

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NM OIL CO. COMMISSION  
Drawer DD  
Artesia, NM 88210

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

clsf

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. Arco Fed. #5
2. Name of Operator Siete Oil and Gas Corporation	9. API Well No. 30-015-26998
3. Address and Telephone No. P.O. Box 2523, Roswell, NM 88202-2523	10. Field and Pool, or Exploratory Area Shugart Y-7Rvrs-Q-GB
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec. 23: T18S, R31E 660' FNL & 560' FEL NE $\frac{1}{4}$ NE $\frac{1}{4}$ , Unit Letter A	11. County or Parish, State Eddy NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>surface commingling</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> 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.)\*

Due to a lease segregation, Siete Oil and Gas Corporation respectfully requests permission to surface commingle the above well off-lease with the Arco #1-#4 located on new lease NM-91367. The production from the Arco #5 will be going to the Arco #1-#4 battery located in Sec. 24, T18S, R31E, SW $\frac{1}{4}$ NW $\frac{1}{4}$ . We will be measuring, commingling & storing off-lease oil and water. The allocations will be taken from well tests for these products. The Arco #5 gas production has become too small to measure so there is no need for allocation for this product. The Arco #5 is currently producing out of the same pool as the Arco #1-#4.

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

Signed <u>Cathy Batley-Seely</u>	Title <u>Reg. Spec.</u>	Date <u>3/25/94</u>
(This space for Federal or State office use)		
Approved by <u>Orig. Signed by Adam Salameh</u>	Title <u>Petroleum Engineer</u>	Date <u>4/7/94</u>
Conditions of approval, if any:		

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CRA BLM FORMAT

APPLICATION FOR SURFACE COMMINGLING,  
OFF LEASE STORAGE AND MEASUREMENT APPROVAL

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CRA  
APPROVAL

This Format Should Be Attached To A Sundry Notice

To: Bureau of Land Management  
P. O. Box 1778  
Carlsbad, New Mexico 88221-1778

Siete Oil & Gas Corp.(Operator's Name) is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. NM-2938 ; Lease Name: Arco Federal

<u>Well</u> <u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>5</u>	<u>NENE</u>	<u>23</u>	<u>18S</u>	<u>31E</u>	<u>Shugart Y-7Rvrs-Q-GB</u>
<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
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with hydrocarbon production from the following formation(s) and well(s) on Federal lease No. NM-91367 ; Lease Name: Arco Federal

<u>Well</u> <u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>SWNW</u>	<u>24</u>	<u>18S</u>	<u>31E</u>	<u>Shugart Y-7Rvrs-Q-GB</u>
<u>2</u>	<u>NENW</u>	<u>24</u>	<u>18S</u>	<u>31E</u>	<u>Shugart Y-7Rvrs-Q-GB</u>
<u>3</u>	<u>SENE</u>	<u>23</u>	<u>18S</u>	<u>31E</u>	<u>Shugart Y-7Rvrs-Q-GB</u>
<u>4</u>	<u>NWNE</u>	<u>23</u>	<u>18S</u>	<u>31E</u>	<u>Shugart Y-7Rvrs-Q-GB</u>

Production from the wells involved is as follows:

<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
<u>Arco Federal #1</u>	<u>2</u>	<u>34.7</u>	<u>0</u>
<u>Arco Federal #2</u>	<u>11</u>	<u>34.5</u>	<u>0</u>
<u>Arco Federal #3</u>	<u>21</u>	<u>34.8</u>	<u>7</u>
<u>Arco Federal #4</u>	<u>20</u>	<u>34.8</u>	<u>5</u>
<u>Arco Federal #5</u>	<u>15</u>	<u>34.7</u>	<u>0</u>
<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>

Continued ...

Continued:

The proposed operation is described in detail on the attached diagrams.

A map is enclosed showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling/common storage facility. All unitized/communitized areas, producing zones/pools are also clearly illustrated.

A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

The storage and measuring facility is located at SWNW-1/4, Sec. 24, T 18S, R 31 E, on lease No. NM91367, Eddy County, New Mexico. BLM will be notified if there is any future change in the facility location.

Details of the proposed method for allocating production to contributing sources is as follows:

Oil & Water will be taken from well tests. The Arco #5 no longer produces gas, so no allocation will be necessary for that product for lease NM-2938.

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The working interest owners have been notified of the proposal.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for continued operation of the above referenced Federal leases.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

Signature: Cathy Batley-Seely  
Name: Cathy Batley-Seely  
Title: Reg. Spec.  
Date: 3/28/94

WOOD PRE-CGG UNIT  
OPERA.)  
1987-26  
Continentals  
Greenwood Unit  
Ensource

18-31 Inc.  
HBP  
065604  
M.E. Yates  
Kilmer-Ford  
TOSSES

STUGART  
Wichell Mack  
5 Keelhome - Red.  
-70 4200

18-31 Inc.  
065600

Tom Bowd

25

10 State Oil Co	Cent'l.	Yates Pet.
Q Curry B	H.B.P.	etol
(Northern W.)	5017	H.B.P.
(Centennial)		5019
WAB		Tenneco
9016		

Notes Enac (AIRCOR)  
3-1-89  
58155  
208 B  
161  
Notes Enac  
Notes, Pet  
ETAL  
4021  
Soma Fe Enac  
9-1-93  
77052  
340-  
29 - Fed -  
J.H. Tri  
McCurd  
TOL1963  
DAS-10-1