

NEW MEXICO COMMISSION
Drawer DD UNITED STATES
Artesia, NM 88210
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form 3160-5
(June 1990)

30-015-10356
FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

DEC 23 10 25 AM '92

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a closed reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

Siete Oil and Gas Corporation

3. Address and Telephone No.

P.O. Box 2523, Roswell, NM 88202-2523

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec. 23, T18S, R31E
660' FNL & 1980' FWL
NE $\frac{1}{4}$ NW $\frac{1}{4}$, Unit Letter C

O. C. D.
ARTESIA

Re-entry

5. Lease Designation and Serial No.

NM-2938

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Panco Federal #1

9. API Well No.

30-015-10356

10. Field and Pool, or Exploratory Area

Shugart Y-7Rvrs-Q-GB

11. County or Parish, State

Eddy NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☒ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

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

13. 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.)*

Well was drilled by Penroc Oil Co. in 1964 to Delaware formation @ 5164'. The Delaware Sand was non-productive & plugged in July 1964. Arco re-entered & completed this well in the Queen formation in 1967' & P&A'd well in 1989, see attached schematic. Siete is proposing to re-enter the well, put in on production facilities for a while & eventually convert it to a water injection well in the Queen formation. Below is the proposed re-entry prognosis.

1. Upgrade lease road & location.
2. Install wellhead.
3. Drill out plugs in 4 $\frac{1}{2}$ " csg to 1000', test csg to 1000 psi.
4. Drill out plugs to 3360', test csg to 1000 psi.
5. Drill CIBP @ 3360'.
6. Clean out 4 $\frac{1}{2}$ " csg to 3520'+-.
7. Re-perf & treat Queen formation if needed.
8. Turn to production facilities.

OTD-5184

Post ID-
1-29-93
Re-entry

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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

Signed Donald R. Quatman

Title Exec. V.P.

Date 12/29/92

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

Date 1-15-93

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
TRANSPORTER	OIL GAS
PRODUCTION OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT
 SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

FORM C-128
 Revised 5/1/57

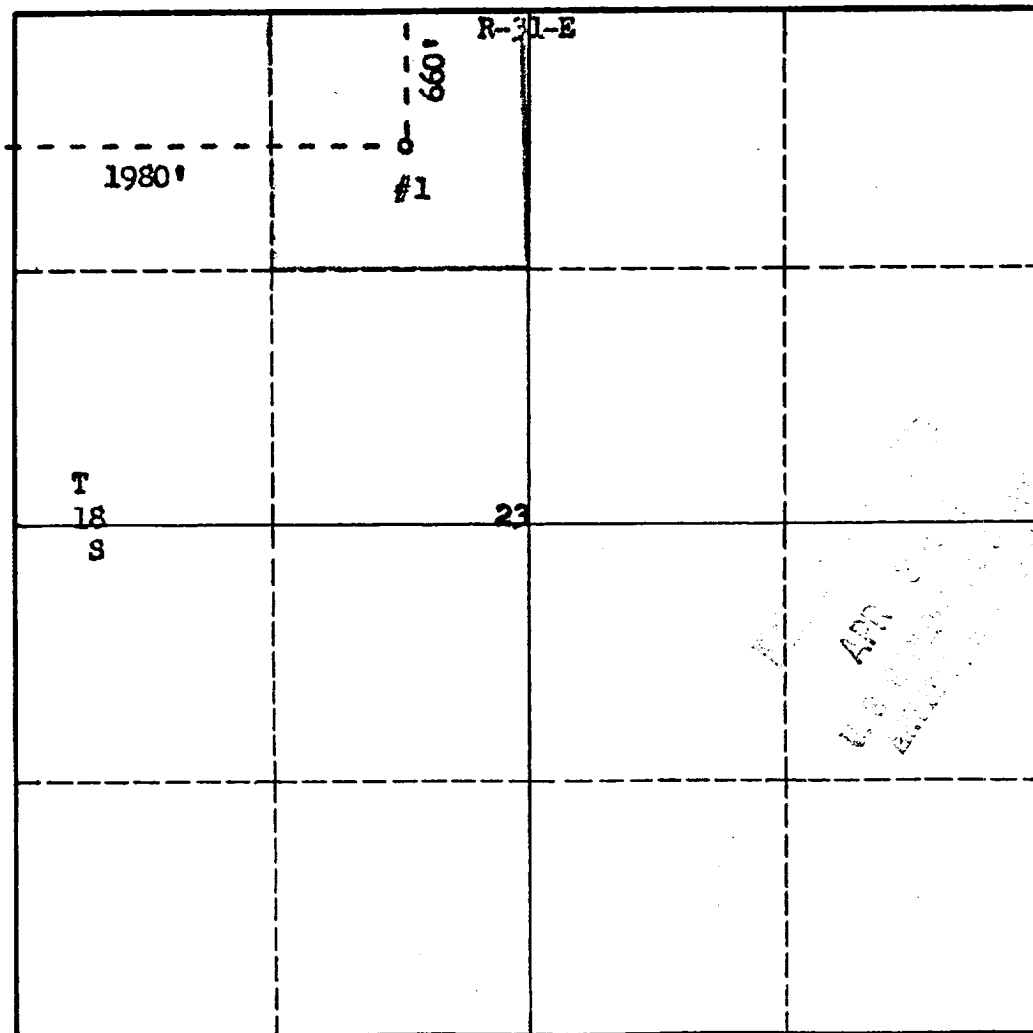
SECTION A

Operator Penroc Oil Corporation		Lease Panco - Federal		Well No. 1
Unit Letter C	Section 23	Township T-18-S	Range R-31-E	County Eddy
Actual Footage Location of Well: 660 feet from the North line and 1980 feet from the West line				
Ground Level Elev. 3693	Producing Formation Delaware		Pool Wildcat	Dedicated Acreage: 40 Acres

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ☐ . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ☐ NO ☐ . If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B



CERTIFICATION

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name	J. B. Castle
Position	President
Company	Penroc Oil Corporation
Date	April 3, 1964

I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed	March 31, 1964
Registered Professional Engineer and/or Land Surveyor	James H. Loran
Certificate No.	542

SUPPLEMENTAL DRILLING DATA
SIETE OIL AND GAS CORPORATION
PANCO FEDERAL #1
660' FNL & 1980' FWL
Section 23: T18S, R31E
Eddy County, New Mexico
Lease Number: NM-2938

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

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

Anhydrite	727'
Salado Salt	946'
Yates	2230'
Queen	3411'

3. Estimated depths to water, oil or gas:

Water:	Approx. 350'
Oil or Gas:	2230'

4. Existing 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"	618'-808'	24#	----	---	Used
7"	0'-859'	20"	----	---	Used
4 1/2"	0'-3541'	9.5# & 10.5#	----	---	Used

5. Pressure Control Equipment: The blowout preventer will be a manual operated double ram BOP.
6. Mud Program:
0-3520': Fresh water.
7. Auxiliary Equipment: A kelly cock will be installed on the rig floor while drilling operations are in progress.
8. Testing, logging & coring programs: None anticipated.
9. No abnormal pressures or temperature zones are anticipated. According to the information in this area, there has not been H₂S encountered while drilling formations from surface to T.D. Therefore, we do not have any contingency plans for this well.
10. Anticipated starting date: Commence drilling operations ASAP.

SURFACE USE PLAN
FOR
DRILLING, COMPLETING AND PRODUCING

SIETE OIL AND GAS CORPORATION
Panco Federal No. 1
660' FNL & 1980' FWL
Section 23: T18S, R31E
Eddy County, New Mexico
Lease Number: NM-2938

LOCATED: 15.1 miles Southeast of Loco Hills, New Mexico

FEDERAL LEASE NUMBER: NM-2938

LEASE ISSUED: September 1, 1967

RECORD LESSEE: Atlantic Richfield Company

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

ACRES IN LEASE: 400

SURFACE OWNERSHIP: Federal

GRAZING PERMITTEE: Virgil Linan Estate

POOL: Shugart Yates-7Rvrs-Q-GB

EXHIBITS:

- A. Area Road Map
- B. Topographic Map Showing Access Route
- C. Lease Map Showing Well Site
- D. Sketch of Well Pad

ROAD LOG TO PROPOSED DRILLSITE

Starting point being the intersection 82 & 222 East of Loco Hills:

- 0.00 Turn South on 222 and proceed 4 miles to County Road 249.
- 4.00 Turn Southeast on County Road 249 and proceed for 2.5 miles.
- 6.50 Turn Northeast on lease road and proceed .75 miles.
- 7.25 Location.

THIRTEEN POINT PROGRAM

1. EXISTING ROADS:
 - A. Existing access 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.
3. LOCATION OF EXISTING WELLS:
 - A. Existing wells are shown on Exhibit "C".
4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:
 - A. If well is productive, we propose to lay approx. 1400' 2" polyurethane pipe to the Arco Federal #4 (Sec. 23, T18S, R31E, NW $\frac{1}{4}$ NE $\frac{1}{4}$).
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 roads.
6. SOURCE OF CONSTRUCTION MATERIALS:
 - A. Construction materials will be obtained from a federal pit located in Section 24, T18S, R31E, SW $\frac{1}{4}$ NE $\frac{1}{4}$.
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 injected in the injection wells in the area by way of our Arco Federal #4.
 - D. Oil or condensate produced during tests, will be put into frac tanks.
 - E. Trash, waste paper, garbage and junk will be stored in a trash trailer. All waste material will be contained to prevent scattering by the wind. Afterwards, it will be disposed of in an approved landfill.
8. ANCILLARY FACILITIES:
 - A. None planned.

9. WELLSITE LAYOUT:

- A. The dimensions and location of the well site and mud pits with respect to the wellbore are shown on Exhibit "D".
- B. The wellsite is nearly level and will not require any cut or fill. The well pad will be surfaced with caliche.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of re-entry 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 the Southwest.
- B. Soil: Sandy Loam.
- 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: None in the area.
- F. Archaeological, Historical and Other Cultural Sites: None were observed in this area.
- 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 88202
Office: 622-2202
Home: 625-0072

13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently 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. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

SIETE OIL AND GAS CORPORATION

Date: 12/28/92

BY: Harold D. Justice
Harold D. Justice
Executive Vice President

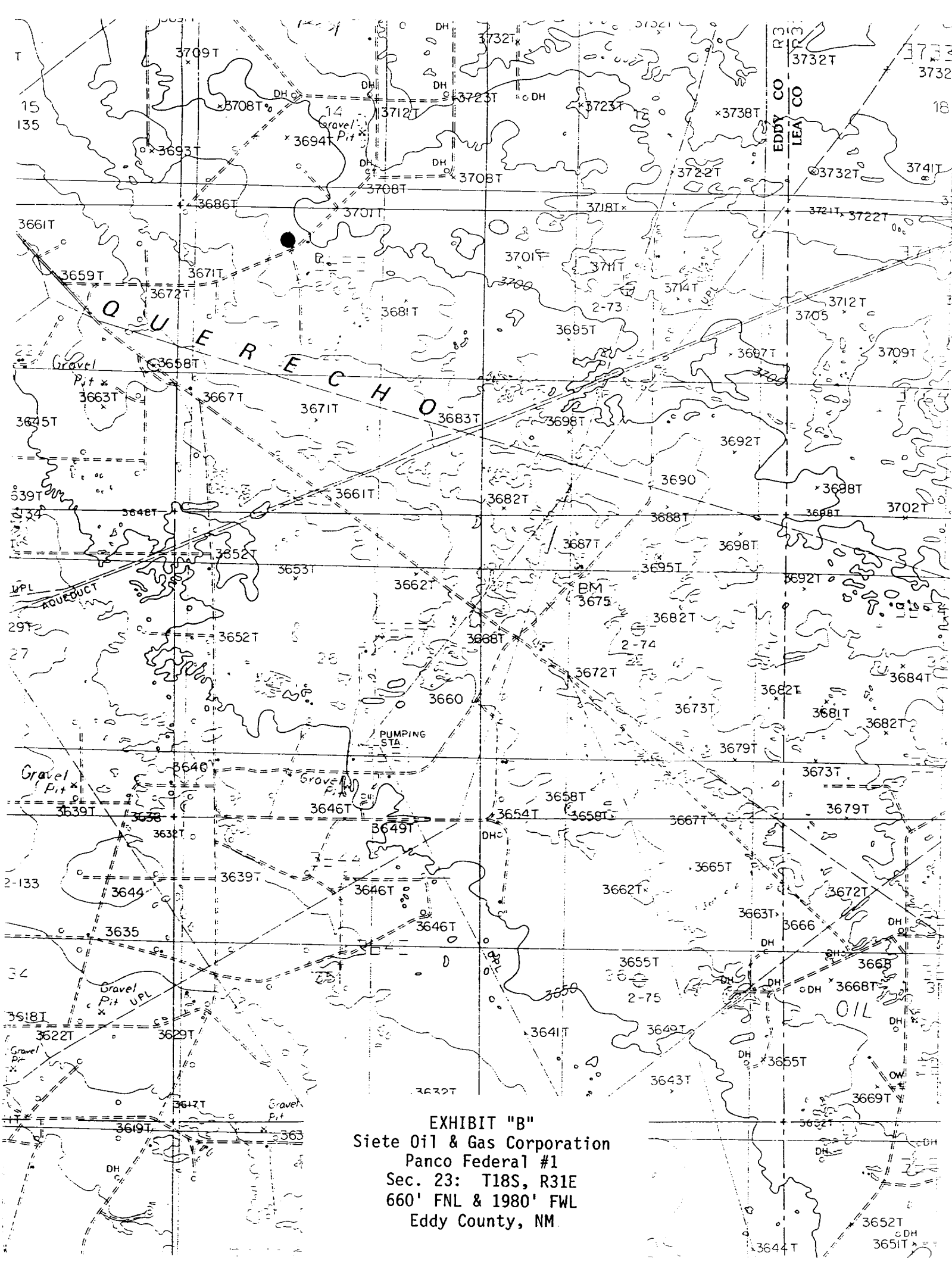
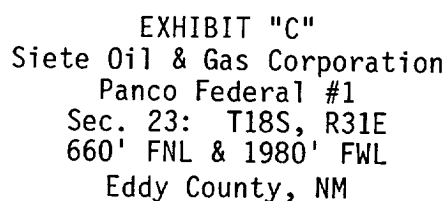


EXHIBIT "B"
Siete Oil & Gas Corporation
Panco Federal #1
Sec. 23: T18S, R31E
660' FNL & 1980' FWL
Eddy County, NM



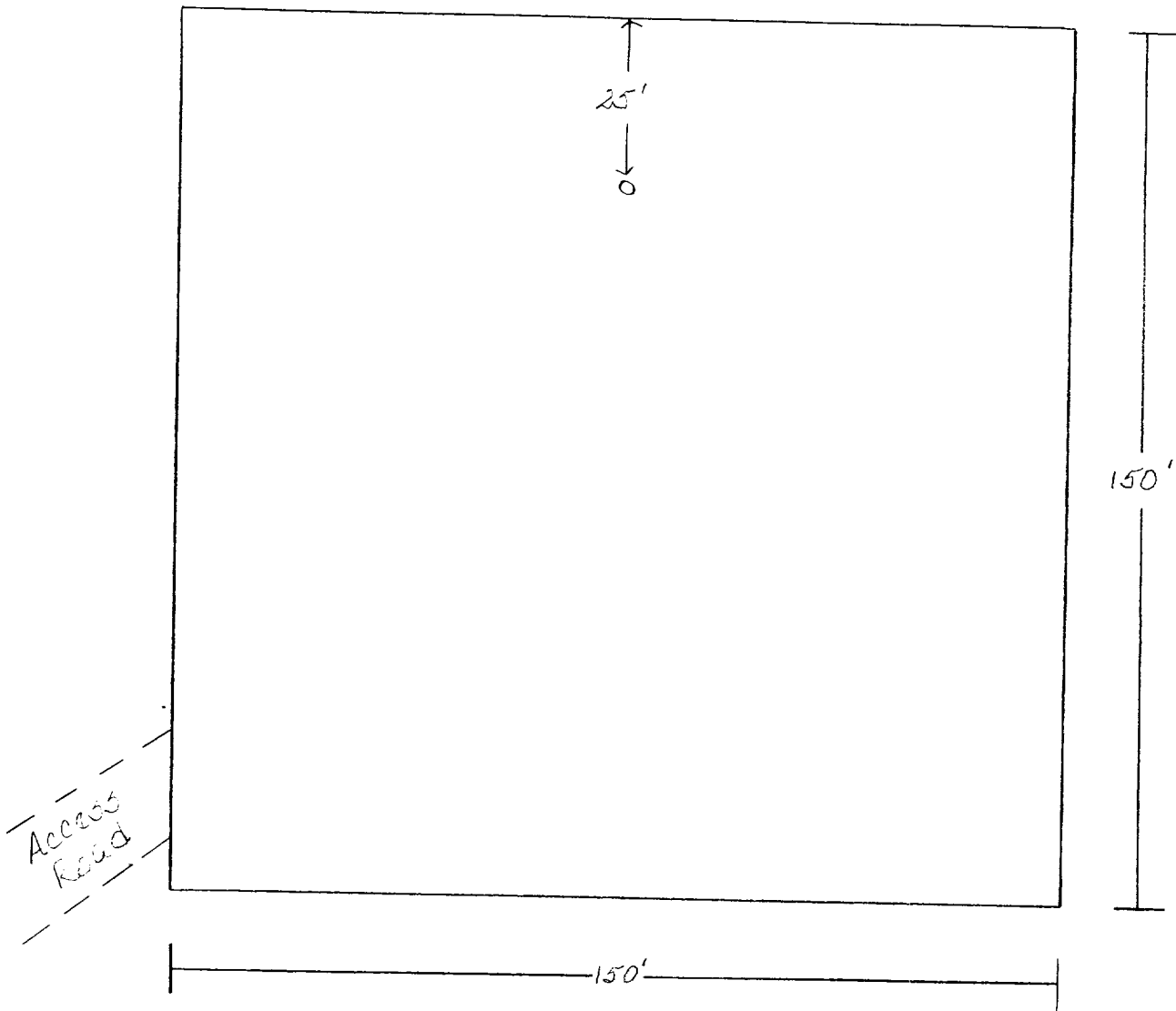
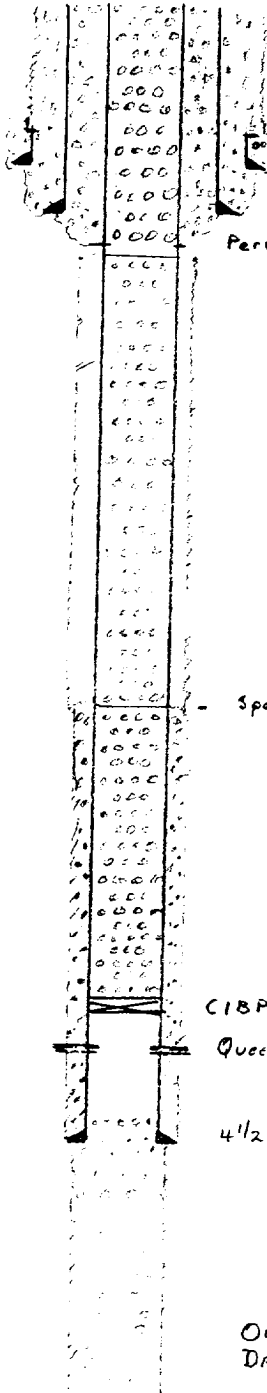


EXHIBIT "D" :
Siete Oil & Gas Corporation
Panco Federal #1
Sec. 23: T18S, R31E
660' FNL & 1980' FWL
Eddy County, NM

DE OIL CONS. COMMISSION

DEWITT

1961, 11' 18216



8 5/8" 24# @ 808' - 618' - "618' 8 5/8" PULLED WHEN ORIGINALLY RUN BY PENROCK

7" 20# @ 854' 150 SKS. CIRCULATED

Perf @ 910' CIRCULATED CEMENT W/ 223 SKS.

- Spot 100 SK. Plug 2100' - 935'

CIBP @ 3360' Spot 100 SK. Plug 3360' To 2100'

Queen Perfs. 3441' - 48' & 3454' - 56'

4 1/2" @ 3541' By ARCO IN 1967

CEMENTED W/ 400 SKS CLASS "C" CEMENT W/ 18% SALT, 6% GEL & 2% CACEL
TOC OUTSIDE 4 1/2" WAS @ 2100'

OLD TD 5184' Well Was Re-entered & PB To 3555' & 4 1/2" CASING WAS SET @ 3540'
DRILLED BY PENROCK OIL CORP. IN 1964

RECEIVED

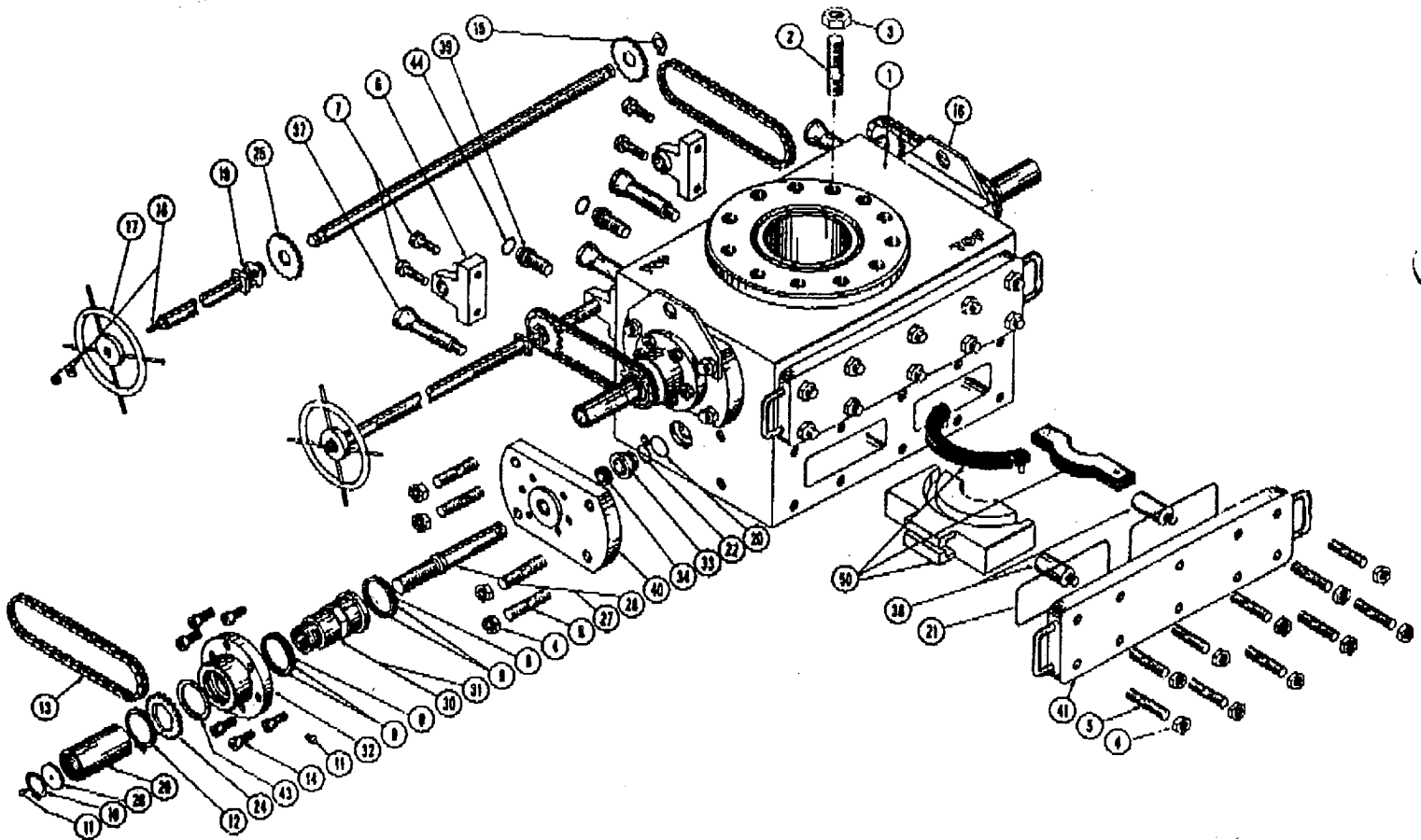
DEC 29 10 23 AM '92

CALL
1001

"TROJAN" Mechanical Blowout Preventer

Features:

- One man can open or close the "TROJAN."
- A large 45" diameter handwheel is furnished for ease of operation.
- Timing problems are minimized compared to older designed B.O.P.'s
- Thrust loads are carried by high capacity needle bearings.
- Grease fittings on the bonnet assembly allow the bearings to be lubricated.
- Sprocket protector on the body protects sprocket and drive bar.
- Lifting plates are provided for ease of handling.
- All maintenance can be done with standard tools. No special tools are required.
- Barrier ring between stem nut and bonnet eliminates side loading during opening and closing of the rams.
- The mechanical "TROJAN" can be converted to the hydraulic version.



ATTN: Harold Justice