

United States Department of the Interior

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



RECEIVED

OCT 31 '88

OCT 28 1988

O. C. D. ARTESIA, OFFICE

Siete Oil & Gas Corporation F.O. Box 2523 Boswell, New Nexico 88202-2523

Centlemen:

第一67102-20

3160.2 (065)

Your application for Permit to Drill well No. 3 Renegade Federal in the SWAND sac. 35, T. 19 S., k. 29 E., Eddy County, New Mexico, lease NM-67102, to a depth of 5000 feat to test the Delaware rounation in the oil-potash area, is bereby approved as amended by stipulations attached to the application.

One copy of the application is returned nerewith. Please notify the Bureau of Lund Management office checked on the attached special stipulation in sufficient time for a representative to witness all cementing operations.

bincerely,

Orig. Sgd. David L. Mari

FOR Francis R. Cherry, Jr. bistrict Hanager

1 knclosure

cc: MkOCD - 2 Form 3160-3 (November 1983) (formerly 9-331C)

SUBMIT IN T. LICATE In the (Other instructions on reverse side) UNITED STATES

DEPARTMENT OF THE INTERIOR COMME

30-015-26006 Form approved.
Budget Bureau No. 1004-0136 Expires August 31, 1985

DEPARTMENT OF THE INTERIOR SALES BUREAU OF LAND MANAGEMENT						5. LEASE DESIGNATION AND SERIAL NO. NM-67102			
APPLICATION	FOR PERMIT	TO DRILL, I	DEEPE	N, OR PLUG	BACK	6. IF 12	NDIAN, ALL	TTEB OR	TRIBE NAME
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2. NAME OF OPERATOR	Conneration						negade	Fede	ral
	Sas Corporation					9. WEL		,	
3. ADDRESS OF OPERATOR P.O. Box 2523	3	Roswell, N	м 88	202-2523		10. FIE	LD AND PO	OL. OR W	FILDCAT
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15. DISTANCE FROM PROPU LOCATION TO NEAREST PROPERTY OF LEASE L		760'	10. NO.	120	TO TE	HIS WELL	40		
(Also to nearest drig	unit line, if any)	760	19 PR	POSED DEPTH	20. ROTA	RY OR CA			
TO NEAREST WELL, DI OR APPLIED FOR, ON THI	RILLING, COMPLETED,	1320'	10. 1	5000'		20. ROTARY OR CABLE TOOLS Rotary			
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3312'							ASA	P	
23.		PROPOSED CASI	NG AND	CEMENTING PROGR	AM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER F	тоот	SETTING DEPTH	T	AUQ	NTITY OF C	EMENT	-
17 3"	13 3/8"	54.0#	———I	350'	500	sks.	circ.		
12 ½"	8 5/8"	24.0 & 32		25001	1		circ.		
7 7/8"	5 ½"	17.0#		5000'		sks.			
Attachments: Survey properties of the state	perforate and t plat (C-102) ental drilling use plan		nes.	P.	0ST ID)I	ACC MARKET CONTROL OF THE CONTROL OF	88, 13 57 71 1, 100	RECEIVED
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PERMIT NO.									
APPROVED BYCONDITIONS OF APPROV	AL, IF ANY:		TLE			1	DATE		

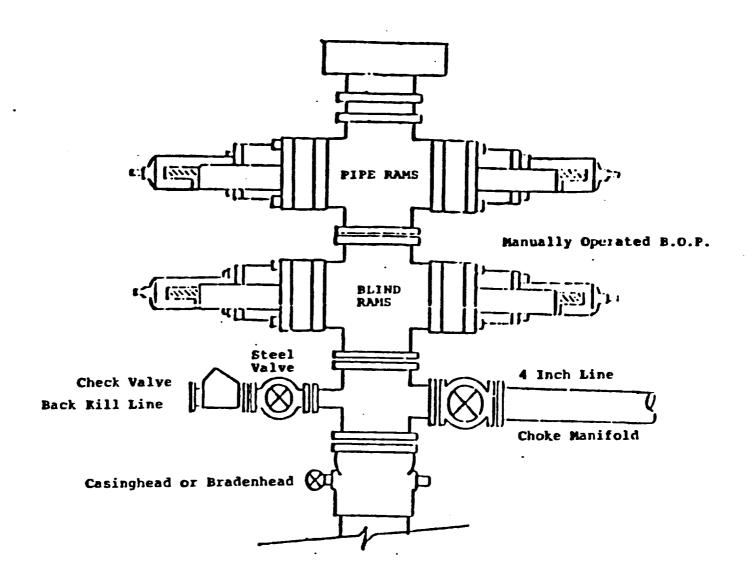
... W MEXICO OIL CONSERVATION COMMIL. ON WELL LOCATION AND ACREAGE DEDICATION PLAT

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

All distances must be from the outer boundaries of the Section.

Operator			Lease		Well No.
SIETE OIL & GAS CORPORATION			Renegade F	3	
Unit Letter	Section	Township	Range		
E	35	19 Sout h	29 East	Eddy Cour	nty, N.M.
Actual Footage Loc		_	7/0	**	
2230	feet from the NC	orth line and	760 tee	t from the West	line
Ground Level Elev.	Producing For	j.	Pool J. J.	•	Dedicated Acreage:
3312.	Dela	ware	Parkway De	laware	40 Acres
1. Outline th	e acreage dedica	ted to the subject we	ll by colored pencil o	or hachure marks on t	he plat below.
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		ifferent ownership is d nitization, force-poolir		have the interests of	all owners been consoli-
Yes	No If an	iswer is "yes," type of	consolidation		
	is "no." list the of	owners and tract descr	iptions which have ac	ctually been consolid	ated. (Use reverse side of
	•	d to the wall antil all	interests have been	consolidated the co-	nmunitization, unitization,
					approved by the Commis-
sion.	iing, or otherwise)	oi until a non-standard	unit, etiminating suc	in interests, has been	approved by the Commis-
51011.					
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BOP DIAGRAM RATED 30001



SUPPLEMENTAL DRILLING DATA

SIETE OIL AND GAS CORPORATION

RENEGADE FEDERAL NO. 3

2230' FNL & 760' FWL

Section 35: T19S, R29E

Eddy County, New Mexico

Lease Number: NM-67102

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.	32001

3. Estimated depths to water, oil or gas:

Water: Approximately 220' Oil or Gas: 3300' - 5000'

4. Proposed casing program:

<u>Size</u>	<u>Interval</u>	Weight	Grade	<u>Joint</u>	New or Used
13 3/8"	0 - 350'	54.5#	J-55	ST&C	New
8 5/8"	0 - 2500'	24 & 32#	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 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
Renegade Federal No. 3
2230' FNL & 760' FWL
Section 35: T19S, R29E
Eddy County, New Mexico
Lease Number: NM-67102

LOCATED:

17.0 miles Northeast of Carlsbad, New Mexico

FEDERAL LEASE NUMBER:

NM-67102

LEASE ISSUED:

November 1, 1986

RECORD LESSEE:

Santa Fe Energy

BOND COVERAGE:

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

ACRES IN LEASE:

120

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.
- 13.50 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).
- 15.60 Proceed North off County Road (Conoco Tuesday Federal Sign) and proceed 4.1 miles.
- 19.70 Turn East and proceed 3/4 mile.
- 20.45 Turn North @ Osage Federal No. 2 for 2/10 mile.
- 20.65 Turn West @ Renegade Federal No. 1 for 2/10 mile.
- 20.85 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. The new access road will be 14' wide by approximately 1070' in length. New access road will enter the center of the location as displayed on Exhibit "B".
- 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 2'
- 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 well is productive, we will construct a flowline parallel to the access road to a tank battery located at the Renegade Federal No. 1 ($SE^{1}_{\chi}NW^{1}_{\chi}$).

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 SW4NE4 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 drill site 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 posssible.

11. OTHER INFORMATION:

- A. Topography: The surface is relatively flat. Drainage to the Southwest.
- B. Soil: Kermit Berino fine sands.
- C. <u>Flora and Fauna:</u> 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 2.0 miles Northeast of location.
- F. Archaeological, Historical and Other Cultural Sites: None were observed in this area. The pad area was archaeologized on September 29, 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 88202
Office: 622-2202
Home: 625-0072

13. CERTIFICATION:

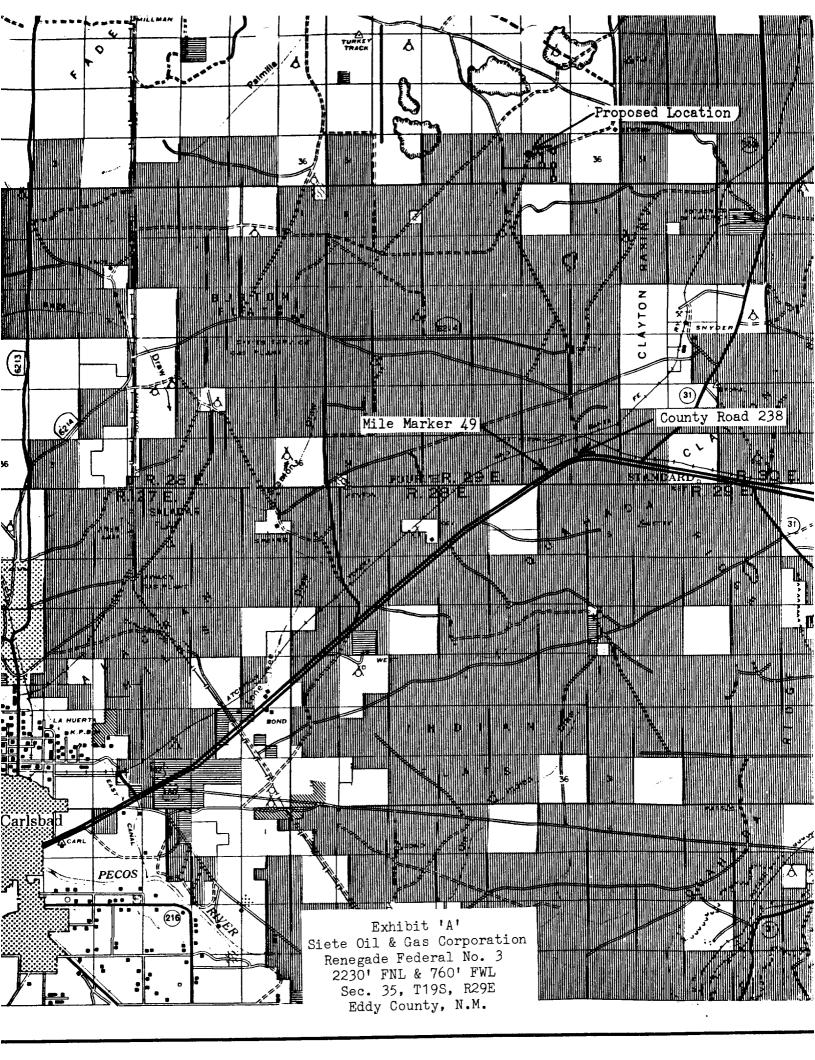
I hereby certify that I, or persons under my supervision have inspected the proposed drillsite and access road; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge true and correct; and that the work associated with operations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

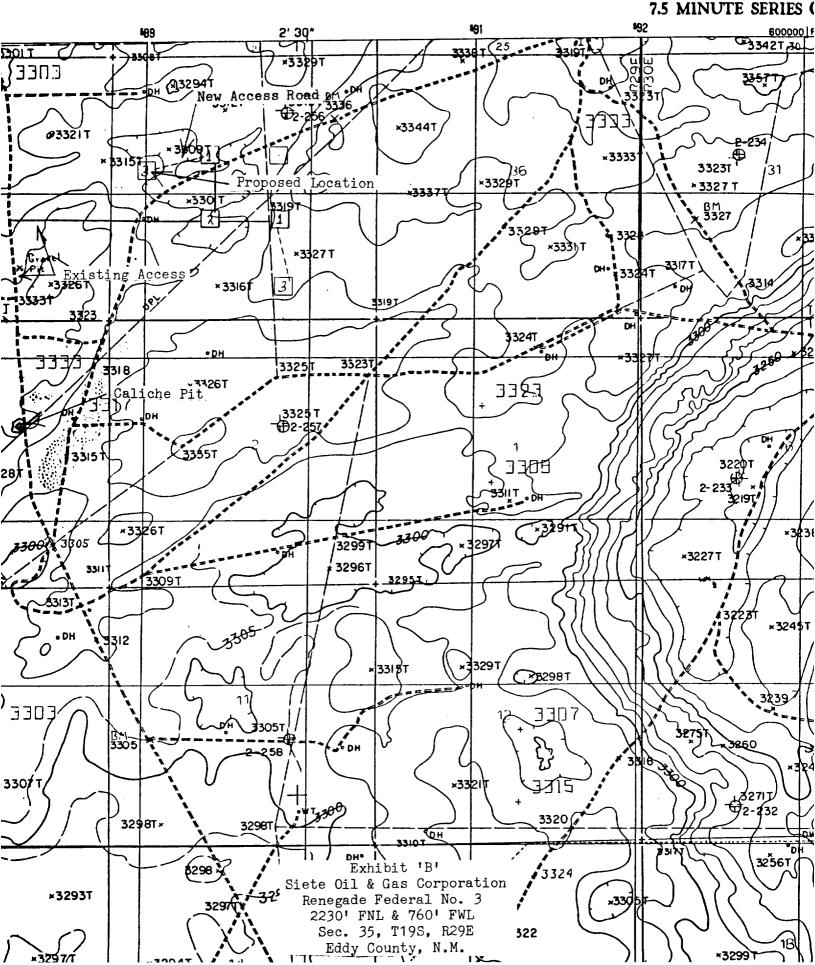
Date: 10/5/85

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V.P. Drilling & Production



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Siete Oil & Gas Corporation Renegade Federal No. 3 2230' FNL & 760' FWL Sec. 35, T19S, R29E Eddy County, N.M. -,05% ווָס, ah ,or

Exhibit 'D'