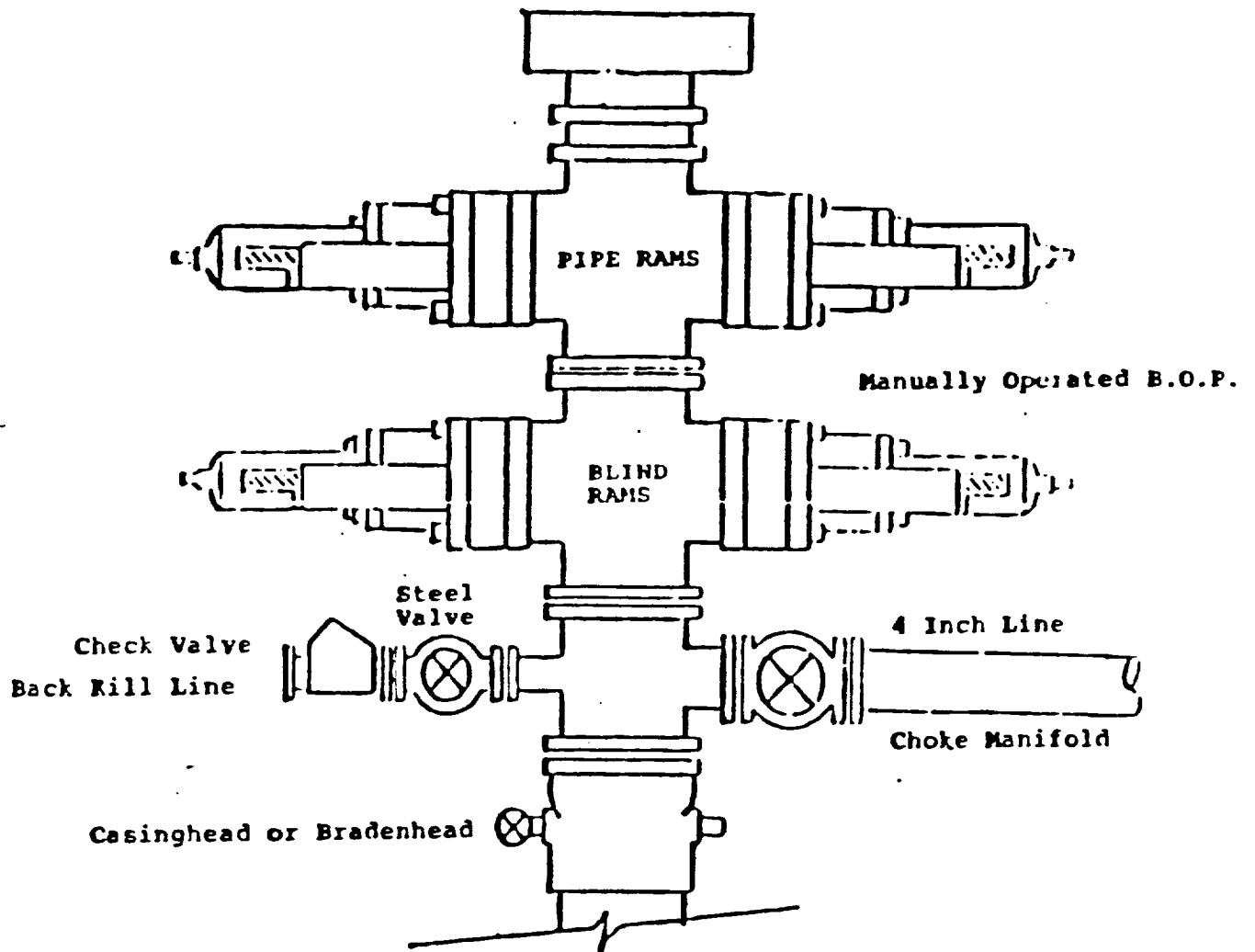
Registered Professional Engineer  
and/or Land Surveyor

*Dan R. Reddy*  
Certificate No.

NM PE&LS NO. 5412

**BOP DIAGRAM**

**RATED 30001**



SUPPLEMENTAL DRILLING DATA  
SIETE OIL AND GAS CORPORATION  
OSAGE FEDERAL NO. 7  
1980' FSL & 2080' FWL  
Section 35: T19S, R29E  
Eddy County, New Mexico  
Lease Number - NM-24160

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

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

B/Salt	1300'
Yates	1315'

3. Estimated depths to water, oil or gas:

Water: Approximately 220'  
Oil or Gas: 1425' - 1430'

4. Proposed casing program:

<u>Size</u>	<u>Interval</u>	<u>Weight</u>	<u>Grade</u>	<u>Joint</u>	<u>New or Used</u>
8 5/8"	0 - 350'	24.5#	J-55	ST&C	New
5 1/2"	0 - T.D.	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' - 1700': Drill out with native becoming brine.
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.  
  
Logging: Compensated Neutron - Formation Density - Gamma Ray - Caliper - Dual Laterolog - RXO.
9. No abnormal pressures or temperature zones are anticipated.
10. Anticipated starting date: Commence drilling operations ASAP.

**SURFACE USE PLAN  
FOR  
DRILLING, COMPLETING AND PRODUCING**

**SIETE OIL AND GAS CORPORATION  
Osage Federal No. 7  
1980' FSL & 2080' FWL  
Section 35: T19S, R29E  
Eddy County, New Mexico  
Lease Number: NM-24160**

<u>LOCATED:</u>	17 miles Northeast of Carlsbad, New Mexico
<u>FEDERAL LEASE NUMBER:</u>	NM-24160
<u>LEASE ISSUED:</u>	February 1, 1975
<u>RECORD LESSEE:</u>	Conoco, Inc.
<u>BOND COVERAGE:</u>	\$25,000 Bond of Siete Oil and Gas Operator
<u>ACRES IN LEASE:</u>	1320
<u>SURFACE OWNERSHIP:</u>	Federal
<u>GRAZING PERMITTEE:</u>	Snyder Ranches C/O Larry Squires P.O. Box 726 Lovington, NM 88260 Telephone: 393-7544
<u>POOL:</u>	Wildcat - Yates
<u>EXHIBITS:</u>	A. Area Road Map B. Topographic Map Showing Access Route C. Lease Map Showing Well Tests D. Sketch of Well Pad

### ROAD LOG TO PROPOSED DRILLSITE

Starting point being Pecos River Bridge - Carlsbad, New Mexico on Highway 62-180:

- 0.0      Proceed East - Northeast on Highway 62-180 for 13.5 miles.
- 13.5      Turn North (4/10 mile past mile marker 49) on County Road 238 and proceed North for 2.1 miles (end of County Road North).
- 15.6      Proceed North off County Road (Conoco - Tuesday Federal Sign) and proceed 4.1 miles.
- 19.7      Turn East and proceed 3/4 mile.
- 20.45      Location



## THIRTEEN POINT PROGRAM

### 1. EXISTING ROADS:

- A. Existing roads, which lead to the proposed drillsite, are shown on Exhibits "A" & "B".

### 2. PROPOSED NEW ROAD:

- A. No new access road will be necessary. Will use existing roads in their present state.
- B. Surfacing Materials: Caliche
- C. Maximum Grade: Less than 1%
- D. Turnouts: None required
- E. Drainage Design: None required
- F. Culverts: None required
- G. Cuts and Fills: Less than 1'
- H. Gates, Cattleguards: None required

### 3. LOCATION OF EXISTING WELLS:

- A. Existing wells are shown on Exhibit "C".

### 4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. If the proposed well is productive, will construct a tank battery on location.

### 5. LOCATION AND TYPE OF WATER SUPPLY:

- A. A water supply well is not planned. Water will be purchased and hauled to the well site over existing and proposed roads.

### 6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Construction material will be obtained from an existing federal pit in the SW $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 3: T20S, R29E.

### 7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.

- C. Water produced during tests will be disposed of in the drilling pits.
- D. Oil produced during tests will be produced into temporary test tanks.
- E. Trash, waste paper, garbage and junk will be buried in a trash pit and covered with a minimum of 24" of dirt. All waste material will be contained to prevent scattering by the wind. Location of the trash pit is shown on Exhibit "D".

8. ANCILLARY FACILITIES:

- A. None anticipated.

9. WELLSITE LAYOUT:

- A. The drillsite has been surveyed, staked and flagged.
- B. The dimensions and relative location of the drill pad, mud pits and the trash pits with respect to the wellbore are shown on Exhibit "D".
- C. The wellsite is nearly level and will not require any cut or fill. The drill pad will be surfaced with caliche.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations, all equipment and other materials not needed for operations will be removed. Pits will be filled and the location cleansed of all trash and junk to leave the wellsite in an aesthetically pleasing condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. After abandonment, all equipment, trash and junk will be removed and the location cleaned. Any special rehabilitation and/or special revegetation requirements of the surface management agency will be complied with and accomplished as expeditiously as possible.

11. OTHER INFORMATION:

- A. Topography: The surface is relatively flat. Drainage to Southwest.
- B. Soil: Reeves - Gypsumland complex.
- C. Flora and Fauna: Vicinity surrounding the drillsite is semi-arid desert rangeland. Vegetation is thinly scattered with desert shrubs interspersed with a small amount of native grasses. No wildlife was observed, rodents, coyotes, dove or quail.
- D. Ponds and Streams: None
- E. Residences and other Structures: A ranch house is located approximately 2 miles Northeast of location.

F. Archaeological, Historical and Other Cultural Sites: None were observed by this area. The pad area was archaeologized on November 16, 1988.

G. Land Use: Grazing and occasional hunting.

12. OPERATOR'S REPRESENTATIVE:

Representative responsible for assuring compliance with the approved Surface Use Plan:

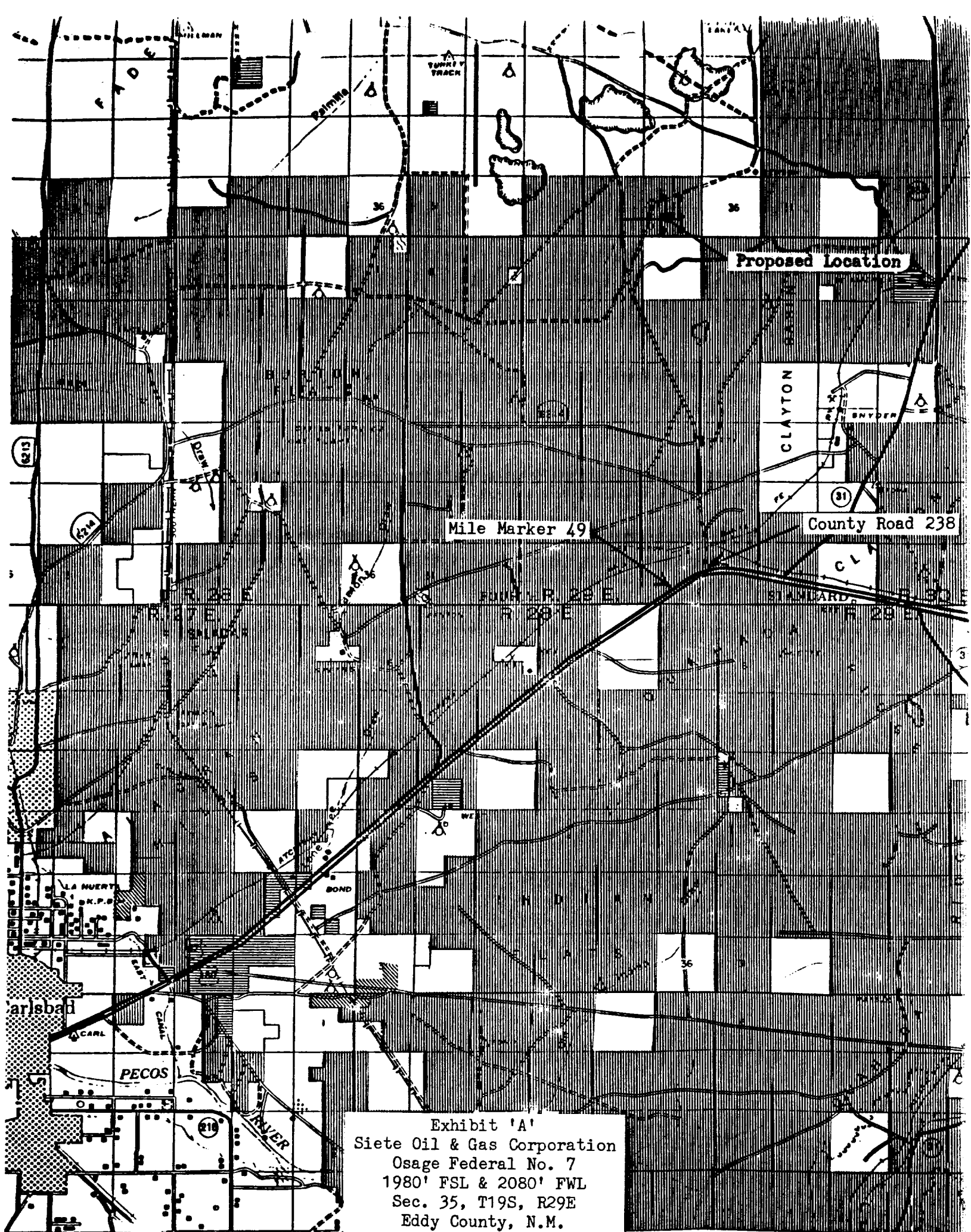
Harold D. Justice  
Petroleum Building, Suite 200  
200 West First  
Roswell, New Mexico 88201  
Office: 622-2202  
Home: 625-0072

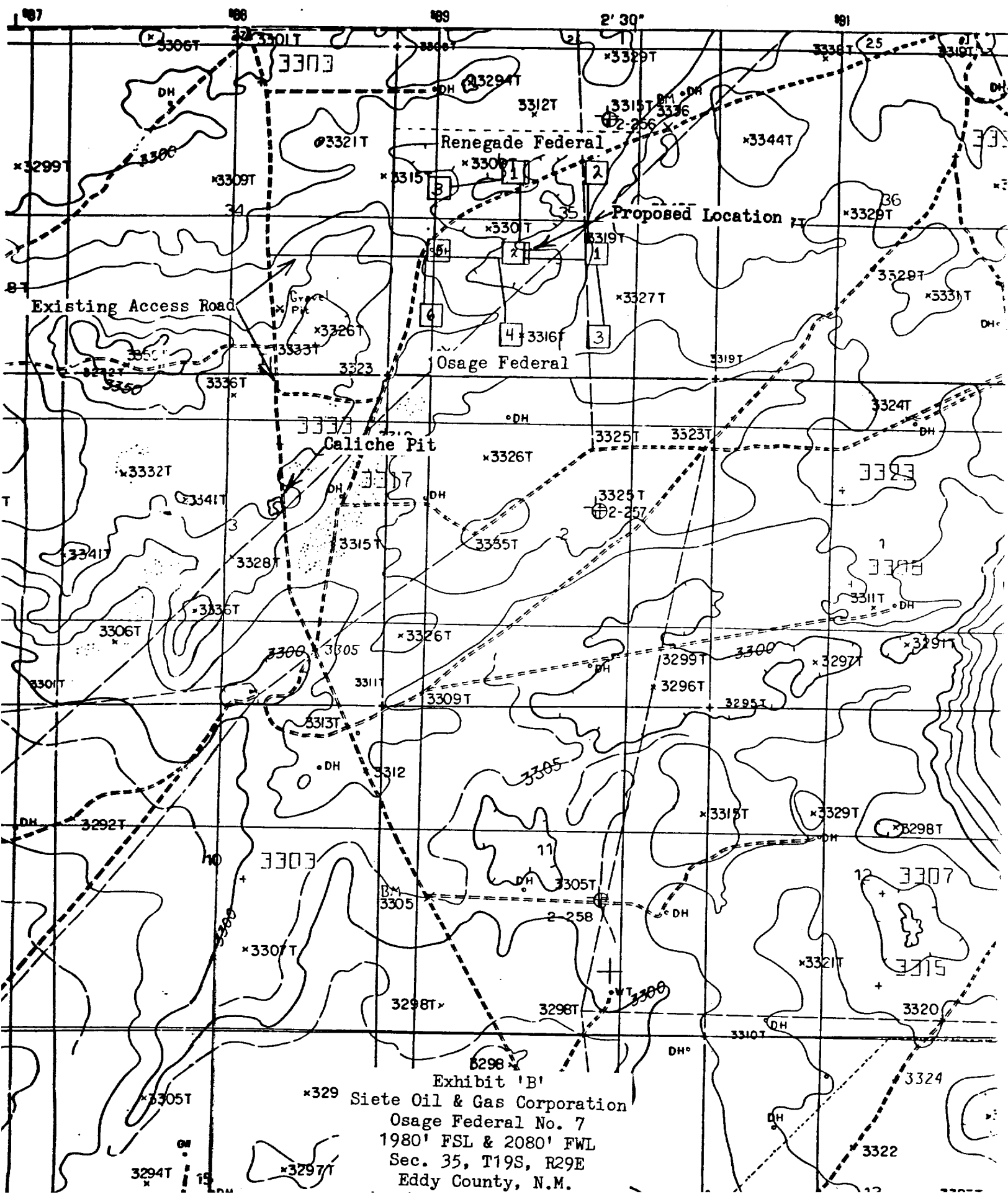
13. CERTIFICATION:

I hereby certify that I, or persons under my supervision have inspected the proposed drillsite and access road; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge true and correct; and that the work associated with operations proposed herein will be performed by SIETE OIL AND GAS CORPORATION, and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

**SIETE OIL AND GAS CORPORATION**

By: Harold D. Justice *CSB*  
Harold D. Justice.  
V. P. Drilling & Production





**ALMILLO**

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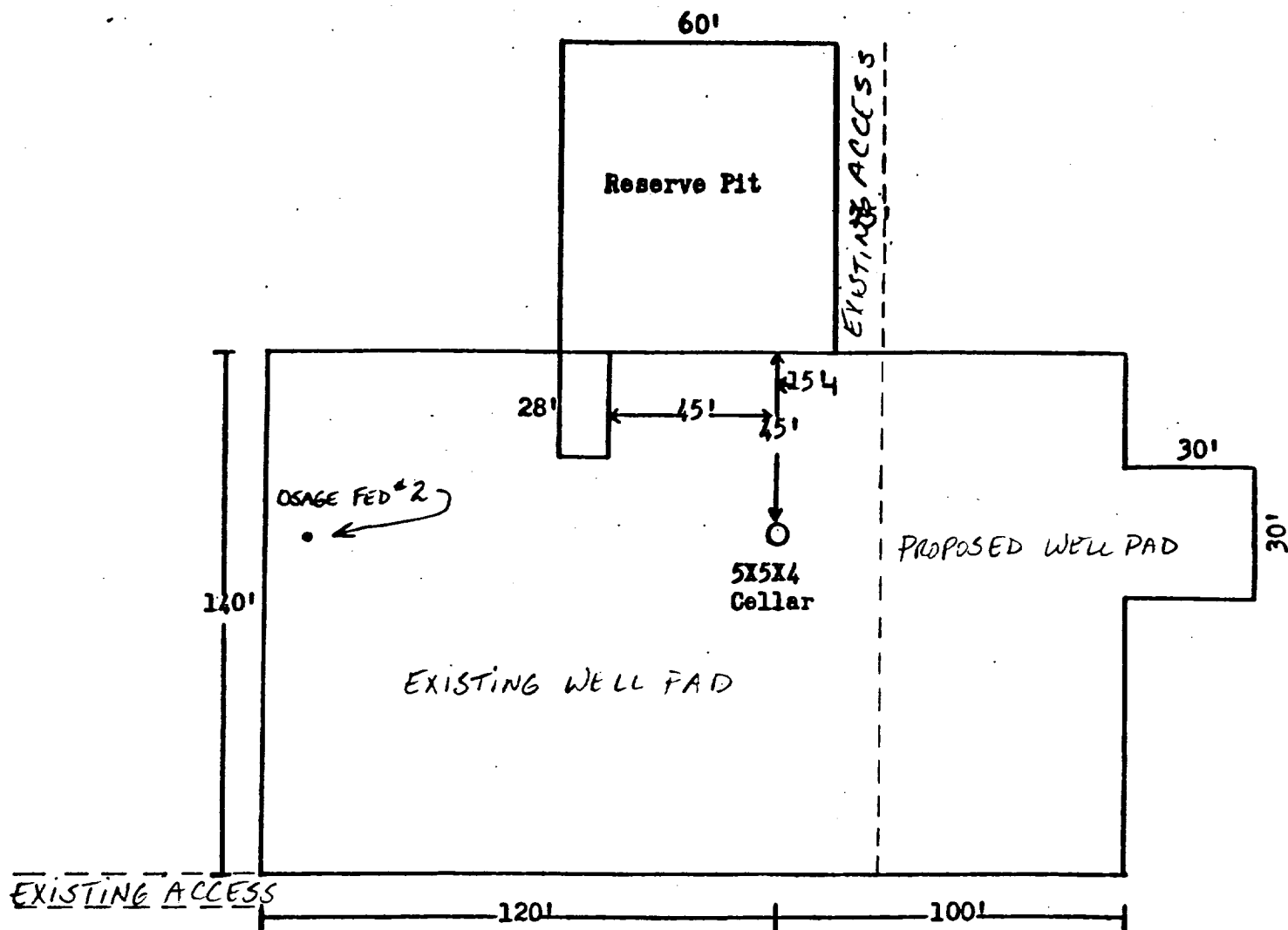
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I&M Drilling Rig No. 1

Exhibit 'D'  
 Siete Oil & Gas Corporation  
 Osage Federal No. 7  
 1980' FSL & 2080' FWL  
 Sec. 35, T19S, R29E  
 Eddy County, N.M.