

United States Department of the Interior



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

NR-24160 3162.41 (065) RECEIVED

DEC 29'88

O. C. D. ARTESIA, OFFICE

Siete Oil & Cas Corporation F.O. Box 2523 Roswell, New Mexico 88202-2523

Gentlemen:

Your application for Permit to Drill the Osage Federal No. 7 well in the NEWSWL 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 Unclosure

cc:

NMIOCD-Artesia - 2

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DEC 29 '88

O. C. O. ARTESIA, OFHICE

Form 3160-3 (November 1983) (formeriy 9-331C) SUBMIT IN PLICATE

Other instructions on reverse side)

30-015- 2605/ Form approved. Budget Bureau No. 1004-0136

UNITED STATES
DEPARTMENT OF THE INTERIOR

Budget Bureau No. 1004-0136 Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

| | BUREAU OF | LAND MANAG | EMENT | | | NM-24160 | | |
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| APPLICATION | N FOR PERMIT | TO DRILL, D | EEPEN, O | R PLUG B | ACK | 6. IF INDIAN, ALLOTTER OR | TRIBE NAME | |
| | ILL XX | DEEPEN [| | PLUG BAC | K 🗆 | 7. UNIT AGREEMENT NAME | | |
| | A8 | | SINGLE XX | MULTIPL | .E | 8. FARM OR LEASE NAME | - · · · · · · · · · · · · · · · · · · · | |
| 2. NAME OF OPERATOR | WELL SINE ZONE | | | | | Osage Federal | Osage Federal | |
| Siete Oil & Gas Corporation 3. ADDRESS OF OPERATOR | | | | | | 9. WELL NO. | | |
| | | | | | | 7 | | |
| P. O. Box 2523 Roswell, N.M. 88202-2523 | | | | | | 10. FIELD AND POOL, OR W | ILDCAT | |
| 4. LOCATION OF WELL (R | eport location clearly and | in accordance with | any State requ | irements.*) | | Wildcat - Yate | s | |
| 1980 F At proposed prod. zon | | NE SWY Uni | it Letter | ĸ | | 11. SBC., T., R., M., OR BLE. AND SUBVEY OR AREA | | |
| 4. DISTANCE IN MILES | Same AND DIRECTION FROM NEA | REST TOWN OR POST | OFFICE* | | | Sec. 35: T19S, | | |
| | s Northeast of | | | | | Eddy | N.M. | |
| 15. DISTANCE FROM PROPO | USED* | | 16. NO. OF ACE | ES IN LEASE | | OF ACRES ASSIGNED | | |
| PROPERTY OR LEASE I (Also to nearest dr) | INE, FT. | 1980' | 1320 | 1320 | | TO THIS WELL 40 | | |
| | RILLING, COMPLETED, | 100' | 19. PROPOSED D | EPTH | 20. ROTARY OR CABLE TOOLS | | | |
| OR APPLIED FOR, ON TH | | 100 | 1700 | | | Rotary 22. APPROX. DATE WORK | | |
| 21. ELEVATIONS (Show wh 3309 GR | emer Dr. KI, GK, ew.) | | | | | ASAP | WILL GIARI | |
| .3. |] | PROPOSED CASIN | G AND CEMEN | TING PROGRA | M | | | |
| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER PO | OT SET | TING DEPTH | | QUANTITY OF CEMENT | | |
| 12 ½" | 8 5/8" | 24.0# | 350 | <u>'</u> | 350 | 350 sks. circ. | | |
| 7 7/8" | 5 1/2" | 15.5# | 170 | 0' | 300 | sks.CIRCULATE | | |
| Selectively Perforate and treat pay zones. APPROVAL SUBJECT TO Attachments: GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS Survey plat (C-1027ACHED) Supplemental drilling data | | | | | CARLES TO AN 188 AREA HELD TO A | RECEIVED | | |
| Su | rface use plan | | | Nha | API -89 | | | |
| one. If proposal is to reventer program, if an | drill or deepen directions | proposal is to deepe illy, give pertinent | n or plug back, data on subsurf | give data on pre | sent prod | uctive sone and proposed ned and true vertical depths. | w productiv | |
| signed The | KIC JUSTIC | CCO TITL | V.P. Dri | lling/Prod | uction | 1 DATE 12/8/8 | 38 | |
| (This space for Fede | ral or State office use) | · · · · · · · · · · · · · · · · · · · | | | | | | |
| PERMIT NO. | | | APPROVAL | DATE | | | · | |
| APPROVED BYCONDITIONS OF APPROV | AL, IF ANY: | TITL | r | | | DATE | | |

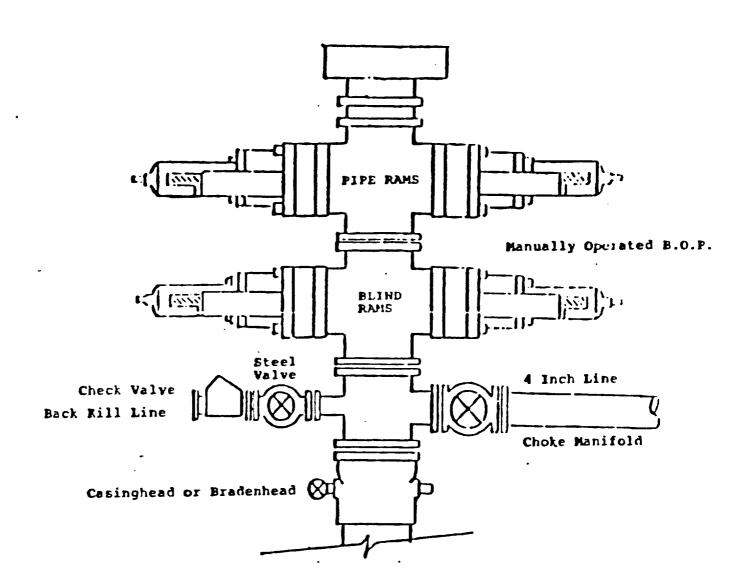
EW MEXICO OIL CONSERVATION COME TON WELL LOCATION AND ACREAGE DEDICATION PLAT

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

NM PE&LS NO. 5412

Effective 1-1-65 All distances must be from the outer boundaries of the Section Coerator Osage Federal SIETE OIL & GAS CORPORATION Unit Letter Township Range County 19 South 29 East Eddy County, N.M. Actual Footage Location of Well: 1980 So ut h 2080 feet from the West line and feet from the Ground Level Elev. Producing Formation Pool Dedicated Acreage: 3309. Yates Wildcat - Yates 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 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 V.P. Drilling & Production Siete Oil & Gas Corporation December 8, 1988 N R. RED 2080 that the same PROFESSIONA Date Surveyed November 16, 1988 Registered Professional Engineer and or Land Surveyor

BOP DIAGRAM RATEU 30001



1

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:

| Size | <u>Interval</u> | Weight | Grade | Joint | New or Used |
|---------|-----------------|--------|---------------|-------|-------------|
| 4 5 / 5 | 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

LOCATED:

17 miles Northeast of Carlsbad, New Mexico

FEDERAL LEASE NUMBER:

NM-24160

LEASE ISSUED:

February 1, 1975

RECORD LESSEE:

Conoco, Inc.

BOND COVERAGE:

\$25,000 Bond of Siete Oil and Gas Operator

ACRES IN LEASE:

1320

SURFACE OWNERSHIP:

Federal

GRAZING PERMITTEE:

Snyder Ranches C/O Larry Squires

P.O. Box 726

Lovington, NM 88260 Telephone: 393-7544

POOL:

Wildcat - Yates

EXHIBITS:

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.
- 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).
- 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

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 $SW_2^1NE_4^1$ of Section 3: T2OS, 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

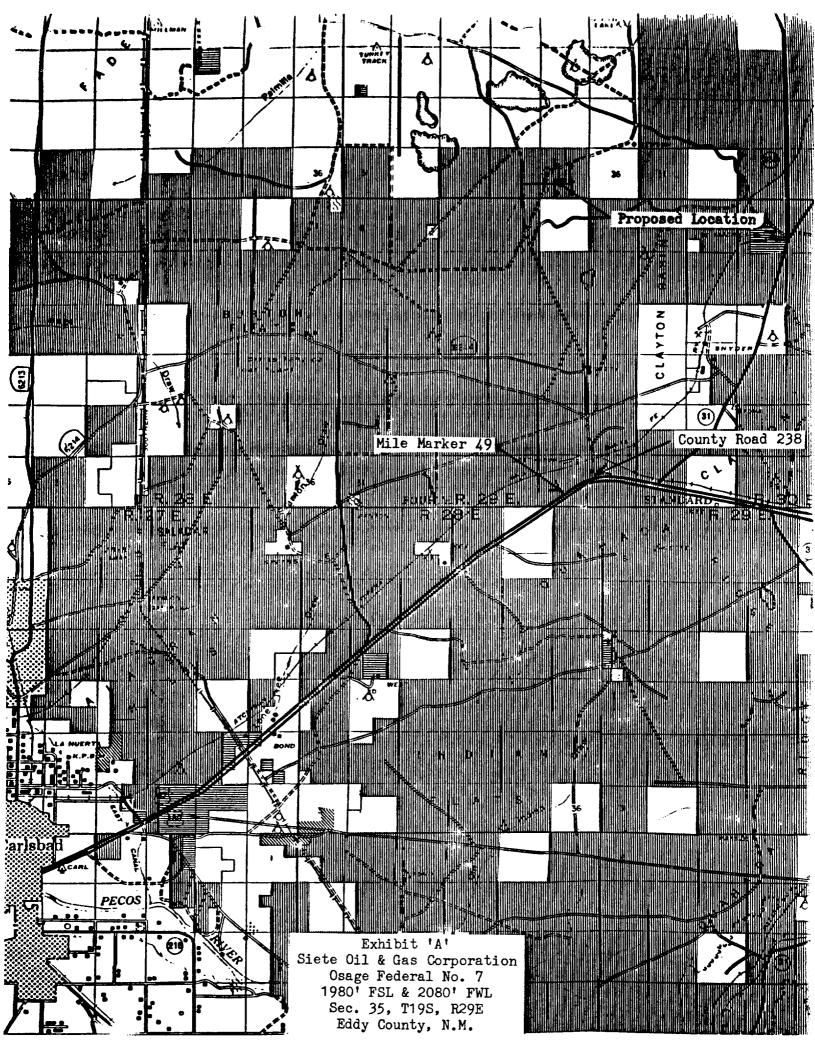
13. CERTIFICATION:

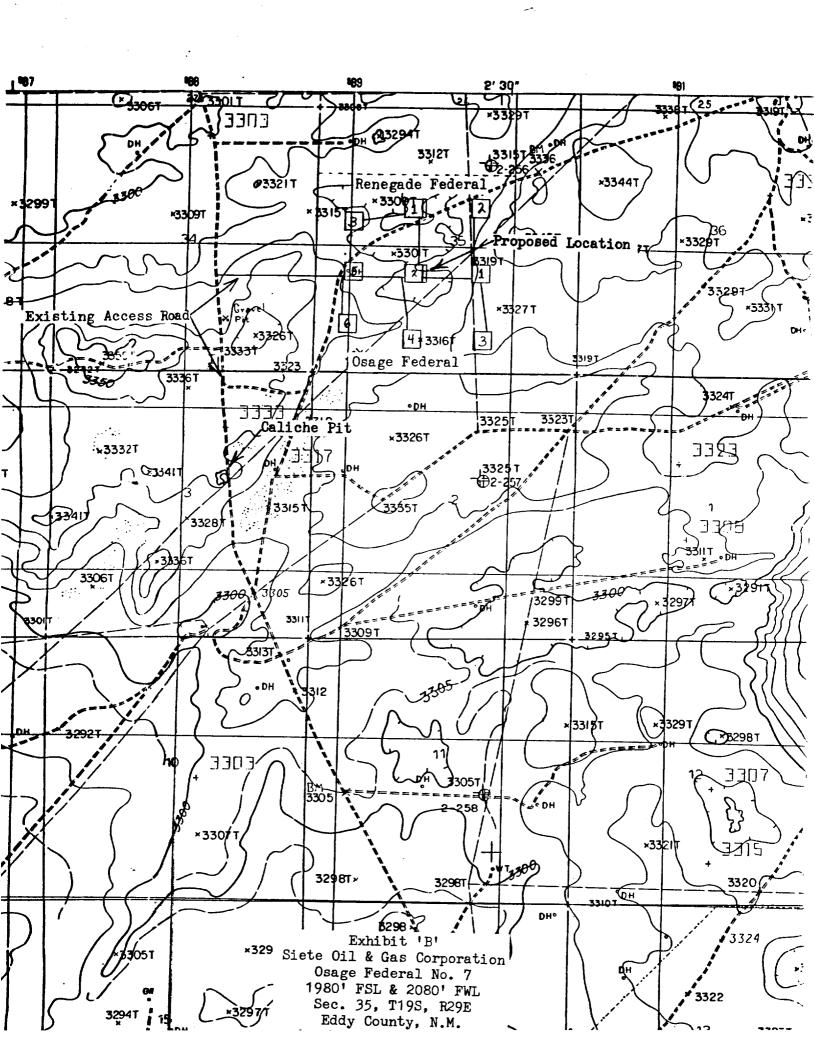
I hereby certify that I, or persons under my supervision have inspected the proposed drillsite and access road; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge true and correct; and that the work associated with operations 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

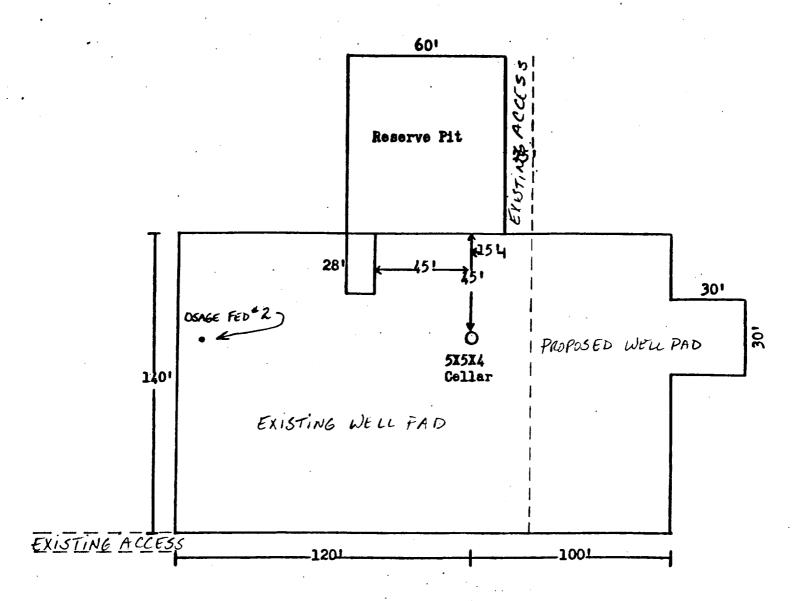
By: Harold D. Justice.

V. P. Drilling & Production





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LAM 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.