D. CONTESTOR

SUBMIT IN . .PLICATE*

(Other instructions on reverse side)

30-015-26007 Form approved. 26007 Budget Bureau No. 1004-0136 Expires August 31, 1985

ArtoUNITED STATES DEPARTMENT OF THE INTERIOR

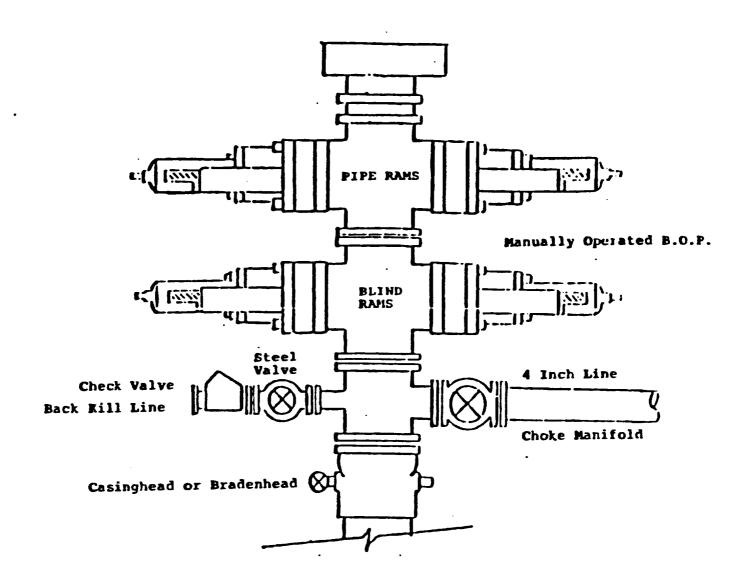
5. LEASE DESIGNATION AND SERIAL NO. NM-24160

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK				6. IF INDIAN, ALLOTTEB OR TRIBE NAME			
DRILL EX DEEPEN PLUG BACK				7. UNIT AGREEMENT NAME			
TYPE OF WELL		5 5 5 1 1 1		GLE MULTIP			
OIL XX GAS			81N 201		<u> </u>	8. FARM OR LEASE NAM	
NAME OF OPERATOR	<u> </u>			· · · · · · · · · · · · · · · · · · ·		Osage Fede	
Siete Oil & G	as Corporation					9. WELL NO.	
P.O. Box 2523 Roswell,				Mexico 88202-	Und. Parkway Delaware		
LOCATION OF WELL (Rep. At surface 660	ort location clearly and FSL & 1910' FE	In accordance wi	th any Si Unit	Letter 0		11. SEC., T., B., M., OR B	LE.
At proposed prod. sone					Sec. 35: T19S, R29		
	Same					12. COUNTY OR PARISH	13. STATE
DISTANCE IN MILES AN	theast of Carls	bad. New M	exico	•		Eddy	NM
			16. NO	OF ACRES IN LEASE		OF ACRES ASSIGNED	
DISTANCE FROM PROPUS LOCATION TO NEAREST PROPERTY OR LEASE LII (Also to nearest drig.	NE. PT.	660'		1320		TO THIS WELL 40	
S. DISTANCE FROM PROPOSE TO NEAREST WELL, DRI	SED LOCATION* ILLING, COMPLETED,	10001	19. PR	OPOSED DEPTH	20. ROT	Rotary	
OR APPLIED FOR, ON THIS	LEABE, PT.	1320'	<u> </u>	5000'	1	22. APPROX. DATE WORK WILL START	
1. ELEVATIONS (Show wheth	her DF, RT, GR, etc.)					ASAP	
3322' GL		PROPOSED CASI	ING AND	CEMENTING PROGR	AM		
		WEIGHT PER		SETTING DEPTH		QUANTITY OF CEME	
SIZE OF HOLE	BIZE OF CABING	54.0#		350'		00 sks. circ.	
17 ½"	13 3/8"	24.0 &	32#	2500'	-	200 sks. circ.	
12 ½" 7 7/8"	8 5/8" 5 ½"	17.0#	<u> </u>	5000'	1	000 sks.	
Selectively p	perforate and t	reat pay z	ones.			Oct.	
Supplem Surface	plat (C-102) ental drilling use plan				N	TID-1 L & API 11-4-88	RECEIVED
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Suppleme Surface Surface IN ABOVE SPACE DESCRIBE CORE. If proposal is to observe the program, if any 24. SIGNED CALL. (This space for Fede	ental drilling use plan r PROPOSED PROGRAM: If drill or deepen direction	proposal is to de ally, give pertine Ma	4. P.		present pr and measu ion Se	ST ID- L 4 PI 11-4-P8 oductive sone and propose red and true vertical dept	ed new producths. Give blow
Suppleme Surface N ABOVE SPACE DESCRIBE one. If proposal is to breventer program, if any 44.	ental drilling use plan reproposed Program: If drill or deepen direction y.	proposal is to de ally, give pertine Ma	4. P.	illing/Product	present pr and measu ion Se	ST ID- L 4 PI 11-4-P8 oductive sone and propose red and true vertical dept	ed new products. Give blow

_W MEXICO OIL CONSERVATION COMMI. JON WELL LOCATION AND ACREAGE DEDICATION PLAT

		All distances must be from	the outer boundaries of	the Section	
Operator SIETE	OIL & GAS COF		Osage Fede	eral	Well No.
Unit Letter	Section	Township	Range	County	
0	35	19 South	29 East	Eddy ℃	unty, N.M.
Actual Footage Loc					
660	feet from the	South line and	1910	t from the East	line
Ground Level Elev.		mation Po	OI UDD.		Dedicated Acreage:
3322.	Del	aware	Parkway Delay	vare	40 Acres
2. If more the interest as3. If more the	nan one lease is nd royalty). an one lease of d		outline each and ide	ntify the ownership t	hereof (both as to working all owners been consoli-
v	N. If a	nswer is "yes;" type of c	onsolidation		
Yes Yes	No If a	nswer is yes, type or c	onsorradion		
this form i No allowa	if necessary.) ble will be assign	ed to the well until all in	terests have been	consolidated (by com	ated. (Use reverse side of amunitization, unitization, approved by the Commis-
					CERTIFICATION
	l I		i		CERTITION
	1		1	tained he	certify that the information con- trein is true and complete to the ty knowledge and belief.
	+		 	V.P. Dr	illing & Production
	l I		‡ 	\ 	il & Gas Corporation
	i i		! !	October Date	6, 1988
	, 		1		
				notes of English my	R. REDO the vell location when the plan was alotted from field accuracy surveys made by me or supervision, and that the same and series to the best of my of OFESSIONAL
	! !	1	1910	Date Surve	yed mber 29, 1988
	, , ,	660,	* 1410 *		Professional Engineer
		71111	77.77	Certificate	No.
230 460	90 1320 1650 19	80 2310 2640 2000	1500 1000	500 0 NM PE	&LS NO. 54127

BOP DIAGRAM RATED 30001



SUPPLEMENTAL DRILLING DATA

SIETE OIL AND GAS CORPORATION

OSAGE FEDERAL NO. 3

660' FSL & 1910' FEL

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'

3. Estimated depths to water, oil or gas:

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

4. Proposed casing program:

Size	<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
Osage Federal No. 3
660' FSL & 1910' FEL
Section 35: T19S, R29E
Eddy County, New Mexico
Lease Number: NM-24160

LOCATED:

17.0 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 1 mile (Osage Federal No. 1).
- 20.7 Turn South and proceed 2/10 miles.
- 20.9 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 1150' in length.

 New access road will enter the Northeast corner 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 3'
- H. Gates, Cattleguards: See Exhibit "B"

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 with the access road to the tank battery on the Osage Federal No. 1 ($NW_4^2SE_4^{\frac{1}{2}}$).

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 $SW^1 \times NE^1 \times OF$ 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 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 1 3/4 miles Northeast of location.
- F. Archaeological, Historical and Other Cultural Sites: None were observed in this area. The pad and road areas were archaelogized on September 29, 1988.
- G. Land Use: Grazing and occasional hunting.

11. 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:

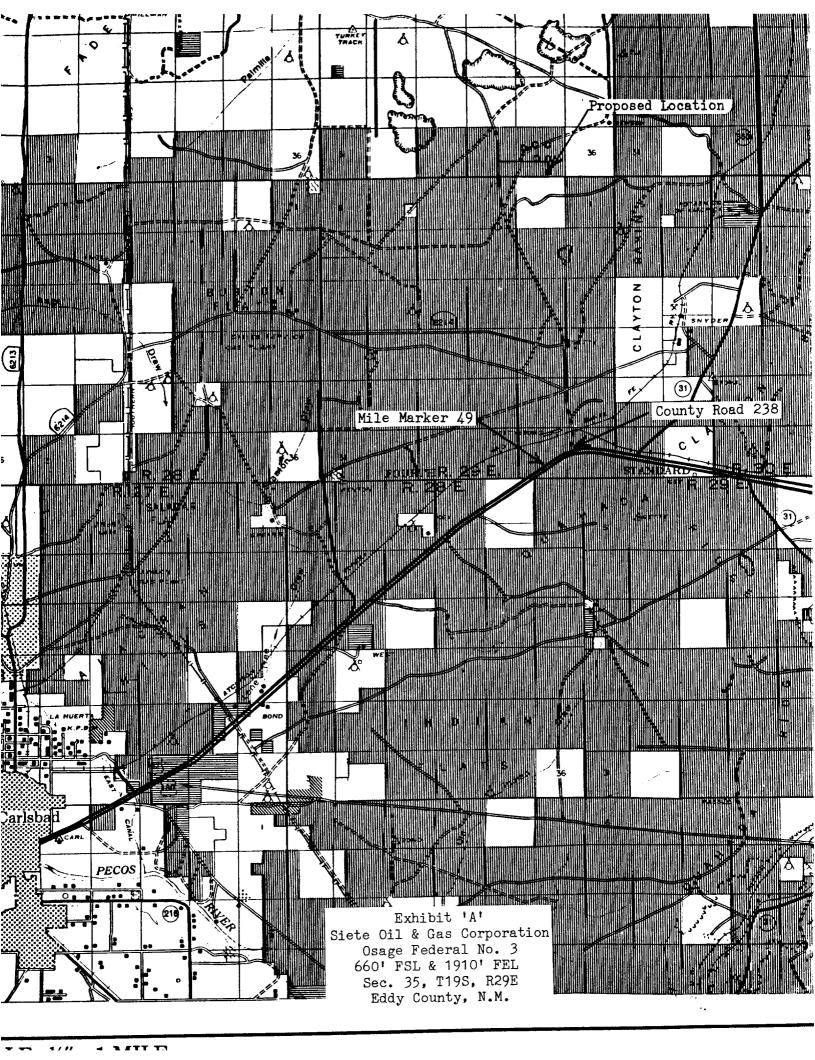
I hereby certify that I, or persons under my supervision have inspected the proposed drillsite and access road; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge true and correct; and that the work associated with operations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

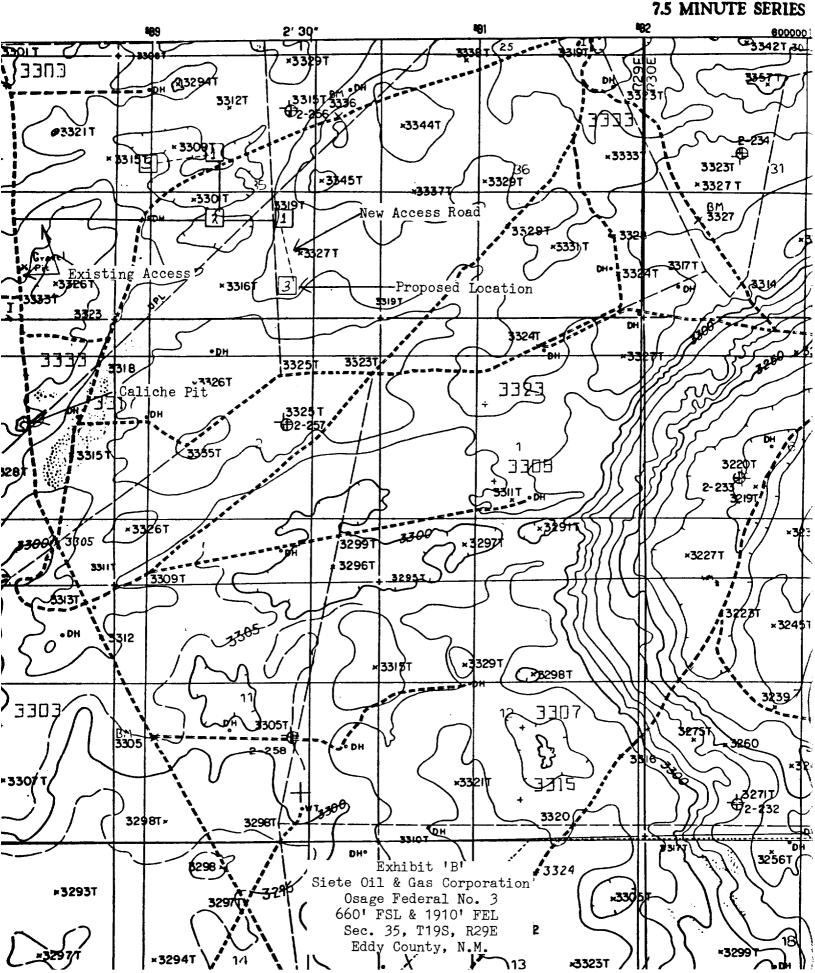
Date: 10/4/88

BY: 1 ((Atry Datly)
Harold D. Justice

V.P. Drilling & Production



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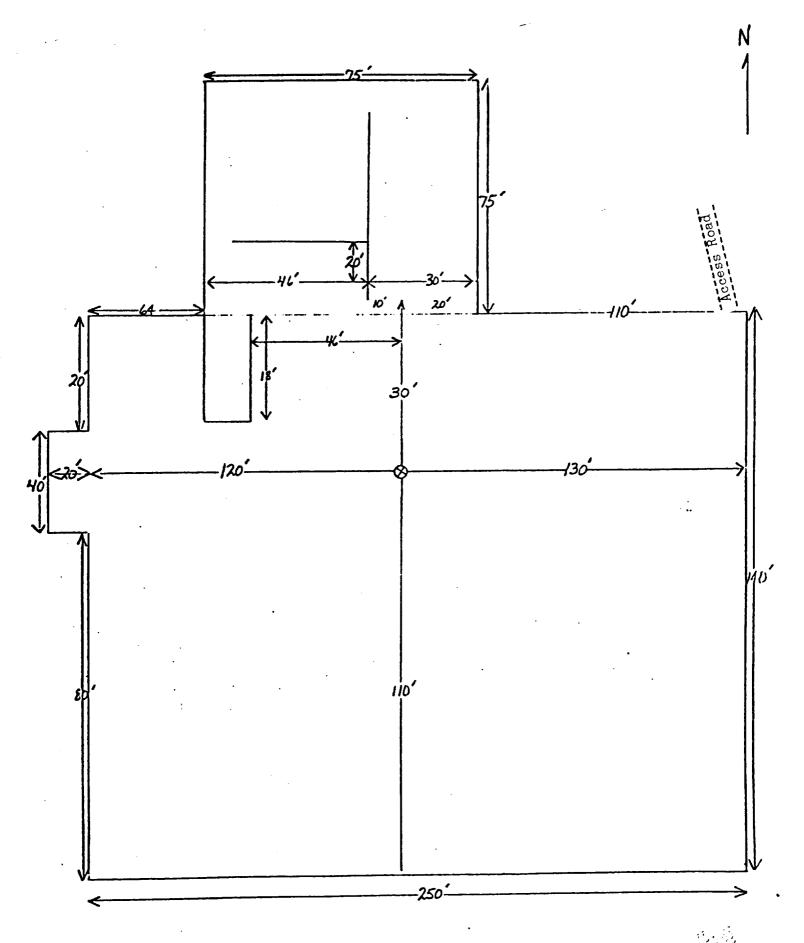


Exhibit 'D'
Siete Oil & Gas Corporation
Osage Federal No. 3
660' FSL & 1910' FEL
Sec. 35, T19S, R29E
Eddy County, N.M.