

# SIETE OIL & GAS CORPORATION

*Petroleum Building Suite 200  
P.O. Box 2523 Roswell, New Mexico 88201  
Telephone (505) 622-2202*

January 21, 1986

HAND DELIVERED

Richard Stamets  
Director, Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico 87501

Re: Application for Exception to Commission Rules  
303B and 309 for Geronimo Federal Lease,  
T-18-S, R-31-E, N.M.P.M., Section 24: E/2

Dear Mr. Stamets:

Siete Oil & Gas Corporation respectfully requests administrative approval of an exception to the above referenced rules on the above referenced lease.

The lease currently has four producing wells. The Geronimo #1 and #2 wells produce from the Yates-Seven Rivers-Queen-Grayburg pool. The other two wells, the Geronimo #3 and #4 wells produce from the Delaware pool.

The Geronimo #3 is a top allowable well. We have applied for a discovery allowable on this well, which, if approved, would increase the allowable on that well. The Geronimo #4 was recently completed, and although its initial "flush" production has been top allowable, we do not expect it to hold at that level.

The Geronimo #1 and #2 are not top allowable. Recent workovers on these wells resulted in initial production approaching top allowable, but they have since declined.

The oil properties from the two pools are very similar. An application is pending with the BLM for its approval of commingling the two pools on the surface, and we expect to receive approval this week.

The only difference in ownership of the oil from the two pools is that as to the Delaware pool, Siete owns a 1.0% override which we do not own in the Grayburg pool.

January 2, 1986

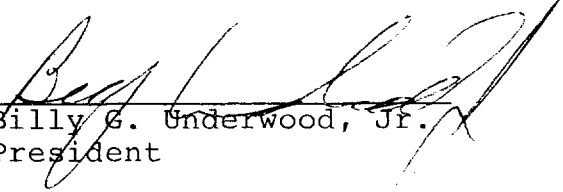
Page 2

We have attached to this letter a schematic of our present tank battery. We will work with your office in any reasonable manner to design and operate the battery in order to meet any requirements you may desire for your approval of surface commingling of the pools.

Yours truly,

SIETE OIL & GAS CORPORATION

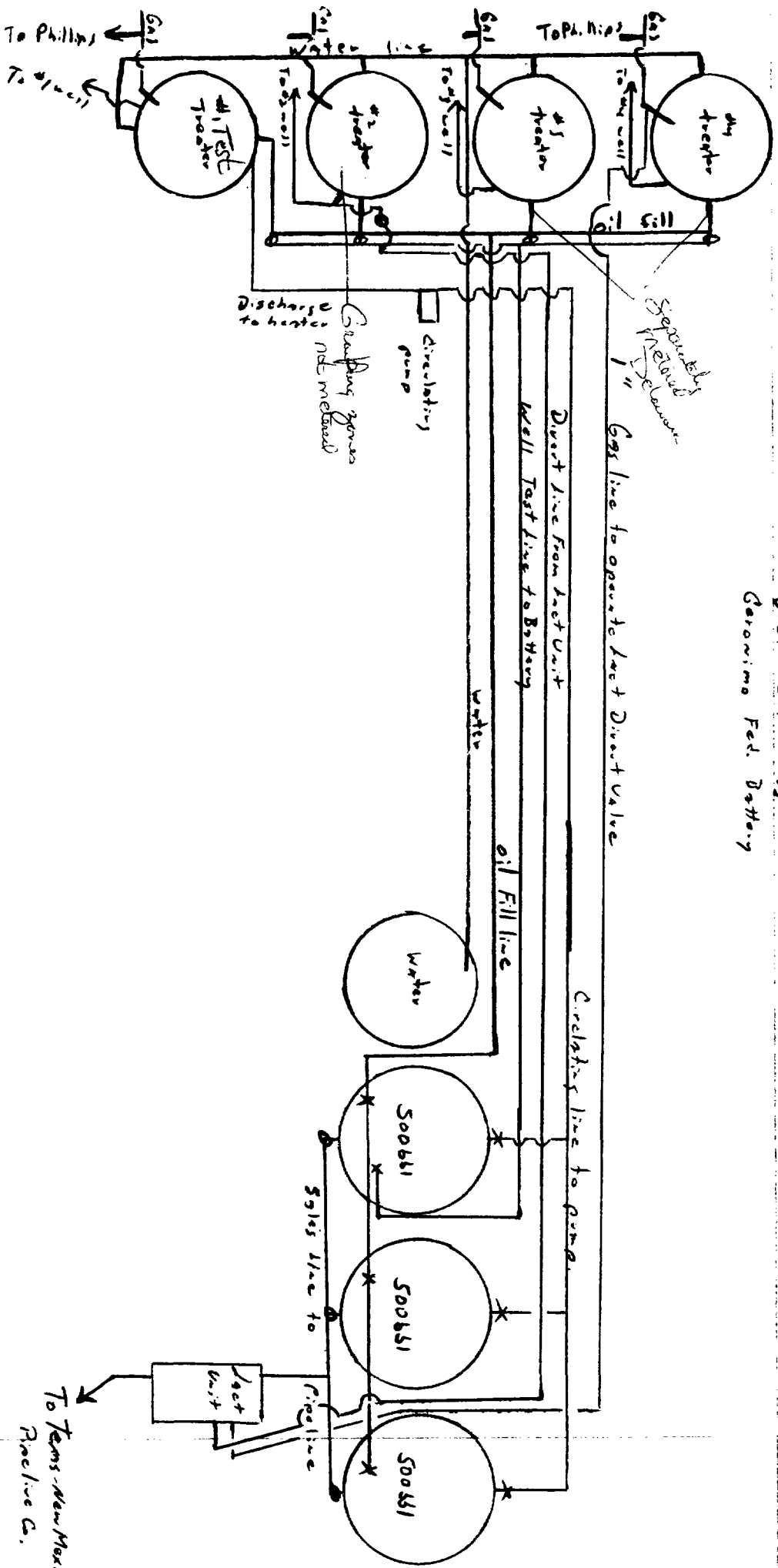
By:

  
Billy G. Underwood, Jr.  
President

Enclosure

BGU/klo

Site D.1 - Gas  
Geronimo Fed. Battery



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
(Other instructions on reverse side)

Expires August 31, 1985  
5. LEASE DESIGNATION AND SERIAL NO.  
NM-025777 ✓  
6. INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR Siete Oil and Gas Corporation	8. FARM OR LEASE NAME Geronimo Federal
3. ADDRESS OF OPERATOR P. O. Box 2523, Roswell, NM 88201	9. WELL NO.
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface	10. FIELD AND POOL, OR WILDCAT Shugart
14. PERMIT NO.	11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA Sec 24: T18S, R31E ✓
15. ELEVATIONS (Show whether DF, RT, GR, etc.)	12. COUNTY OR PARISH Eddy
	13. STATE NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	REPAIR OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREATMENT <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
ABANDON OR PLUGGING <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	

(Other) Surface Commingle (NE 4) X

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. IF PROPOSED TO COMPLETE OPERATION (Clearly state all pertinent details and give pertinent dates, including estimated date of starting and proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones part, and this work.)

\*Note: Sundry notice replaces sundry notice dated 1/20/86 concerning Surface Commingle. Submitted copy of Surface Commingle along with request for diagram of tank battery, mailed on 1/24/86.

Siete Oil & Gas Corporation requests approval to "Surface Commingle" (Common Tank Battery), the above reference lease. The subject wells on the lease being as follows.

Geronimo Federal #1 & #2 (Grayburg Formation)  
Geronimo Federal #3 & #4 (Delaware Formation)

Gravities for each oil is as follows:

Grayburg - 38° Delaware - 41°

Gravity of the two(2) different formations commingled will be 39.5° Both the Grayburg and Delaware formation are sour crude.

*Siete O&G Corp has 100% Operating Rights*  
Will install a meter (Non - Reset Counter) on both the Geronimo Federal #3 & Geronimo Federal #4 Wells which are producing from the Delaware Formation. Production from the Grayburg Formation (Geronimo Fed. #1 & #2) will be determined by using the subtraction method.

18. I hereby certify that the foregoing is true and correct.

SIGNED <i>[Signature]</i>	TITLE President	DATE 1/27/86
(This space for Federal or State office use)		
APPROVED <i>[Signature]</i>	TITLE	DATE 1-31-86
CONDITIONS OF APPROVAL, IF ANY:		

\*See Instructions on Reverse Side

## BUREAU OF LAND MANAGEMENT

## SUNDRY NOTICE AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Siete Oil & Gas Corporation		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR P. O. Box 2523, Roswell, NM 88201		8. FARM OR LEASE NAME Geronimo Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface		9. WELL NO.
14. PERMIT NO.		10. FIELD AND POOL, OR WILDCAT Shugart
15. ELEVATIONS (Show whether OF, ST, GR, etc.)		11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA Sec 24: T-18-S, R-31-E
		12. COUNTY OR PARISH 13. STATE

## 16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANE <input type="checkbox"/>	(Other) _____	
(Other) Surface Commingle		(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Siete Oil & gas Corporation requests approval to "Surface Commingle" (Common Tank Battery), the above reference lease. The subject wells on the lease being as follows:

Geronimo Federal #1 & #2 (Grayburg Formation)  
Geronimo Federal #3 & #4 (Delaware Formation)

Both the Grayburg and delaware formation are sour crude with similar gravity and other properties.

18. I hereby certify that the foregoing is true and correct

SIGNED

TITLE President

DATE 1/20/86

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

# SIETE OIL & GAS CORPORATION

## State & Federal Forms Check List

### Federal Leases Only

		<u>Federal</u>	<u>State</u>	<u>Transporter</u>
(A) _____	Fed. Form, Application for Permit to Drill, Deepen, or Plug Back(3160-3)	1-0 6-C	-0-	-0-
(B) _____	Fed. Form, Sundry Notice(3160-5) [Spud & Set Surface Casing]	1-0 6-C	5	-0-
(C) _____	Fed. Form, Sundry Notice(3160-5) [T.D. & Long String]	1-0 6-C	5	-0-
(D) _____	Fed. Form, Sundry Notice(3160-5) [Completion]	1-0 6-C	5	-0-
(E) _____	Fed. Form, Well Completion(3160-4)	1-0 6-C	5	-0-
(F) _____	State Form, Gas-Oil Ratio Test(C-116)	1-0 6-C	5	-0-
(G) _____	State Form, Reservoir Pres. Report(C-124)	1-0 6-C	5	-0-
(H) _____	State Form, Request for Allowable(C-104)	-0-	5	1
(I) _____	Deviation Survey	7	5	-0-
(J) _____	Open Hole Log	2	1	-0-
(K) <input checked="" type="checkbox"/>	Cover letter on transmittle of all forms	1	1	1
(L) <input checked="" type="checkbox"/>	<i>Sundry Commingle of Geronimo Fed. Wells.</i>			

\*O - Original

\*C - Copies



# SIETE OIL & GAS CORPORATION

Petroleum Building Suite 200  
P.O. Box 2523 Roswell, New Mexico 88201  
Telephone (505) 622-2202

Date: 1/27/86

STATE OF NEW MEXICO  
Oil Conservation Division  
P. O. Drawer DD  
Artesia, New Mexico 88210

RE: *Geronimo Wells*

Gentlemen:

Please find enclosed the following:

		<u>Original</u>	<u>Copies</u>	<u>Sets</u>
(A) _____	State Form, Request for Allowable(C-104)	1	4	
(B) _____	State Form, Gas-Oil Ratio Test(C-116)	1	4	
(C) _____	State Form, Reservoir Pres. Report(C-124)	1	4	
(D) <input checked="" type="checkbox"/> _____	Fed. Form, Sundry Notice(3160-5) <i>Commingle of Geronimo Wells</i>		5	
(E) _____	Fed. Form, Well Completion(3160-4)		5	
(F) _____	Deviation Survey		5	
(G) _____	Open Hole Logs			1
(H) _____	Other _____			
	_____			
	_____			

Sincerely yours,  
SIETE OIL & GAS CORPORATION

By *Mickey Brewer*