

CONFIDENTIAL

APPLICATION FOR DISCOVERY ALLOWABLE AND CREATION OF A NEW POOL

NOTE: This form is to be filed and attachments made in accordance with the provisions of Rule 509. If discovery is claimed for more than one ~~claim~~ separate forms must be filed for each.

Operator Siete Oil and Gas Corporation		Address P.O. Box 2523, Roswell, NM 88201	
Lease Name Geronimo Federal		Well No.	County Eddy
Well Location Unit Letter <u>A</u> ; <u>890</u> Feet from The <u>North</u> Line and <u>990</u> Feet			
From the <u>East</u> Line of Section <u>24</u> , Township <u>18 South</u> , Range <u>31 East</u> , NMMN <u>Eddy</u>			
Suggested Pool Names (List in order of preference) 1. Querecho Delaware 2. East Shugart Delaware 3.			
Name of Producing Formation Brushy Canyon-Delaware		Perforations 5012' to 5069'	Date of Filing Form C-104 10/7/85
Was "Affidavit of Discovery" Previously Filled For This Well in this Pool? No		If Yes, Give Date of Filing	Date Well was Spudded 9/1/85
Total Depth 6470'		Plugged Back Depth 6459'	Date Compl. Ready to Prod. 10/2/85
Depth Casing Shoe 6470'		Tubing Depth 4965.5'	Elevation (Gr., DF, RKB, RT, etc.) 3706'GR
Oil Well Potential (Test to be taken only after all load oil has been recovered) 166 Bbls, Oil Per Day Based On 166 Bbls In 24 Hours; 280 Bbls Water Per Day Based On 280 Bbls			
In 24 Hours; Gas Production During Test: 100 est MCF	Gas-Oil Ratio: 602/1	Method Of Producing: flowing	Chk. Size: 24/64

NEAREST PRODUCTION TO THIS DISCOVERY (Includes past and present oil or gas producing areas and zones whether this discovery is based on horizontal or vertical separation):	Oil	Gas	Other

Pool Name	Name of Producing Formation	Top of Pay	Bottom of Pay	Currently Producing?
Shugart	Grayburg	4262'	4280'	yes
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Pool		Vertical Distance from Subject Discovery Zone to Producing Interval in this Pool		
1320' West		745'		

NEAREST COMPARABLE PRODUCTION (includes past and present oil or gas production from this pay or formation only):

NEAREST COMPARABLE PRODUCTION (includes past and present oil and gas production)			
Pool Name	Top of Pay	Bottom of Pay	Currently Producing?
Shugart Delaware	4970'	5010'	yes
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool			
2 miles West	Gulf Little-Field AB#1	660' FWL & 660' FSL, Section: 22	

Is "County Deep" Discovery Allowable Requested for Subject Discovery Well?	If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in this County
no	

Is the Subject Well Multiple Completion? no	Is Discovery Allowable Requested for other Zone(s)? no	If Yes, Name all Such Formations
--	---	----------------------------------

LIST ALL OPERATORS OWNING LEASES WITHIN ONE MILE OF THIS WELL (Attach additional sheet if necessary)

NAME	ADDRESS
Arco Oil and Gas Corporation	P.O. Box 1610, Midland, Texas 79702
Westall and Mask	Loco Hills, New Mexico 88255

Attach evidence that all of the above operators have been furnished a copy of this application. Any of said operators who intends to object to the designation of the subject well as a discovery well, eligible to receive a discovery allowable, must notify the appropriate District Office and the Santa Fe Office of the Division of such intent in writing within ten days after receiving a copy of this application.

Remarks:

CERTIFICATION

CERTIFICATION

I hereby certify that all rules and regulations of the New Mexico Oil Conservation Division have been complied with, with respect to the subject well, in that it is my opinion that a bona fide discovery of a hitherto unknown common source of oil supply has been made in said well. I further certify that the discovery is allowable for the subject well, if authorized, will be produced from the subject zone in said well only. Further, that the information given herein is attached hereto is true and complete to the best of my knowledge and belief.

Production Supervisor

December 12, 1985

1354