

30-015-26998

BLM Roswell District  
Modified Form No.  
NMO60-3160-2

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-2938	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Siete Oil and Gas Corporation		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P.O. Box 2523, Roswell, NM 88202-2523		8. FARM OR LEASE NAME Arco Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' FNL & 560' FEL, NE $\frac{1}{4}$ NE $\frac{1}{4}$ , Unit Letter A		9. WELL NO. 5	
At proposed prod. zone same		10. FIELD AND POOL, OR WILDCAT Shugart Yates-7RVRS-QN-GB	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 15.1 miles Southeast of Loco Hills, NM		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 23: T18S, R31E	
10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 560'		12. COUNTY OR PARISH Eddy	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1400'		13. STATE NM	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3698' GR		16. NO. OF ACRES IN LEASE 400	
		17. NO. OF ACRES ASSIGNED TO THIS WELL 40	
		19. PROPOSED DEPTH 4500'	
		20. ROTARY OR CABLE TOOLS Rotary	
		22. APPROX. DATE WORK WILL START* ASAP	

PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
12 $\frac{1}{4}$ "	8 5/8"	24#	J-55	8rd	350'	300 sxs circ
7 7/8"	5 $\frac{1}{2}$ "	15.5#	J-55	8rd	4500'	1000 sxs

Selectively perforate and treat zones.

Attachments:

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

Post ID-1  
5-8-92  
New line & 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 Harold Justice TITLE Executive Vice President DATE 4/7/92  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE 4-28-92  
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

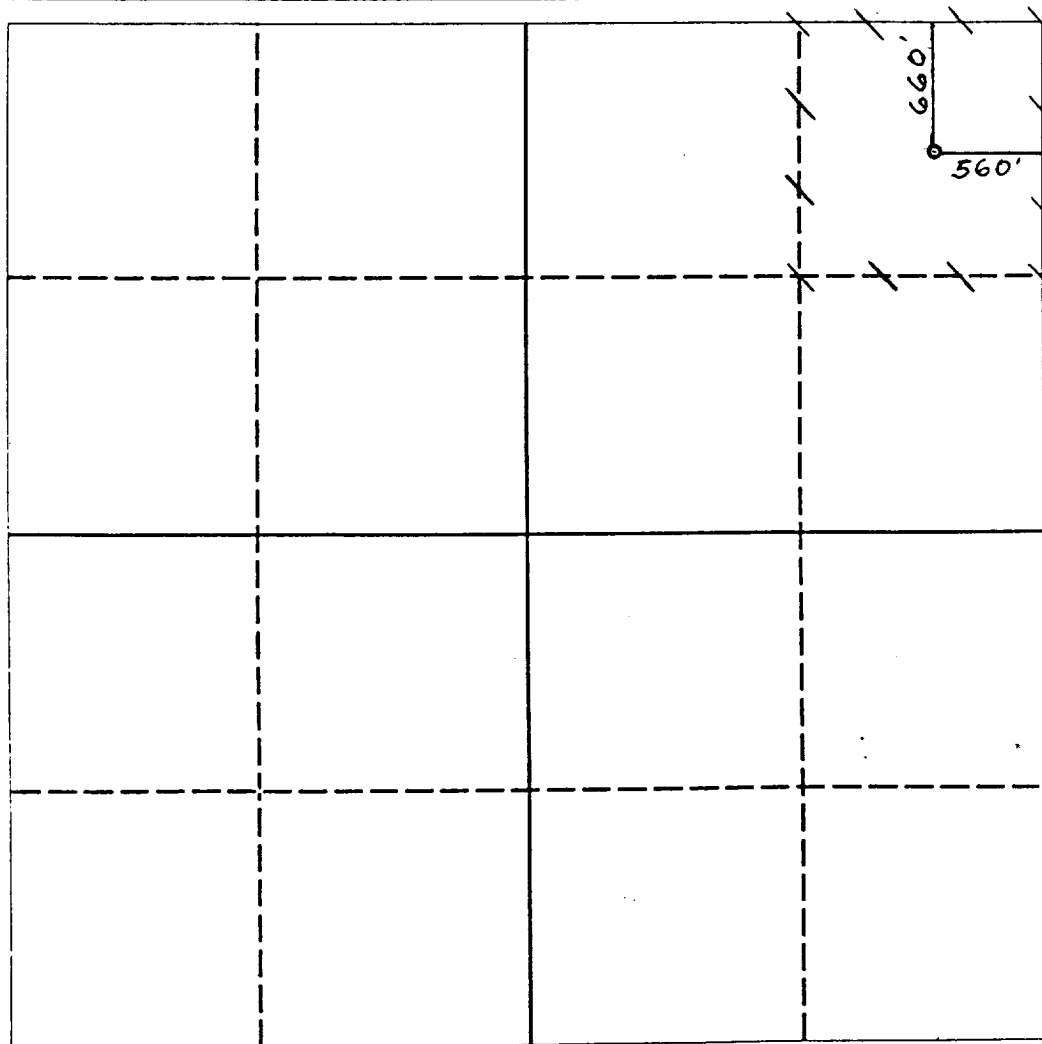
**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

Operator <b>SIETE OIL &amp; GAS CORPORATION</b>			Lease <b>ARCO FEDERAL</b>		Well No. <b>5</b>
Unit Letter <b>A</b>	Section <b>23</b>	Township <b>18 SOUTH</b>	Range <b>31 EAST</b>	County <b>EDDY COUNTY, NM</b>	
Actual Footage Location of Well: <b>660</b> feet from the <b>NORTH</b> line and <b>560</b> feet from the <b>EAST</b> line					
Ground level Elev. <b>3698.</b>	Producing Formation <b>Grayburg</b>	Pool <b>Shugart Yates-7Rvrs-QN-GB</b>		Dedicated Acreage: <b>40</b> Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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.



**OPERATOR CERTIFICATION**

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

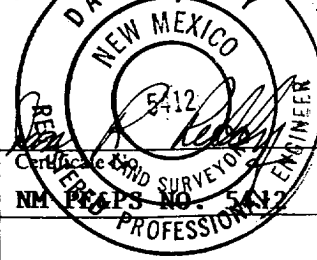
Signature  
*Harold D. Justice* 005  
Printed Name  
**Harold D. Justice**  
Position  
**Executive Vice President**  
Company  
**Siete Oil & Gas Corporation**  
Date  
**April 7, 1992**

**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  
**MARCH 25, 1992**

Signature & Seal of  
Professional Surveyor



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

**SUPPLEMENTAL DRILLING DATA**  
**SIETE OIL AND GAS CORPORATION**  
**ARCO FEDERAL #5**  
**660' FNL & 560' 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. We haven't encountered H<sub>2</sub>S while drilling formations from surface to 4500' in this area. Therefore, we do not have any contingency plans for this well.
10. Anticipated starting date: Commence drilling operations ASAP.

**SURFACE USE PLAN**  
**FOR**  
**DRILLING, COMPLETING AND PRODUCING**

**SIETE OIL AND GAS CORPORATION**  
**Arco Federal No. 5**  
**660' FNL & 560' 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 .5 miles to the Arco Federal #1
15.00	Turn Northeast and go .15 miles to the Ghandi #1
15.15	Proceed North .03 miles from the Ghandi #1
15.18	Turn West and go .2 miles
15.38	Location

### THIRTEEN POINT PROGRAM

#### 1. EXISTING ROADS:

- A. Existing access roads, which lead to the proposed drillsite, are shown on Exhibits "A" & "B". We will be coming off the Arco Federal #1 Right-of-Way NM-60234. If needed, existing roads will be upgraded.

#### 2. PROPOSED NEW ROAD:

- A. The new access road will be approx. 14' wide and approx. 1100' in length with 6" of compacted caliche. It will exit the Ghandi #1 pad on the Northeast corner and proceed North for approx. 100'. Then go West for approx. 1000' and enter our 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 on the surface approx. 1000' of 2" SR11 polyurethane flowline, with anticipated operating pressure of 50-60 psi, from the proposed location to the Arco Federal #3 (SE $\frac{1}{4}$ NE $\frac{1}{4}$  of Sec. 23, T18S, R31E). Proposed flowline is shown in Exhibit "B".

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, a secondary electric line will be ran South to existing electrical facilities at the Arco Federal #3 (Sec. 23, T18S, R31E, SE $\frac{1}{4}$ NE $\frac{1}{4}$ ) from the proposed location. We will use 2 anchors and four 35' poles being spaced 330' apart and carrying a voltage of 480. Proposed power line is shown in Exhibit "B".

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 March 25, 1992.
- 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.

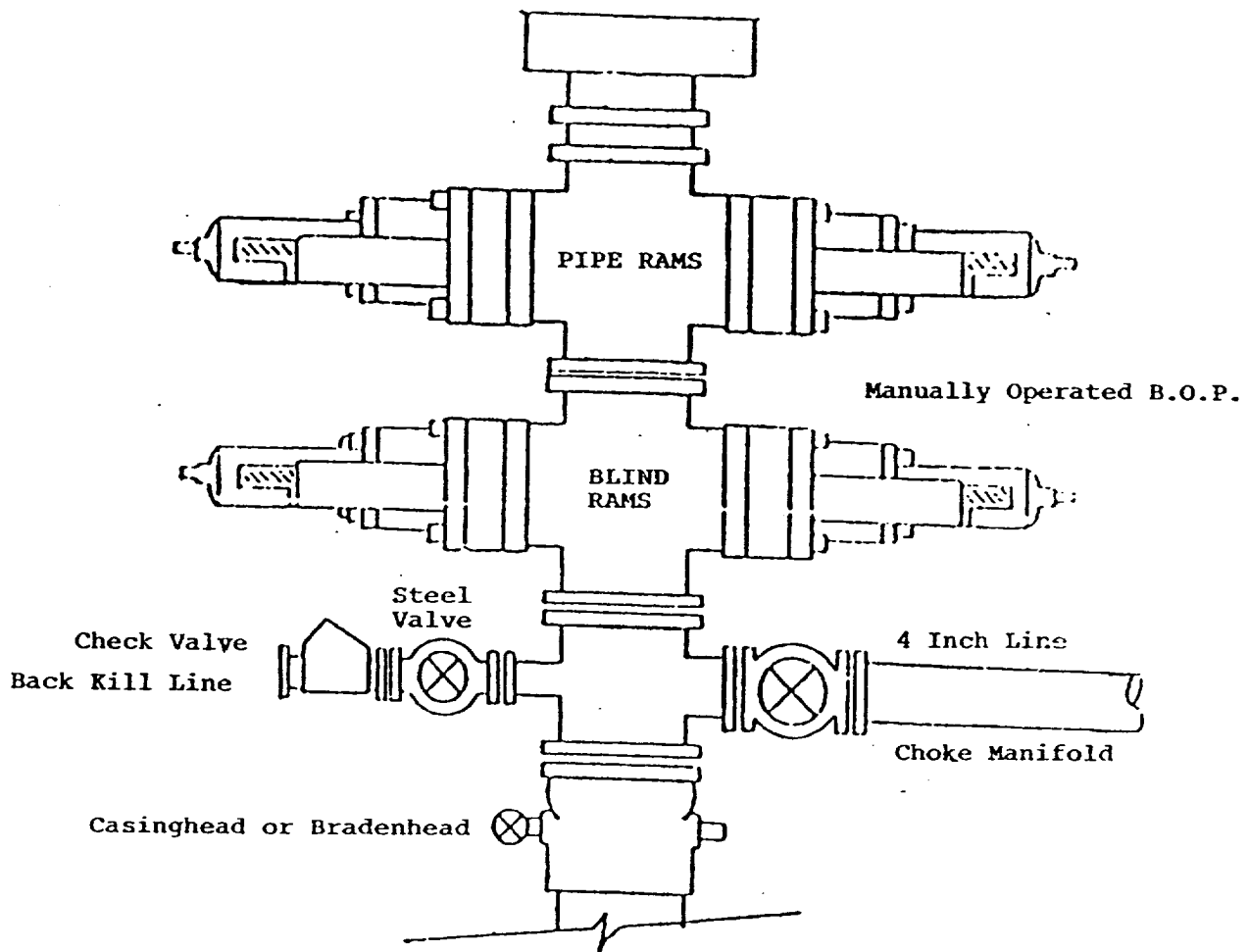
SIETE OIL AND GAS CORPORATION

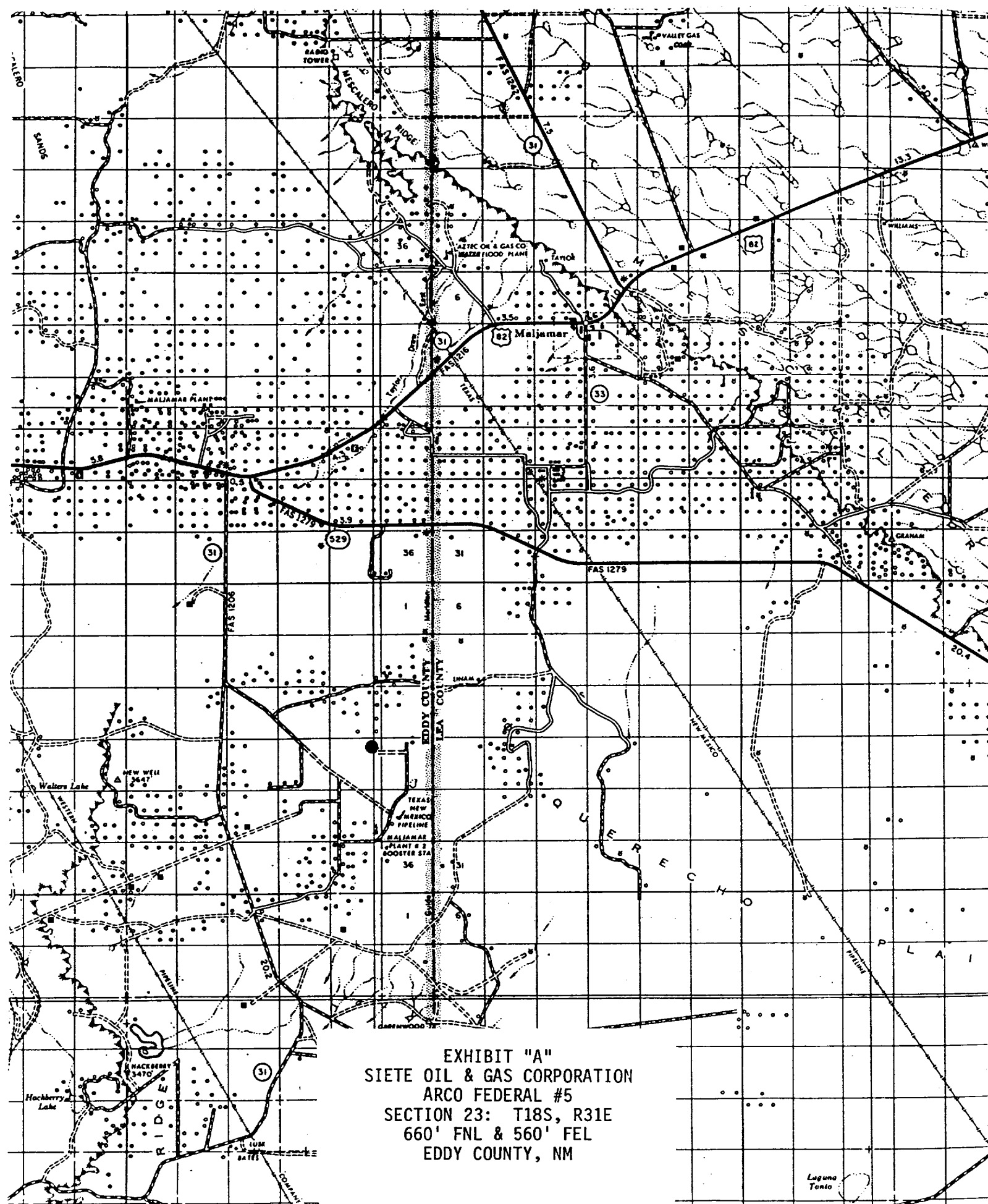
Date: 4/8/92

BY: Harold D. Justice <sup>CB5</sup>  
Harold D. Justice  
Executive Vice President

BOP DIAGRAM

RATED 3000#







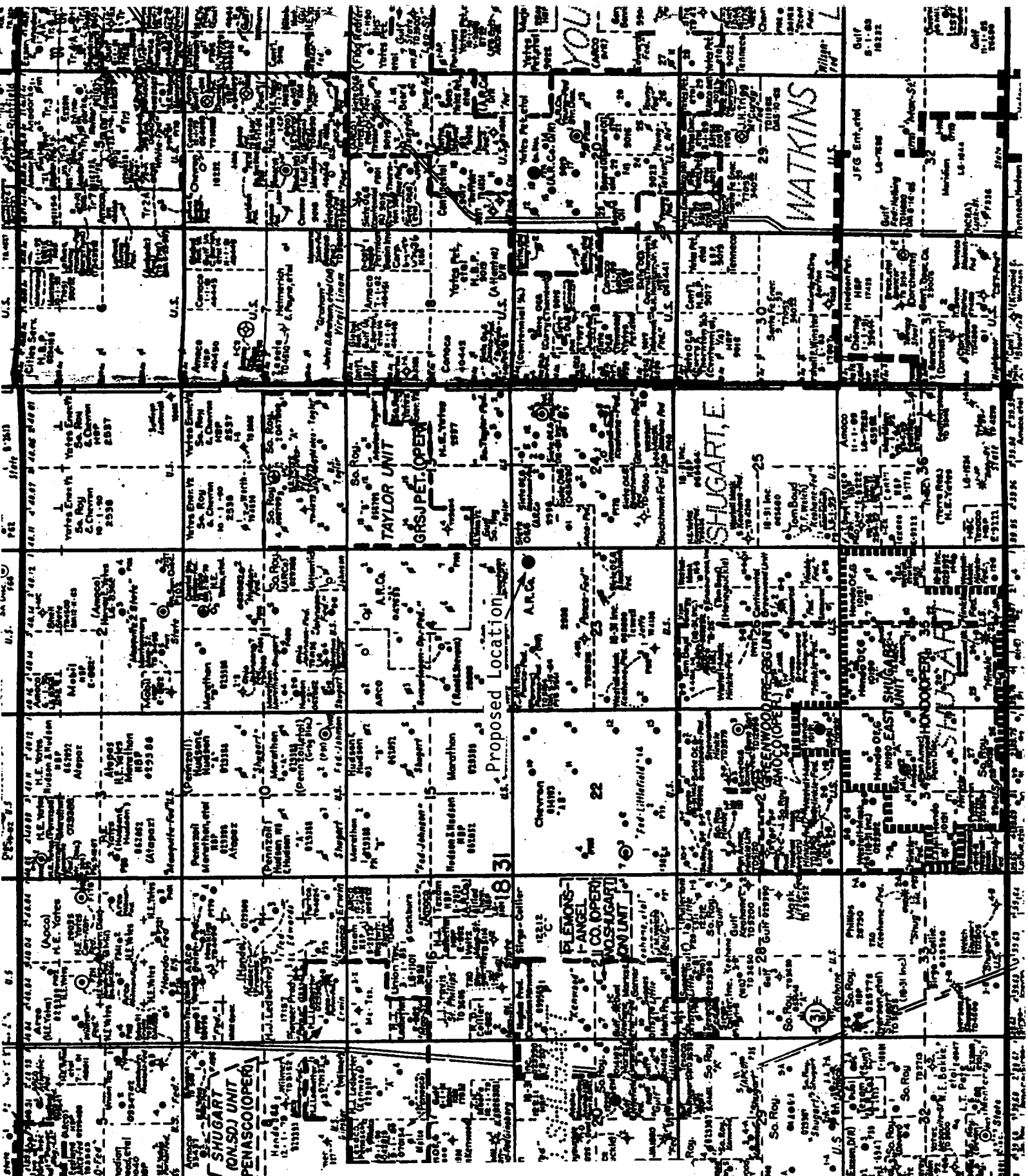


EXHIBIT "C"  
SIETE OIL & GAS CORPORATION  
ARCO FEDERAL #5  
SECTION 23: T18S, R31E  
660' FNL & 560' FEL  
EDDY COUNTY, NM

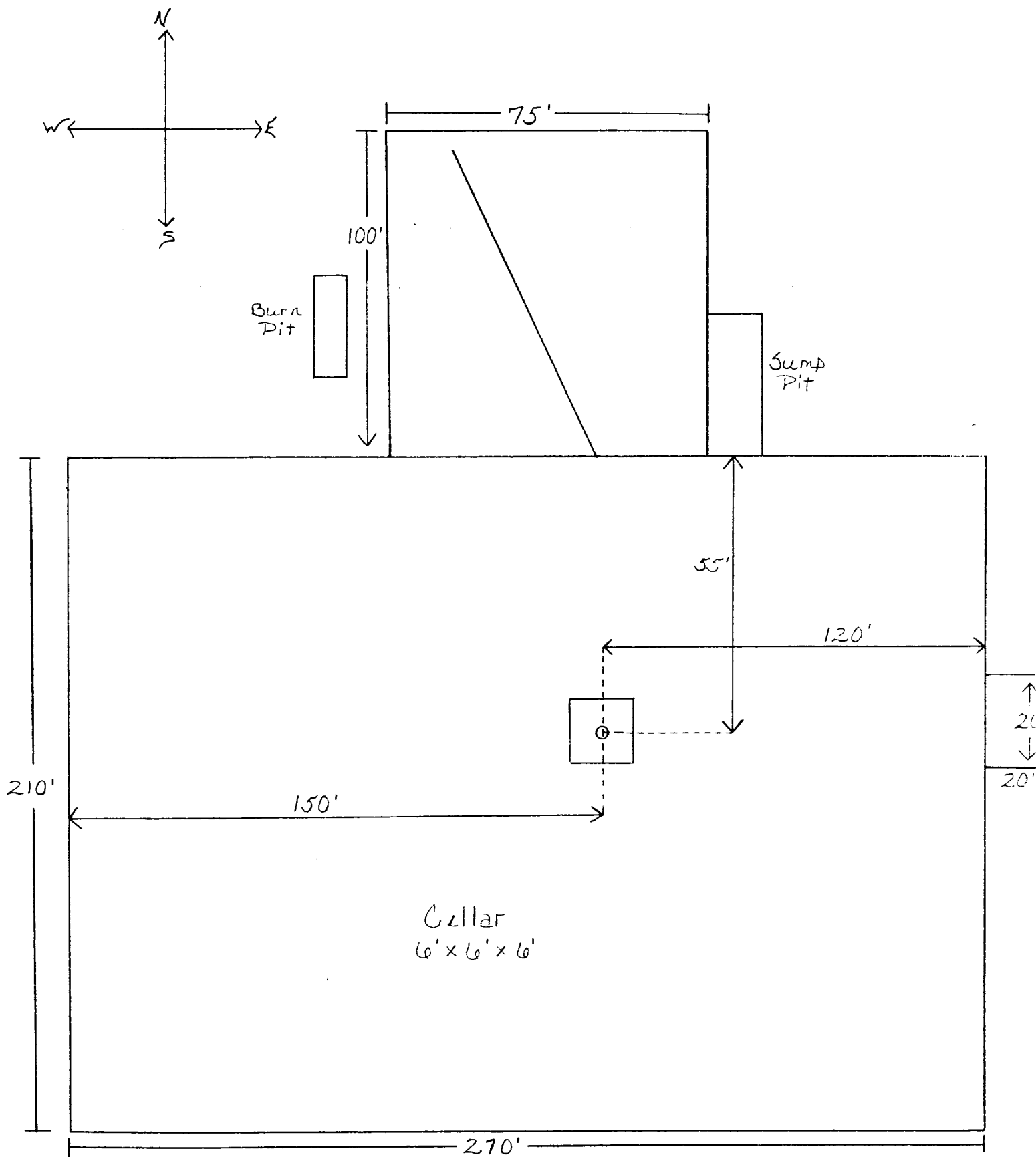


EXHIBIT "D"  
 SIETE OIL & GAS CORPORATION  
 ARCO FEDERAL #5  
 SECTION 23: T18S, R31E  
 660' FNL & 560' FEL  
 EDDY COUNTY, NM