



United States Department of the Interior



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

NM-24160 (PD)
3162 (065)

RECEIVED

SEP 09 1988

SEP 13 '88

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

O. C. D.
ARTESIA, OFFICE

Gentlemen:

Your application for Permit to Drill well No. 2 Osage Federal in the NE1/4SW1/4 sec. 35, T. 19 S., R. 29 E., Eddy County, New Mexico, lease NM-24160, to a depth of 6000 feet to test the Delaware 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.

Sincerely,

Orig. Sgd. Francis R. Cherry, Jr.

Francis R. Cherry, Jr.
District Manager

1 Enclosure

cc:

NMOCD - 2 Artesia

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT TRIPLICATE
(Other instructions on
reverse side)

38-015-25984
Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

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, New Mexico 88202-2523

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

At surface

1980' FSL & 1980' 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 drlg. 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.

1320'

19. PROPOSED DEPTH

6000'

20. ROTARY OR CABLE TOOLS

Rotary

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

3309

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
17 $\frac{1}{2}$ "	13 $\frac{3}{8}$ "	54.0#	350'	500 sks. circ.
12 $\frac{1}{4}$ "	8 $\frac{5}{8}$ "	24.0#	2500'	1200 sks. circ.
7 $\frac{7}{8}$ "	5 $\frac{1}{2}$ "	17.0#	6000'	1500 sks.

Selectively perforate and treat pay zones.

Attachments:

Survey plat (C-102)
Supplemental drilling data
Surface use plan

RECEIVED
AUG 22 0 21 PM '88
CUBA
ARE

POST ID#1
NL&API
9-16-88

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

V.P. Drilling/Production

TITLE V.P. Drilling/Production

DATE August 12, 1988

(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

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

AUG 12 1988

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

All distances must be from the outer boundaries of the Section

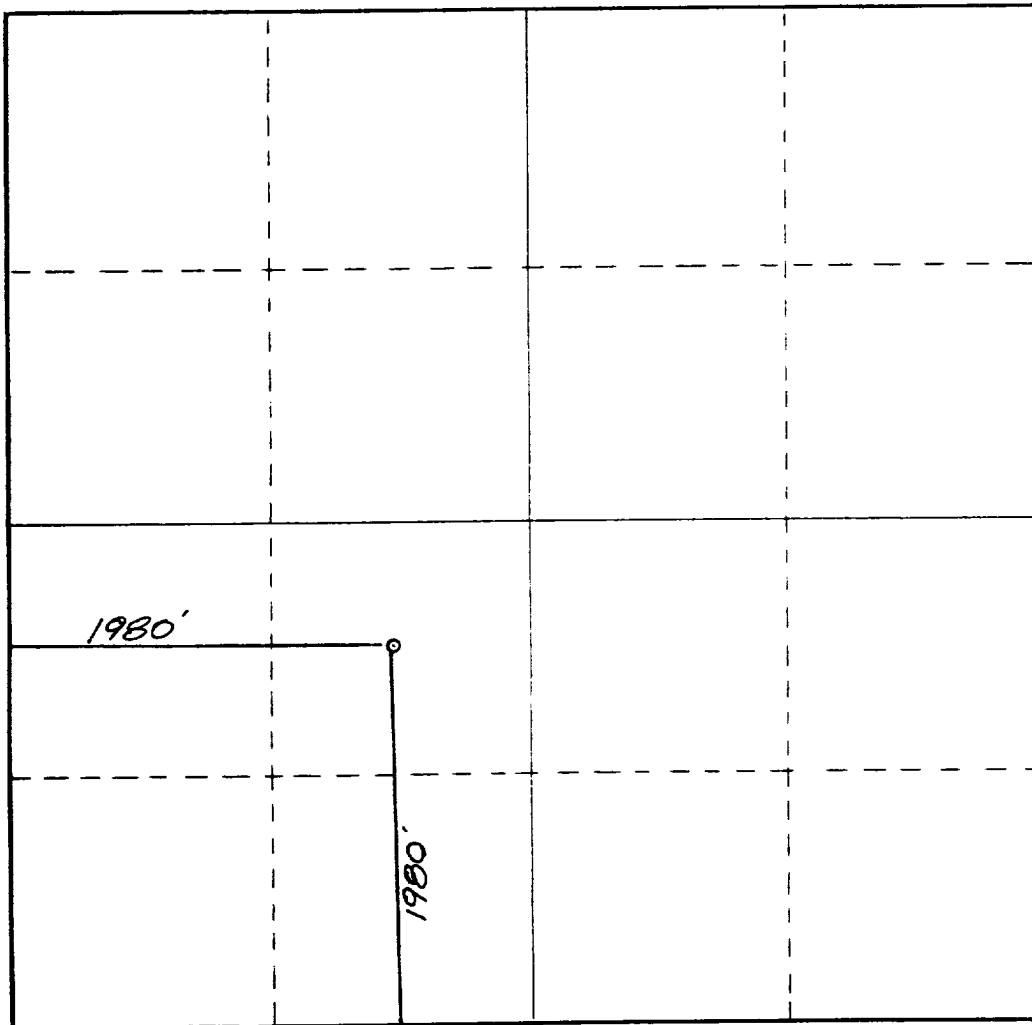
Operator SIETE OIL & GAS CORPORATION			Lease Osage Federal			Well No. 2		
Unit Letter K	Section 35	Township 19 South		Range 29 East	County Eddy County, New Mexico			
Actual Footage Location of Well: 1980 feet from the South line and 1980 feet from the West line								
Ground Level Elev. 3309.	Producing Formation Delaware		Pool Undesignated PARKWAY			Dedicated Acreage: 40 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.

Name

Harold D. Justice

Position

V.P. Drilling & Production

Company

Siete Oil & Gas Corporation

Date

August 19, 1988

DAN R. REDDY
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same are true and correct to the best of my knowledge and belief.
REGISTERED PROFESSIONAL ENGINEER

Date Surveyed

August 9, 1988

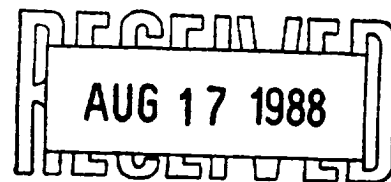
Registered Professional Engineer
and/or Land Surveyor

Dan R. Reddy

Certificate No.

NM PE&LS NO. 5412

ARCHAEOLOGICAL SURVEY CONSULTANTS
P.O. Box D
Roswell, New Mexico 88201
505-623-5012



Osage Fed. Well # 2

ASC Job 88-120

Date: 8/12/1988

Harold D. Justice
Siete Oil & Gas Corporation
P.O. Box 2523
Roswell, New Mexico 88202

Dear Harold:

Enclosed please find ASC Report 88-120, covering the archaeological survey, on federal land surface, of the Osage Federal Well No. 2. The survey of the well pad was requested by your agent, T.W. Franklin, in compliance with relevant federal regulations.

Since no significant archaeological materials were found, we have recommended archaeological clearance for the well pad. Copies of the report have been distributed as per the list on the title page, and you need not concern yourself with distribution to those agencies.

Also enclosed please find ASC Invoice 88-120, for performance of the survey.

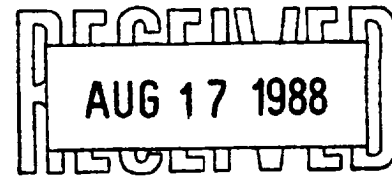
We are pleased to have been of service with this project, and hope to assist you in the future. Should you have questions concerning the project, please contact our office.

Sincerely,

J.V. Sciscenti
Principal Investigator

enclosure: report (1); invoice (1)

cc: ASC File 88-120 (1)



ARCHAEOLOGICAL SURVEY of the SIETE OIL & GAS CORPORATION
CSAGE FEDERAL WELL NO. 2
T1FS, R2RE, SECTION 35, CENTRE, NE/4SW/4
[1980 FSL, 1980 FWL]. EDDY COUNTY, NEW MEXICO

FEDERAL LAND SURFACE (USGS 7.5', ILLINOIS CAMP, SE, N.M., 1985)

ASC Report 88-120

by Dorothy M. Griffiths, Project Archaeologist
and James V. Sciscenti, Principal Investigator

ARCHAEOLOGICAL SURVEY CONSULTANTS
P.O. Drawer D, Roswell, New Mexico 88202
[505] 623-5012

PERMIT NO.: 18-2920-88-C

August 12, 1988

Prepared for:

Siete Oil & Gas Corporation
P.O. Box 2523
Roswell, New Mexico 88202
Attention: Harold D. Justice

Distribution:

~~Siete Oil & Gas Corporation (1)~~
T.W. Franklin (1)
ELM - Carlsbad Resource Area (2)
New Mexico SHPO (1)
Griffiths (1)

ARCHAEOLOGICAL SURVEY CONSULTANTS

CULTURAL RESOURCES EXAMINATION

on lands administered by the
Department of the Interior
Bureau of Land Management
Roswell District, New Mexico

ASC PERMIT NO.: 18-2920-88-C
ASC Job No.: 88-120 [Siete Oil
& Gas Corp. Osage Fed. Well
No. 2, T19S, R29E, Sec. 35]

1. **ABSTRACT:** intensive archaeological survey of the Siete Oil & Gas Corporation Osage Federal Well No. 2 (400 ft. sq.), with a total federal land surface of 3.67 acres inspected for cultural remains. No new access road is involved, since the pad straddles an extant caliche road.

Archaeological survey **did not** reveal any cultural material. Therefore archaeological **CLEARANCE** for the Osage Federal Well No. 2 is **RECOMMENDED**.

2. **WELL PAD LOCATION:** T19S, R29E, Section 35, Centre, NE/4SW/4 [1980 FSL, 1980 FWL]. Eddy County, New Mexico.

U.S.G.S. 7.5 minute series, ILLINOIS CAMP, SE, NEW MEXICO, 1985.

LAND STATUS: BLM, Roswell District/Carlsbad Resource Area, New Mexico.

3. **PROJECT DESCRIPTION:** well pad (400 ft. sq.), with a total federal land surface of 3.67 acres inspected for cultural remains.

TOPOGRAPHY: Mescalero Padiment, ca. 2.0 miles W/NW of Clayton Basin, ca. 5.4 miles east of Palmillas Draw. The proposed well pad is on a low divide between two enclosed sunken basins, which occupy the central part of Section 35 (T19S, R29E). The pad is situated on the north slope of the southern basin. The terrain in the immediate vicinity is sloping with little relief, with very shallow soil accumulation on top of sterile gypsiferous deposits; gypsum is exposed to the north of the well centre. **Soil Type:** Reeves-Gypsumland complex. **Permanent Water Source:** Pecos River, ca. 14.4 miles SW. **Potential Water Source:** Clayton Basin ca. 2.0 miles E-SE holds water during rain. **Elevation:** 3305 ft. to 3311 ft. **Slope:** ca. 0.82 degrees. **Aspect:** S-SW. **Lithic Resources:** not available in project vicinity. **Vegetation Community:** grassland formation, scrub-grass scrub disclimax community.

4. **EXAMINATION PROCEDURE:** straight and zig-zag transects spaced no greater than 15 metres apart. Ca. 1.5 work hours on ground. Well pad centre/corners staked by client.

VISIBILITY: ground, ca. c5h, with 100% in denuded areas. Weather, sunny.

5. **FINDINGS:** BLM records [Belski, 8/08/88] indicate the recording of LA 45,612 in the NE 1/4 NE 4NW/4 of Section 35 (T19S, R29E). No site form is on file with the BLM, however, and the nature of the site is unknown. In any case the site location is some distance from the proposed Osage Federal Well No. 2, and thus will not be endangered by construction of the well pad.

Archaeological survey of the proposed Siete Oil & Gas Corporation Osage Federal Well No. 2 did not reveal any cultural material.

6. **RECOMMENDATIONS:** archaeological **CLEARANCE** for the Siete Oil & Gas Corporation Osage Federal Well No. 2 is **RECOMMENDED**.

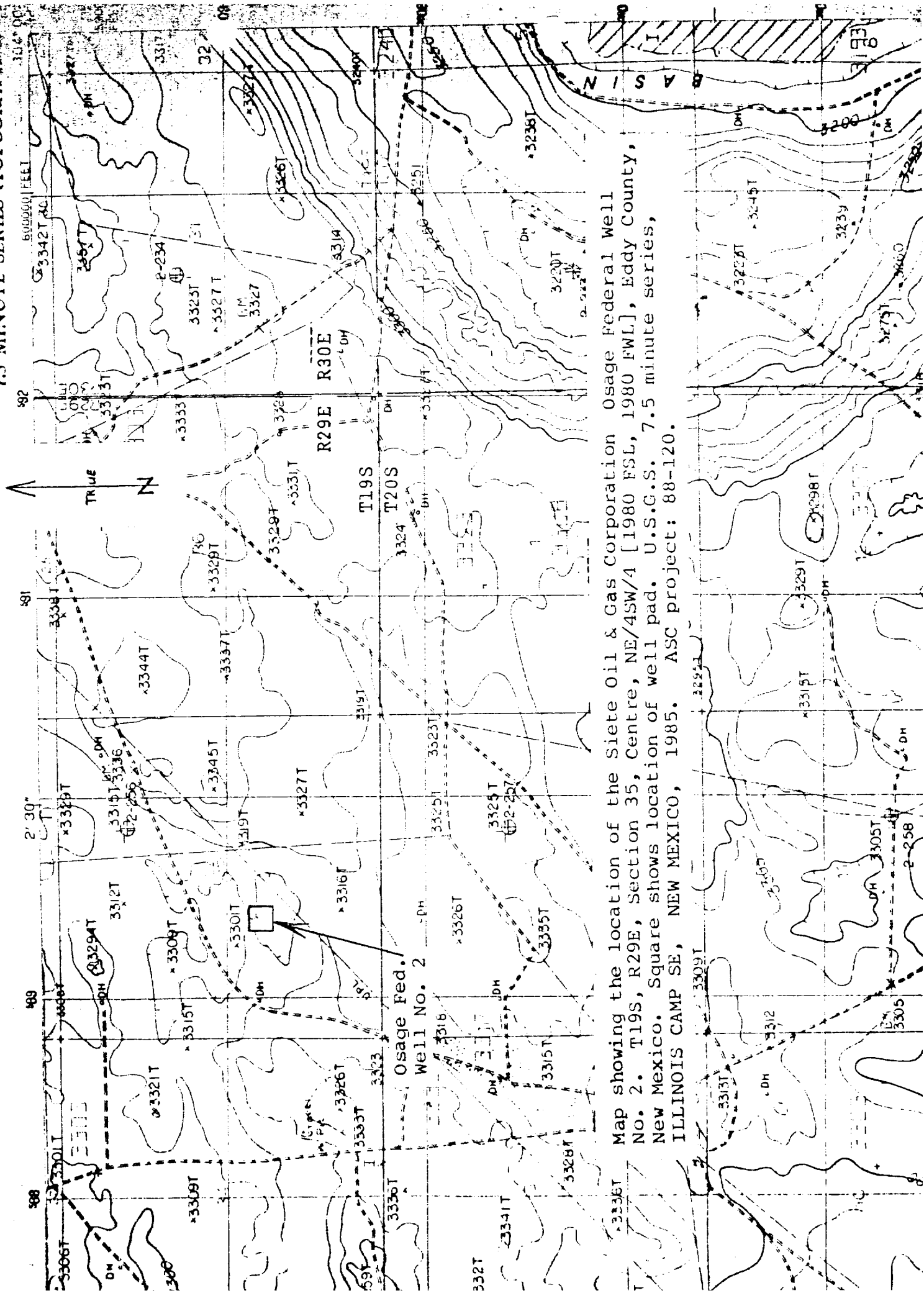
Date of Examination: August 9, 1988

Project Archaeologist: D.M. Griffiths

Principal Investigator: [Signature]

[Signature]

ILLINOIS CAMP SE QUADRANGLE
NEW MEXICO-EDDY CO.
7.5 MINUTE SERIES (TOPOGRAPHIC)



Map showing the location of the Siete Oil & Gas Corporation Osage Federal Well No. 2. T19S, R29E, Section 35, Centre, NE/4SW/4 [1980 FSL, 1980 FWL], Eddy County, New Mexico. Square shows location of well pad. U.S.G.S. 7.5 minute series, ILLINOIS CAMP SE, NEW MEXICO, 1985. ASC project: 88-120.

SUPPLEMENTAL DRILLING DATA
SIETE OIL AND GAS CORPORATION
OSAGE FEDERAL NO. 2
1980' FSL & 1980' 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'
Queen	2500'
T/Del.	3200'
T/Bone Spring	5800'

3. Estimated depths to water, oil or gas:

Water: Approximately 220'
Oil or Gas: 3300' - 5800'

4. Proposed casing program:

<u>Size</u>	<u>Interval</u>	<u>Weight</u>	<u>Grade</u>	<u>Joint</u>	<u>New or Used</u>
13 3/8"	0 - 350'	54.5#	J-55	ST&C	New
8 5/8"	0 - 2500'	24 & 32.0	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' - 2500': Drill out with native becoming brine.
 - 2500' - T.D.: Drill out of intermediate with a cut brine system to T.D.
7. Auxiliary Equipment: A kelly cock will be installed on the rig floor while drilling operation 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. 2
1980' FSL & 1980' 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: Undesignated Parkway Delaware

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.
- 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 3'
- 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 flowline parallel with access road to a tank battery located on the Osage Federal No. 1 (NW/4 SE/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 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: Kermit Berino fine sands.
- 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 1 3/4 miles Northeast of location.

F. Archaeological, Historical and Other Cultural Sites: None were observed by this area. The pad area was archaeologized on August 9, 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: *H. D. Justice*
Harold D. Justice.
V. P. Drilling & Production

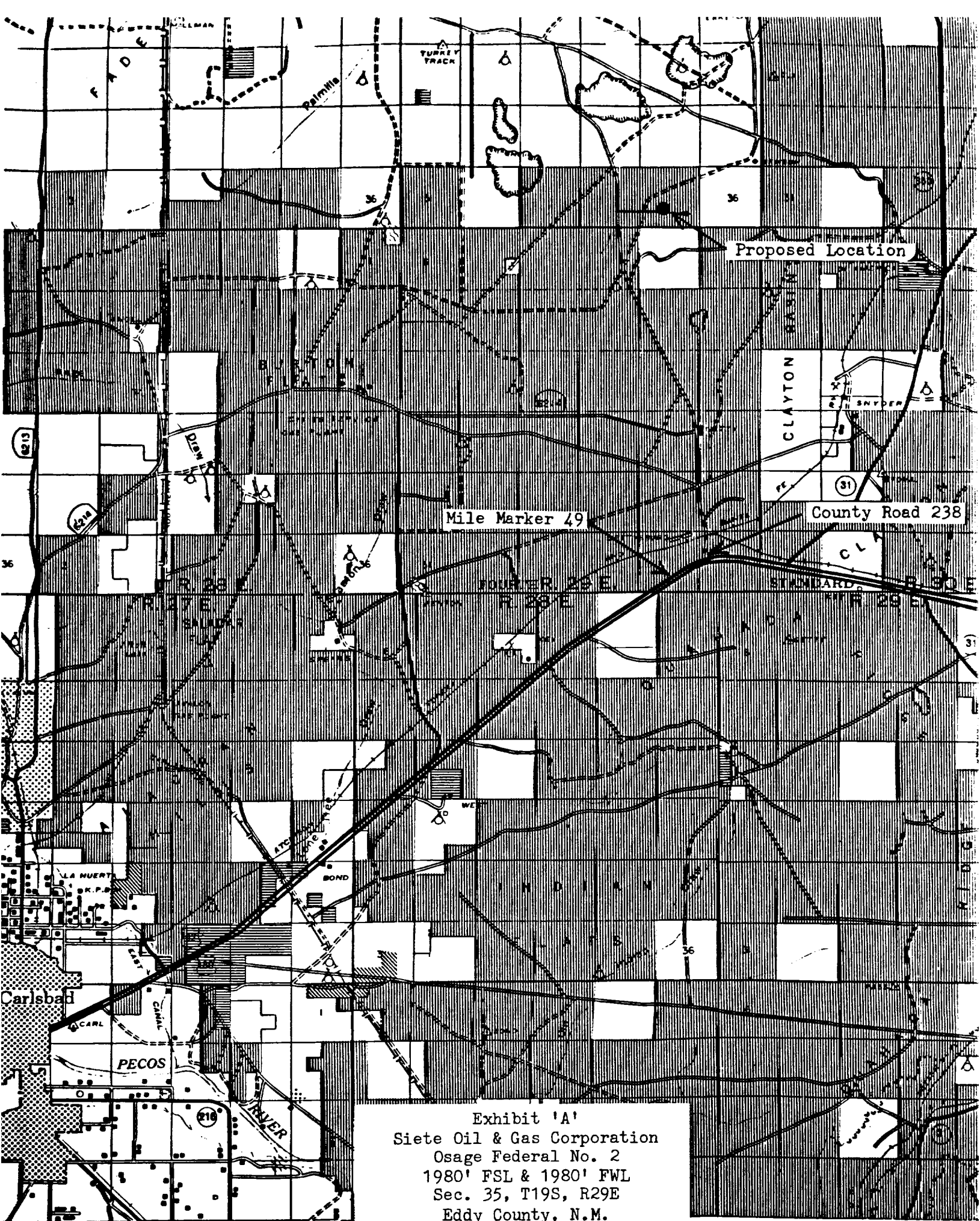
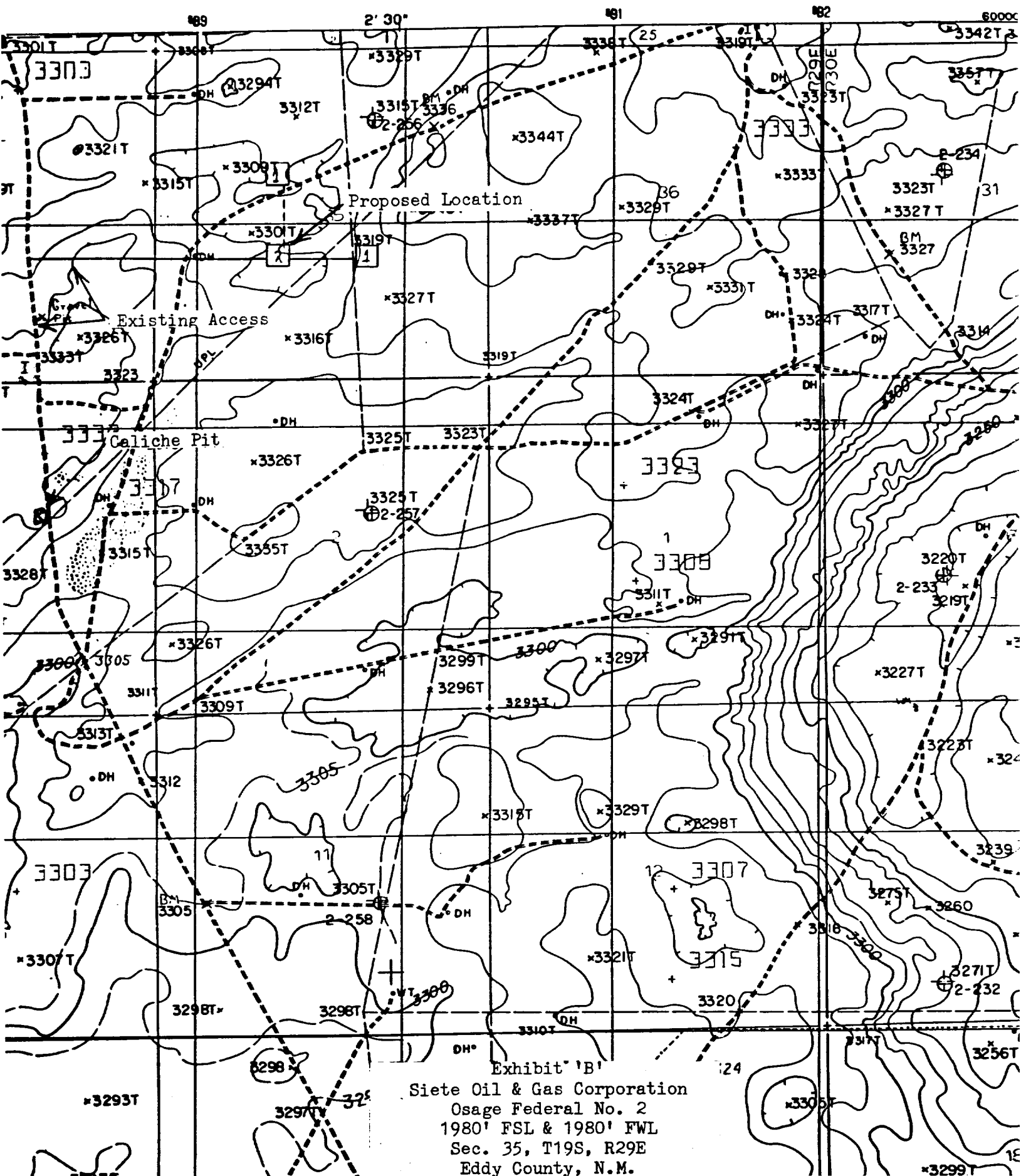


Exhibit 'A'
Siete Oil & Gas Corporation
Osage Federal No. 2
1980' FSL & 1980' FWL
Sec. 35, T19S, R29E
Eddy County, N.M.

ILLINOIS CAMP
NEW MEXICO
7.5 MINUTE SERIES



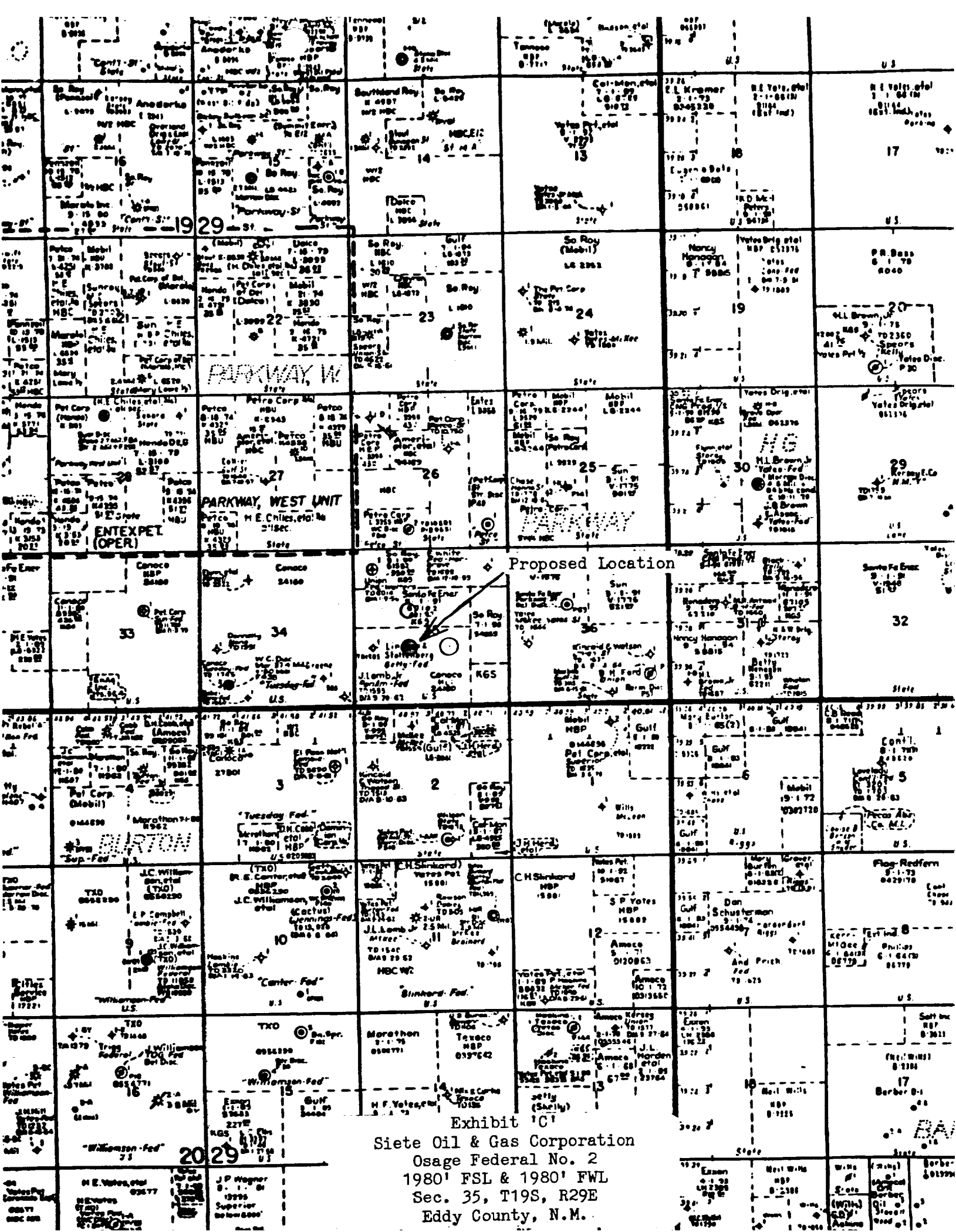


Exhibit 1C
Siete Oil & Gas Corporation
Osage Federal No. 2
1980' FSL & 1980' FWL
Sec. 35, T19S, R29E
Eddy County, N.M.

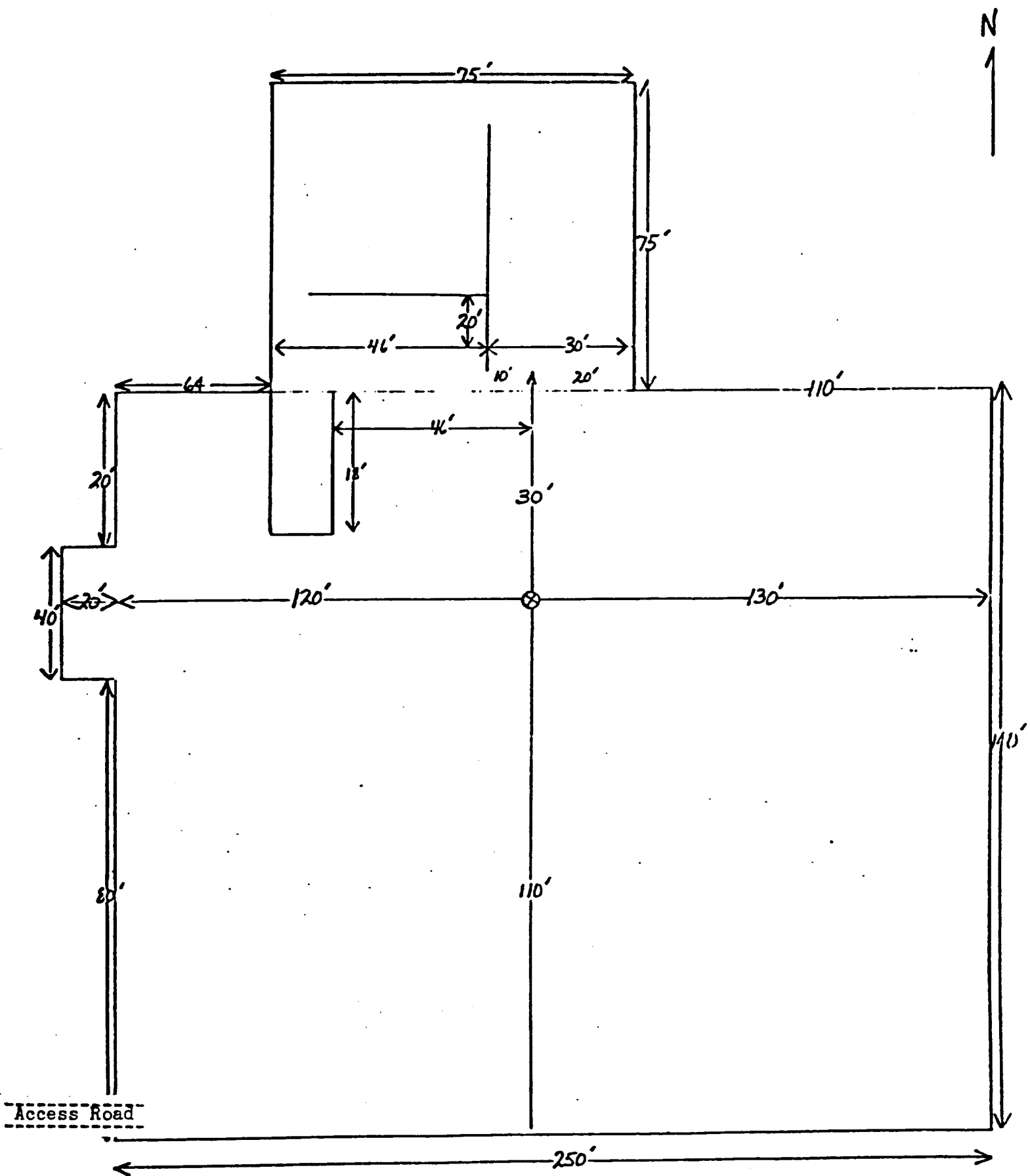


Exhibit 'D'
 Siete Oil & Gas Corporation
 Osage Federal No. 2
 1980' FSL & 1980' FWL
 Sec. 35, T19S, R29E