

Artesia, NM 88210

CONTACT RECEIVING
OFFICE FOR OFFER
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(Other instructions on
reverse side)

30-015-26926
BLM Roswell District
Modified Form No.
NM060-3160-2

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 and Gas Corporation

3a. Area Code & Phone No.
(505)622-2202

3. ADDRESS OF OPERATOR

P.O. Box 2523, Roswell, NM 88202-2523

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

At surface

710' FNL & 1980' FEL, NW $\frac{1}{4}$ NE $\frac{1}{4}$, Unit Letter RECEIVED

At proposed prod. zone same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15.1 miles Southeast of Loco Hills, NM

JAN 17 1992

O. C. D.

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

710'

16. NO. OF ACRES IN LEASE

400

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.

1930'

19. PROPOSED DEPTH

4500'

20. ROTARY OR CABLE TOOLS

Rotary

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

(3968') GR: 3898

Capitan Controlled Water Basin

22. APPROX. DATE WORK WILL START*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
12 $\frac{1}{2}$ "	8 5/8"	24#	J-55	8rd	350'	400 sxs circ
7 7/8"	5 $\frac{1}{2}$ "	15.5#	J-55	8rd	4500'	1000 sxs

Selectively perforate and treat pay zone

Attachments:

Survey Plat (C-102)
Supplemental Drilling Data
Surface Use Plan

Post ID-1
1-24-92
New Loc & API

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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 Batley-Seely

TITLE

Drilling Technician

DATE

1/2/92

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

1-16-92

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

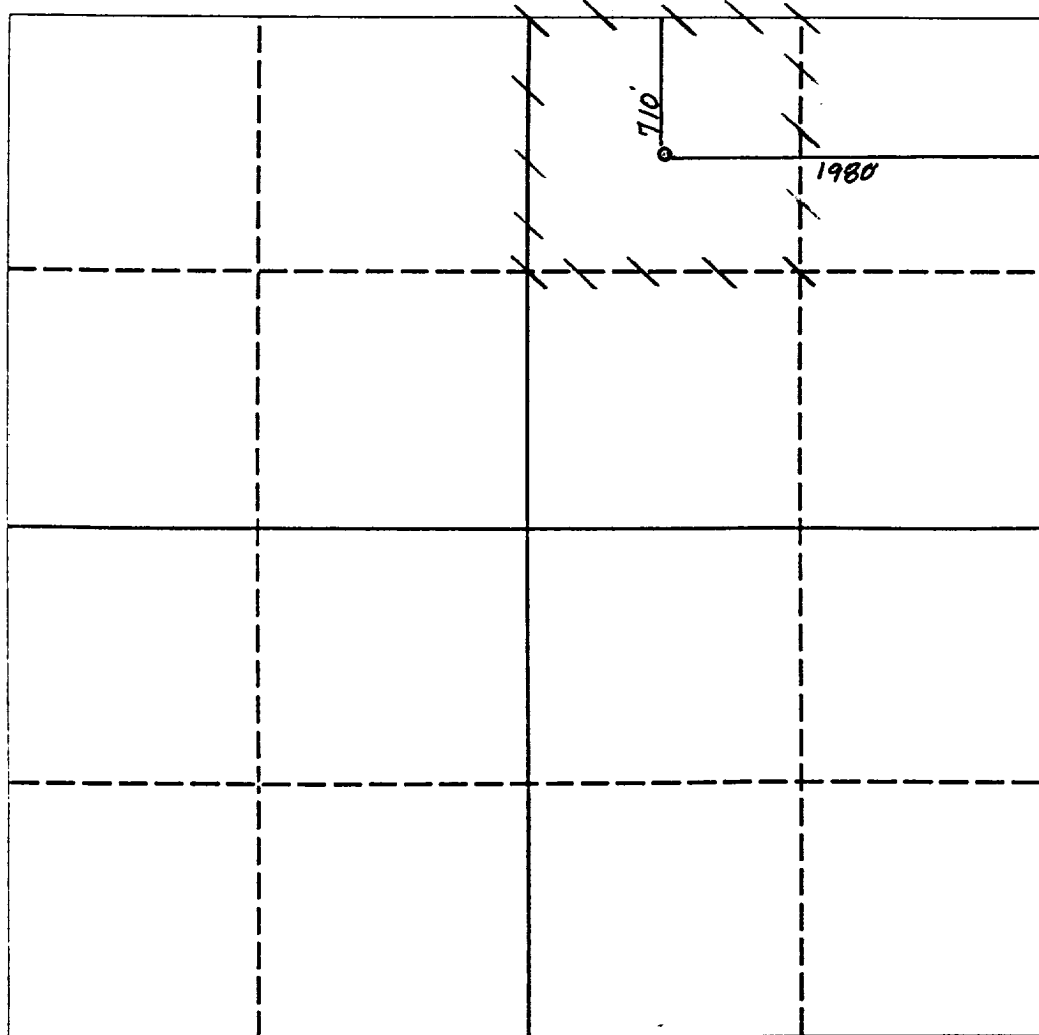
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator SIETE OIL & GAS CORPORATION			Lease ARCO FEDERAL		Well No. 4
Unit Letter B	Section 23	Township 18 SOUTH	Range 31 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: 710 feet from the NORTH line and 1980 feet from the EAST line					
Ground level Elev. 3698.	Producing Formation Grayburg	Pool Shugart Yates-7Rvrs-Q-GB		Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interest 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 interest, has been approved by the Division.



0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature *Harold D. Justice*

Printed Name **Harold D. Justice**

Position **Executive Vice President**

Company **Siete Oil & Gas Corp.**

Date **January 2, 1992**

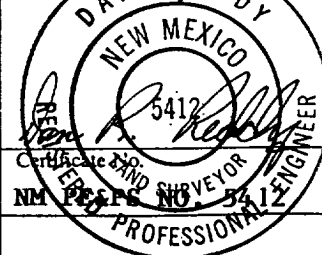
Date

SURVEYOR CERTIFICATION

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 is true and correct to the best of my knowledge and belief.

Date Surveyed **DECEMBER 16, 1991**

Signature & Seal of Professional Surveyor



SUPPLEMENTAL DRILLING DATA
SIETE OIL AND GAS CORPORATION
ARCO FEDERAL #4
710' FNL & 1980' FEL
Section 23: T18S, R31E
Eddy County, New Mexico
Lease Number: NM-2938

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	2150'
Yates	2420'
Queen	3480'
Grayburg	4050'
San Andres	4430'

3. Estimated depths to water, oil or gas:

Water: Approx. 200'
Oil or Gas: 3500'

4. Proposed casing program:

<u>Size</u>	<u>Interval</u>	<u>Weight</u>	<u>Grade</u>	<u>Joint</u>	<u>New or Used</u>
8 5/8"	0 - 350'	24#	J-55	LT&C	New
5 1/2"	0 - 4500'	15.5#	J-55	LT&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': Fresh water & native mud adding gel & lime for sufficient viscosity to insure clean hole for running casing.
350-4500': Drill out with native becoming brine, add starch and salt gel to maintain a viscosity of 30, @ TD 40; mud weight 10#.
7. Auxiliary Equipment: A kelly cock will be installed on the rig floor while drilling operations are in progress.
8. Testing, logging & coring programs: Possible DST and/or coring is not planned.
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
Arco Federal No. 4
710' FNL & 1980' FEL
Section 23: T18S, R31E
Eddy County, New Mexico
Lease Number: NM-2938

LOCATED: 15.1 miles Southeast of Loco Hills, New Mexico

FEDERAL LEASE NUMBER: NM-2938

LEASE ISSUED: September 1, 1967

RECORD LESSEE: Atlantic Richfield Company

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

ACRES IN LEASE: 400

SURFACE OWNERSHIP: Federal

GRAZING PERMITTEE: Virgil Linan Estate

POOL: Shugart Yates-7Rvrs-Q-GB

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 is on U.S. Highway 82 at Loco Hills, New Mexico:

0.00	Proceed East on Highway 82 for 6.0 miles
6.00	Turn South on Highway 31 and proceed 4.0 miles
10.00	Turn Southeast and proceed 3.5 miles
13.50	Turn North and proceed 1.0 miles
14.50	Turn West and proceed .75 miles past the Arco Federal #1
15.25	Turn Northeast and go .35 miles
15.60	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 approx. 14' wide and approx. 1900' long. It will enter the proposed location from the Southeast corner. The new access road is shown 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 and Cattleguards: None

3. LOCATION OF EXISTING WELLS:

- A. Existing wells are shown on Exhibit "C".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. If well is productive, we will lay approx. 2000' of 2" polyurethane flowline from the proposed location to the Arco Federal #1 tank battery (SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Sec. 24, T18S, R31E).

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 roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Construction materials will be obtained from a federal pit located in Sec. 24, T18S, R31E (SW $\frac{1}{4}$ NE $\frac{1}{4}$).

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 or condensate produced during tests, will be put into frac 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. If needed, an electric line will be ran Southeast to existing electrical facilities at the Arco Federal #3 from the proposed location.

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: Sandy loam

- 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 in the area.
- E. Residences and other structures: None in the immediate area.
- F. Archaeological, Historical and Other Cultural Sites: None were observed in this area. The pad area was archaeologized on December 16, 1991.
- 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

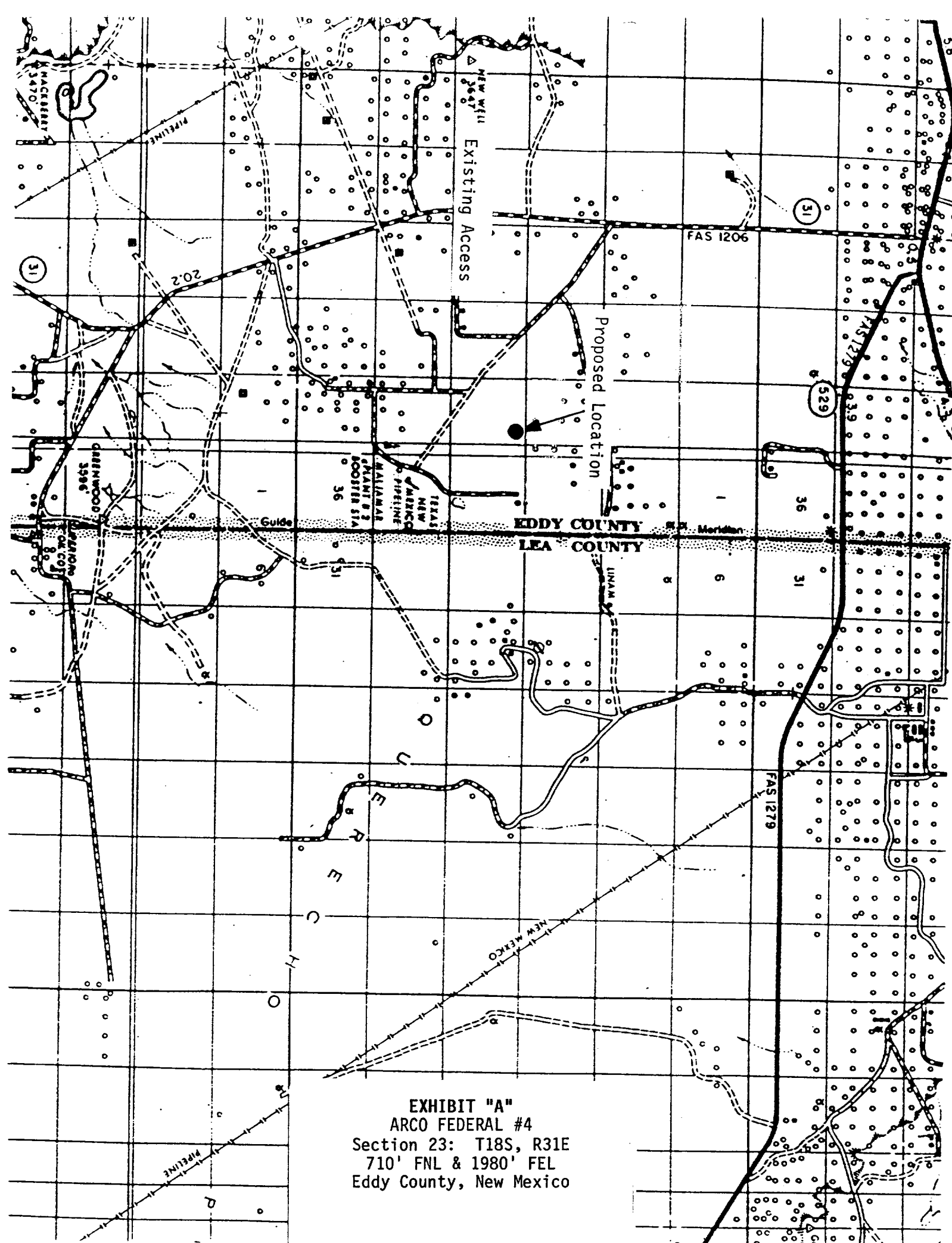
13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently 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. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

SIETE OIL AND GAS CORPORATION

Date: 1/7/92

BY: Harold D. Justice
Harold D. Justice
Executive Vice President



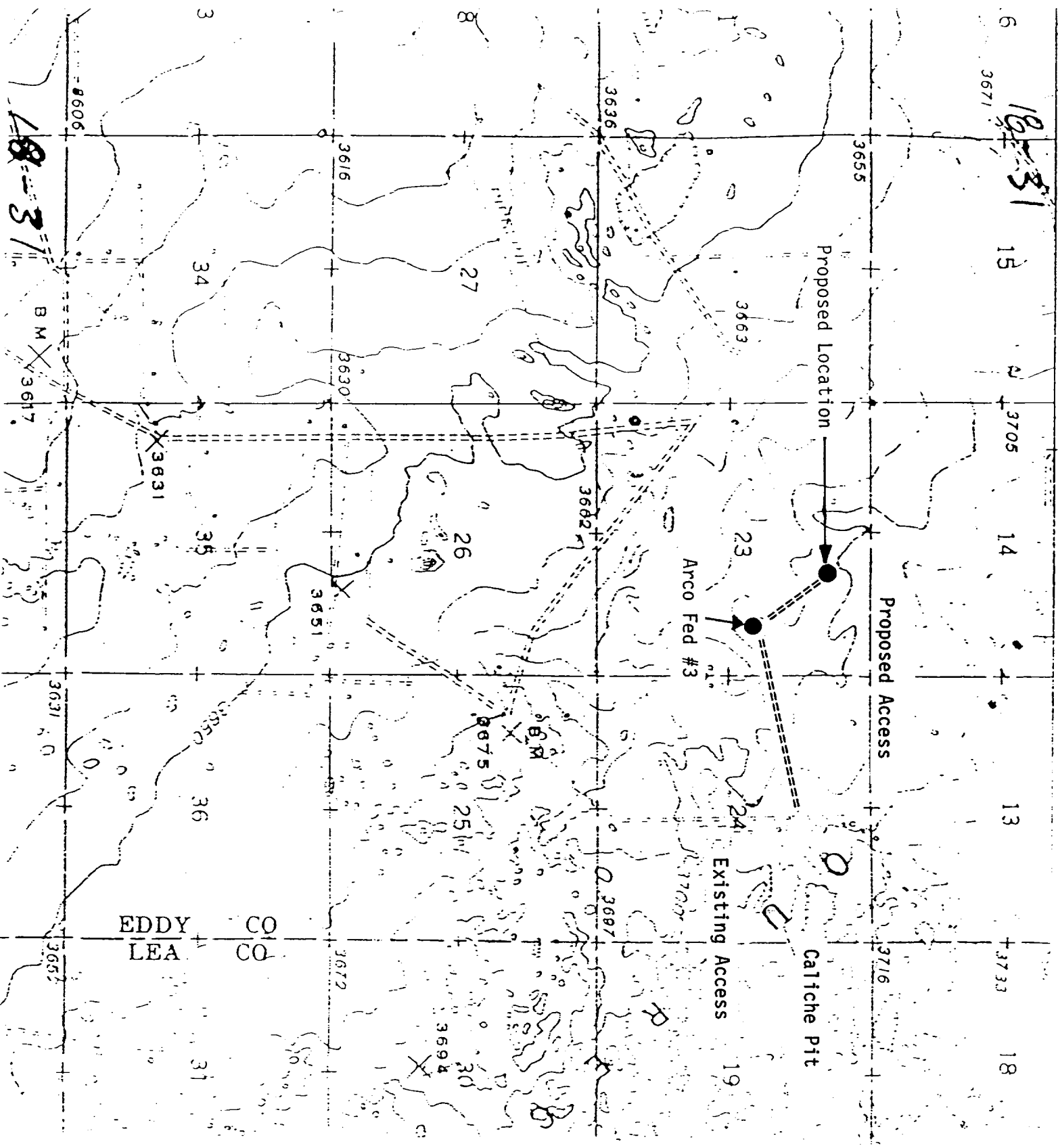
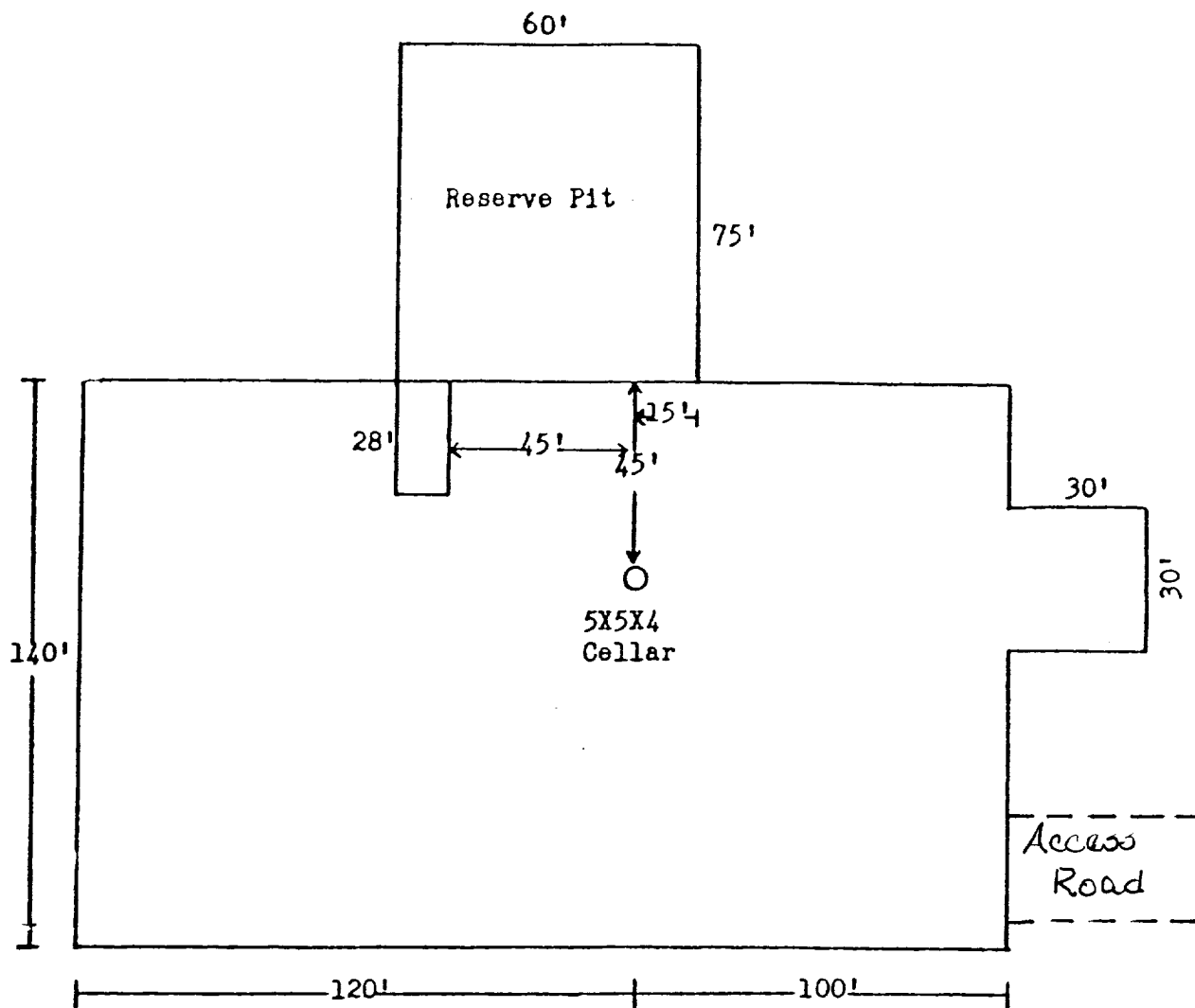


EXHIBIT "B"
ARCO FEDERAL #4
Section 23: T18S, R31E
710' FNL & 1980' FEL
Eddy County, New Mexico

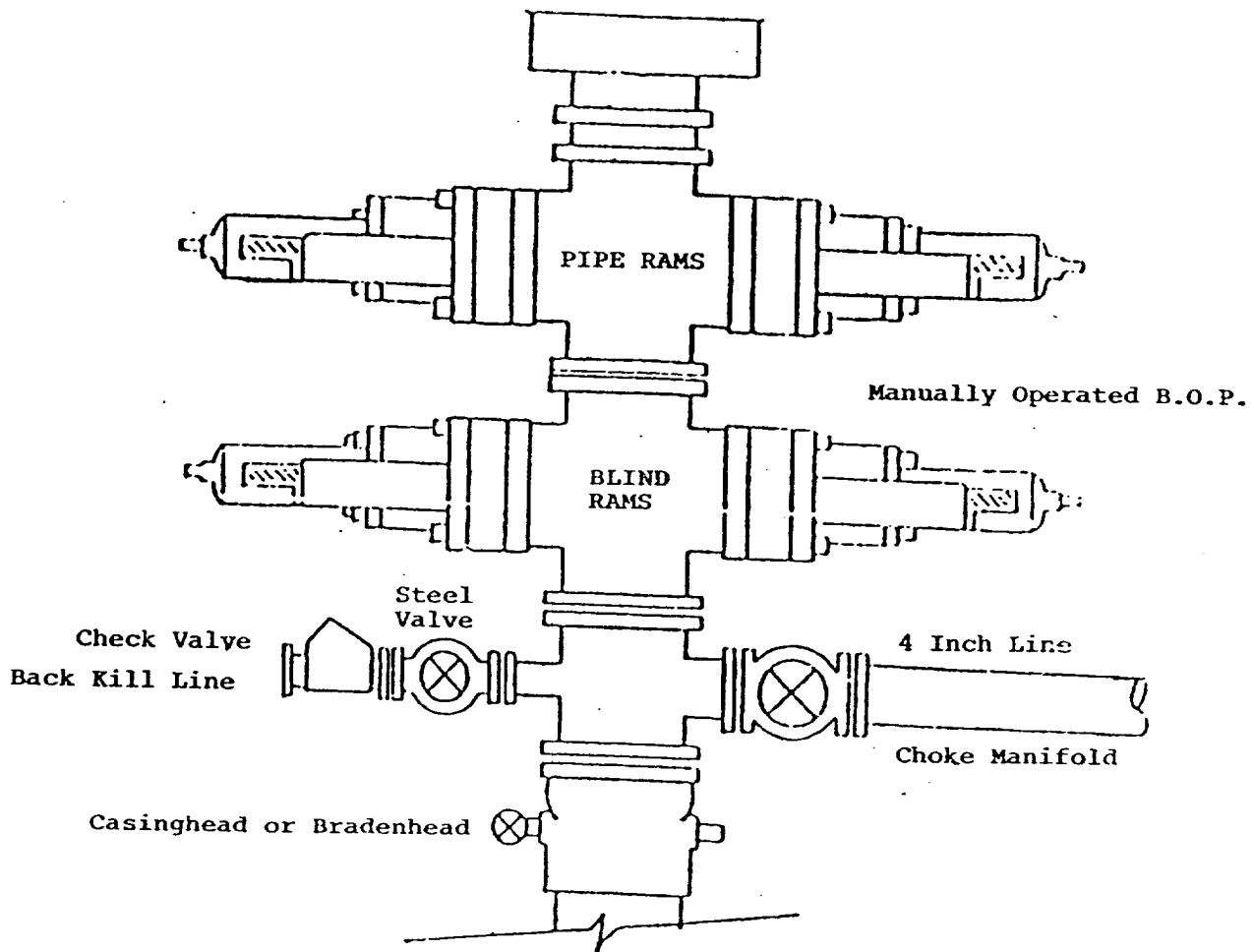


L&M Drilling Rig No. 1

EXHIBIT "D"
ARCO FEDERAL #4
Section 23: T18S, R31E
710' FNL & 1980' FEL
Eddy County, New Mexico

BOP DIAGRAM

RATED 3000#



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.

NM-2938

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Arco Federal #4

9. API Well No.

none assigned yet

10. Field and Pool, or Exploratory Area

Shug. Yates-7Rvrs-Q-GB

11. County or Parish, State

Eddy NM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Siete Oil and Gas Corporation

3. Address and Telephone No.

P.O. Box 2523, Roswell, NM 88202-2523

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec. 23, T18S, R31E
710' FNL & 1980' FEL
NW $\frac{1}{4}$ NE $\frac{1}{4}$, Unit Letter B

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other _____
- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Siete Oil hasn't encountered H2S while drilling formations from surface to 4500' in the above captioned area. Therefore, we do not have any contingency plans for the Arco Federal #4.

14. I hereby certify that the foregoing is true and correct

Signed

Executive Vice President

Title

Date

1/15/92

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any: