

COMMISSION
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*
(Other instructions on
reverse side)

30-015-26007
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 660' FSL & 1910' FEL, SW $\frac{1}{4}$ SE $\frac{1}{4}$, Unit Letter O

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 drilg. unit line, if any) 660'

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
5000'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3322' GL

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. <u>circ.</u>
12 $\frac{1}{4}$ "	8 $\frac{5}{8}$ "	24.0 & 32#	2500'	1200 sks. <u>circ.</u>
7 $\frac{7}{8}$ "	5 $\frac{1}{2}$ "	17.0#	5000'	1500 sks.

Selectively perforate and treat pay zones.

Attachments:

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

POST ID-1
NL & API
11-4-88

Oct 7 12 15 PM '88

RECEIVED

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 Cathy Catley TITLE Drilling/Production Secretary DATE 10/4/88

(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**

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

All distances must be from the outer boundaries of the Section

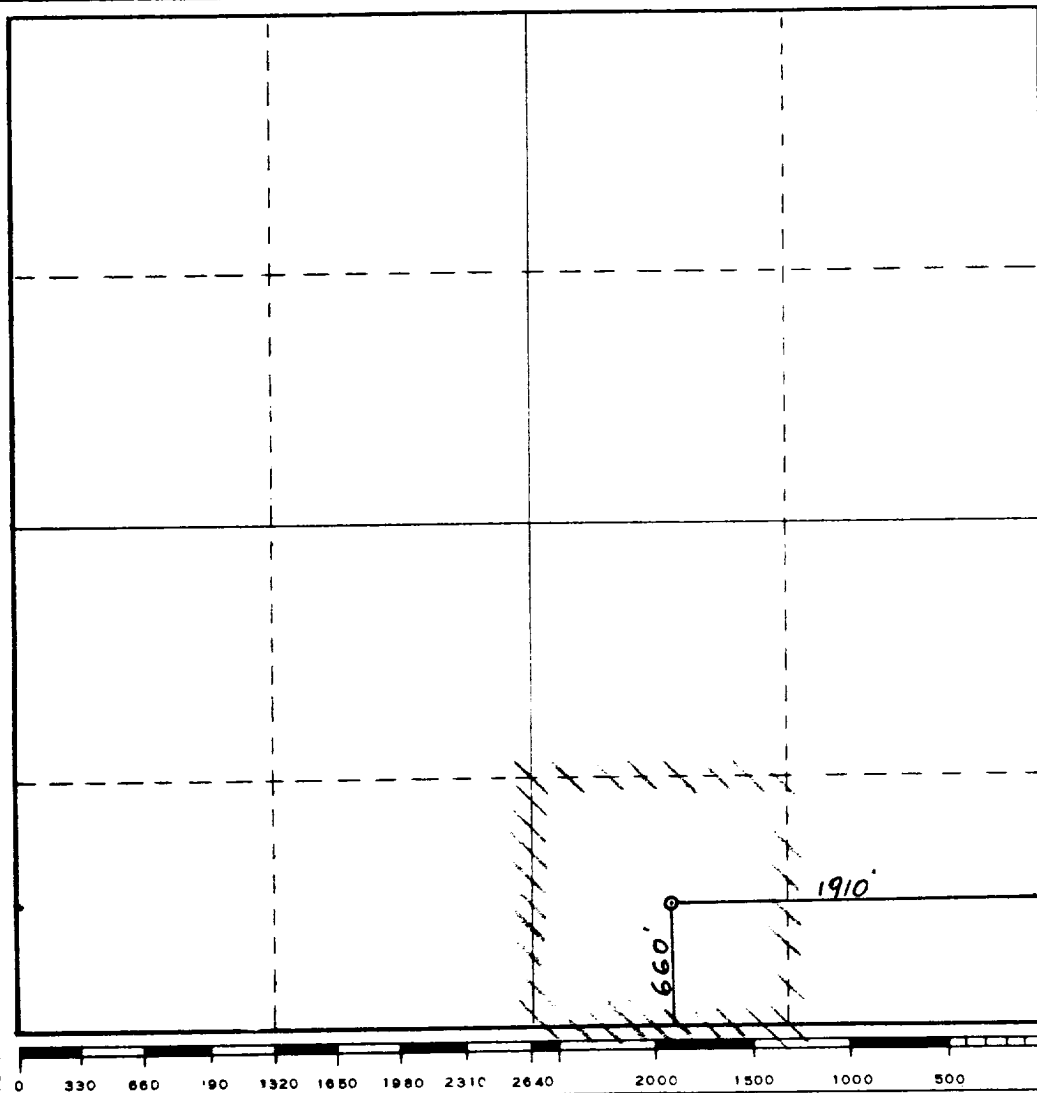
Operator SIETE OIL & GAS CORPORATION			Lease Osage Federal		Well No. 3
Unit Letter 0	Section 35	Township 19 South	Range 29 East	County Eddy County, N.M.	
Actual Footage Location of Well: 660 feet from the South line and 1910 feet from the East line					
Ground Level Elev. 3322.	Producing Formation Delaware		Pool UDD. Parkway Delaware		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.

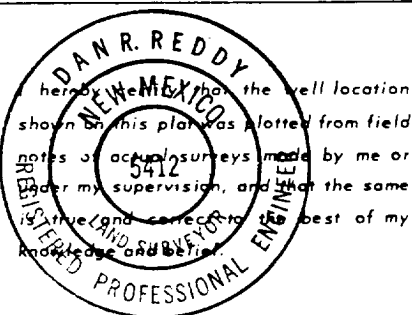
[Signature]
Name

V.P. Drilling & Production

Position
Siete Oil & Gas Corporation

Company
October 6, 1988

Date



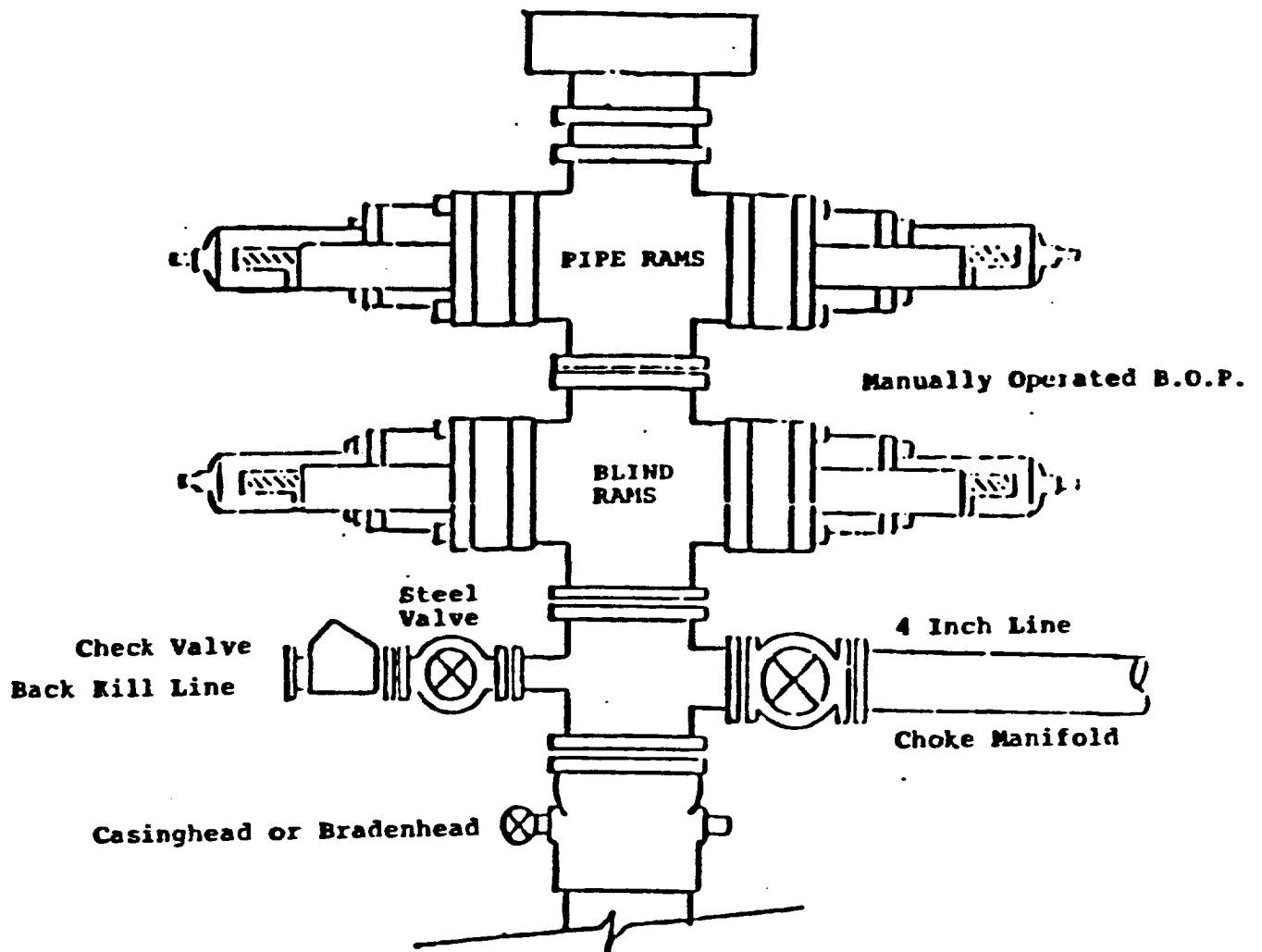
Date Surveyed
September 29, 1988

Registered Professional Engineer
and/or Land Surveyor

[Signature]
Certificate No.

NM PE&LS NO. 5412

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:

<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#	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**

<u>LOCATED:</u>	17.0 miles Northeast of Carlsbad, New Mexico
<u>FEDERAL LEASE NUMBER:</u>	NM-24160
<u>LEASE ISSUED:</u>	February 1, 1975
<u>RECORD LESSEE:</u>	Conoco, Inc.
<u>BOND COVERAGE:</u>	\$25,000 Bond of Siete Oil and Gas Operator
<u>ACRES IN LEASE:</u>	1320
<u>SURFACE OWNERSHIP:</u>	Federal
<u>GRAZING PERMITTEE:</u>	Snyder Ranches c/o Larry Squires P.O. Box 726 Lovington, NM 88260 Telephone: 393-7544
<u>POOL:</u>	Undesignated Parkway Delaware
<u>EXHIBITS:</u>	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 $\frac{1}{4}$ SE $\frac{1}{4}$).

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 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 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 possible.
11. OTHER INFORMATION:
- A. Topography: The surface is relatively flat. Drainage to the 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 in this area. The pad and road areas were archaeologized 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: H.D. Justice (Cathy Batley)
Harold D. Justice
V.P. Drilling & Production

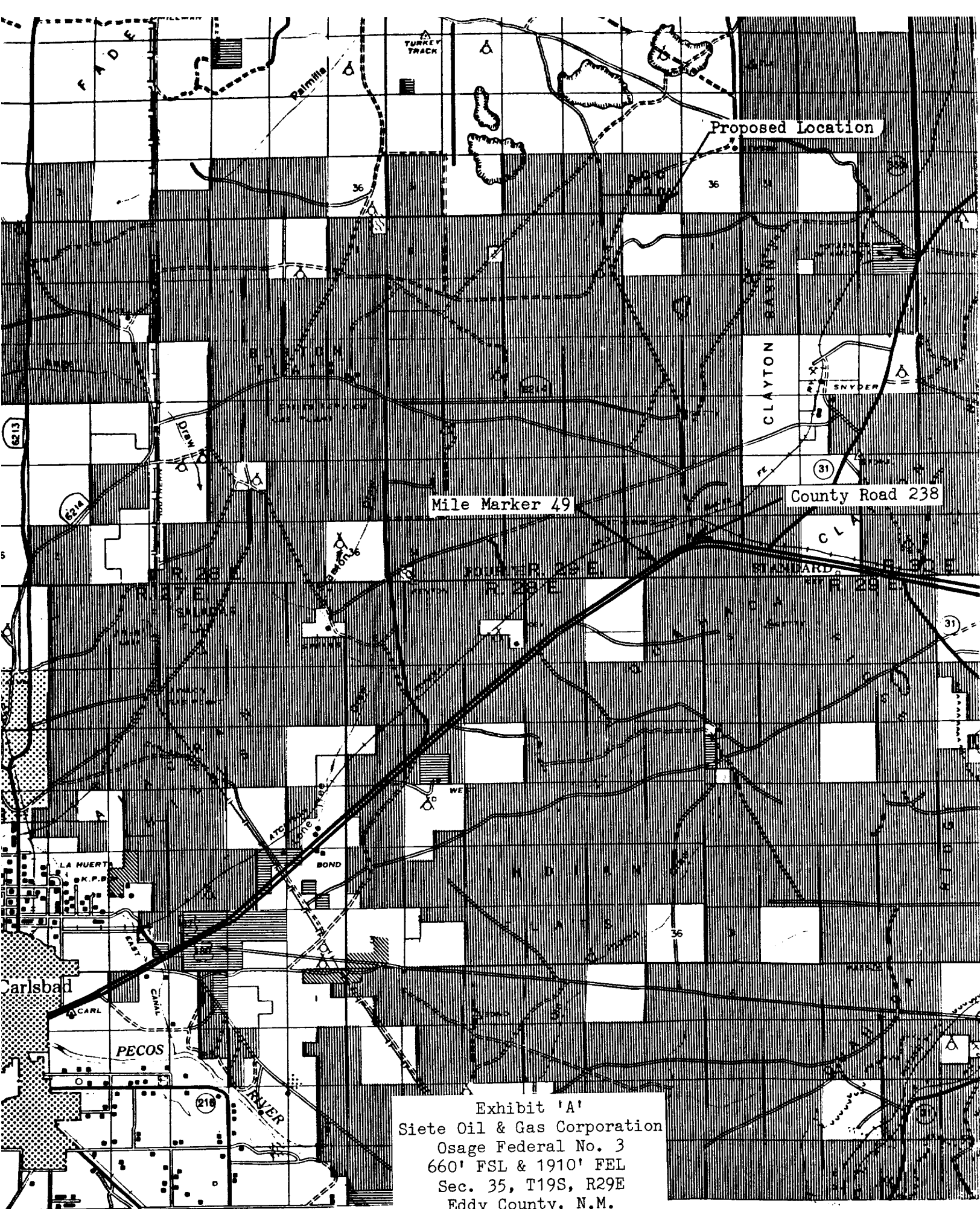


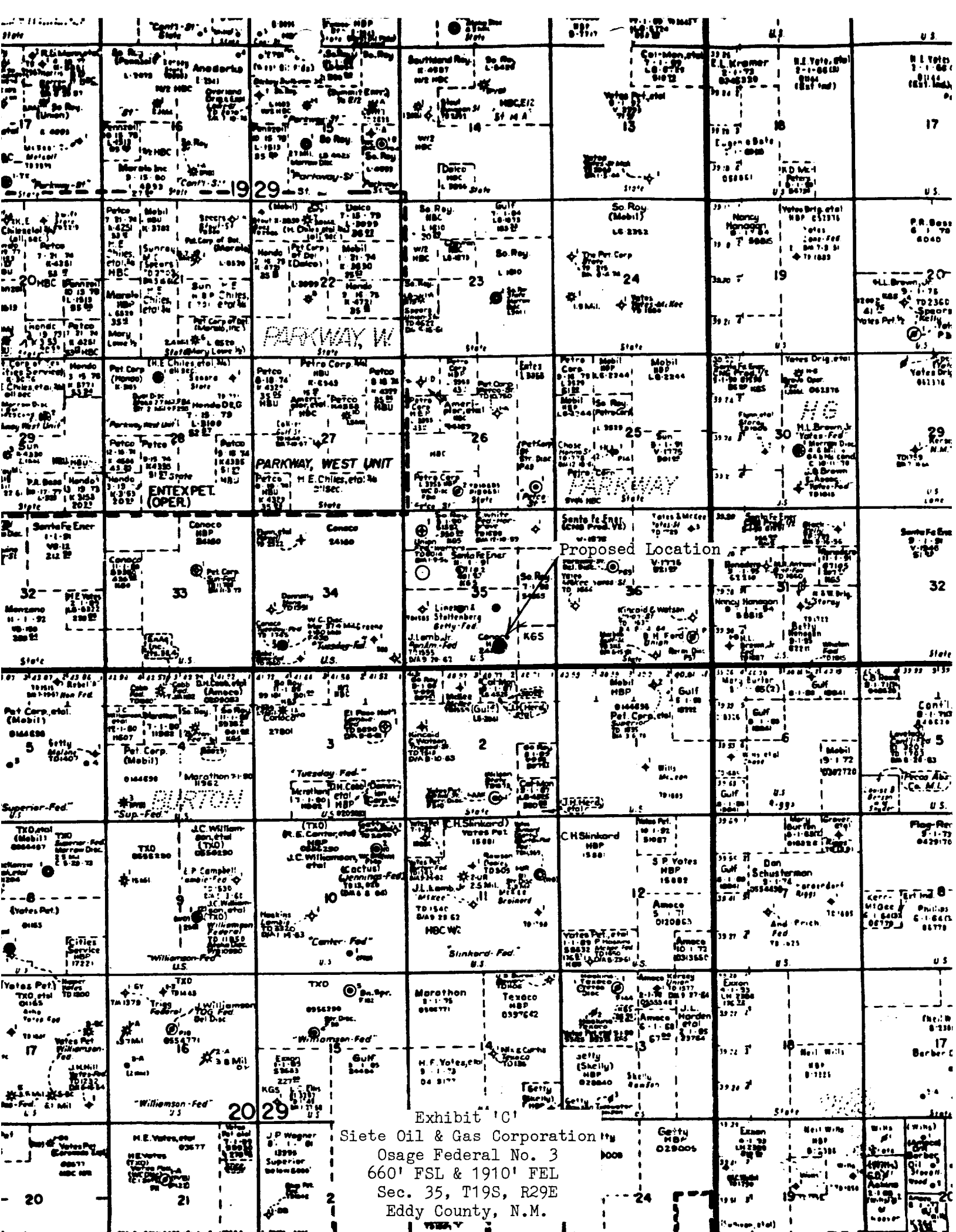
Exhibit 'A'
Siete Oil & Gas Corporation
Osage Federal No. 3
660' FSL & 1910' FEL
Sec. 35, T19S, R29E
Eddy County, N.M.

Exhibit 'B'

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

Siete Oil & Gas Corporation
Osage Federal No. 3
660' FSL & 1910' FEL
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Eddy County, N.M.

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Sec. 35, T19S, R29E
Eddy County, N.M.



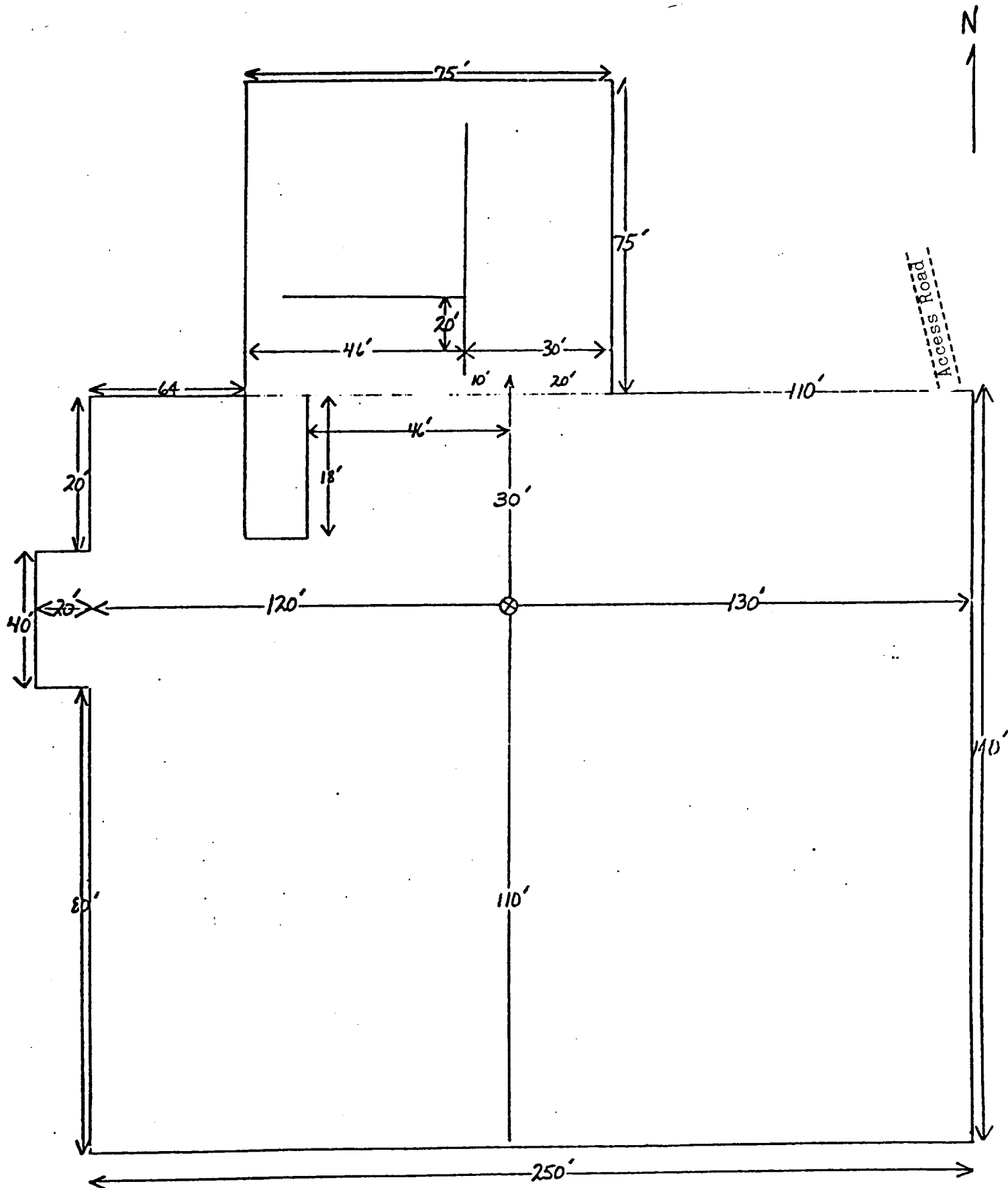


Exhibit 'D'
 Siete Oil & Gas Corporation
 Osage Federal No. 3
 660' FSL & 1910' FEL
 Sec. 35, T19S, R29E
 Eddy County, N.M.