

MAY 2 1993

3160(067)  
NM-67102

MAY 12 1993

C. L. D.  
MAY 12 1993

CERTIFIED--RETURN RECEIPT REQUESTED  
P 135 585 855

Siete Oil and Gas Corporation  
Attention: Harold D. Justice  
P. O. Box 2523  
Roswell, NM 88202-2523

RE: Parkway Delaware Unit Well No. 303  
NM-67102  
1420' FNL & 2500' FWL, Sec. 35, T19S, R29E  
Eddy County, New Mexico

Dear Mr. Justice:

On February 17, 1993, Siete Oil and Gas Corporation filed an Application for Permit to Drill (APD) at the above referenced location. I am pleased to approve your APD at the present location. Your copy of the APD, with attached stipulations, is enclosed.

Through our analysis of the APD, we have determined that the well site is located a sufficient distance from the ore zones that potash resources should not be impacted.

If you need any additional information, please contact Gary Williams in the Carlsbad Resource Area at (505) 887-6544.

Sincerely,

*1st Kathy Eaton*

*fu* Monte G. Jordan  
Acting State Director

1 Enclosure

bcc:  
NM (910, M. Jordan)  
NM (920, R. Smith)  
NM (060, A. Lopez)  
NM (060, L. Cone)  
NM (067, T. Herrell) ✓

Form 3160-3  
(July 1989)  
(formerly 9-331C)

NM OIL CONS COMMISSION

Drawer DD  
Artesia, NM 88210

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

CONTACT RECEIVING  
OFFICE FOR NUMBER  
OF COPIES REQUIRED  
(Other instructions on  
reverse side)

BLM Roswell District  
Modified Form No.  
NM60-3160-2

NM 67102

5. LEASE DESIGNATION AND SERIAL NO.  
NMN188491X  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME  
Parkway Delaware Unit

8. FARM OR LEASE NAME  
Parkway Delaware Unit

9. WELL NO.  
303

10. FIELD AND POOL, OR WILDCAT  
Parkway Delaware

11. SEC., T., R., M., OR BLK.  
AND SURVEY OR AREA

Sec. 35: T19S, R29E

12. COUNTY OR PARISH  
Eddy

13. STATE  
NM

17. NO. OF ACRES ASSIGNED  
TO THIS WELL  
n/a

20. ROTARY OR CABLE TOOLS  
Rotary

22. APPROX. DATE WORK WILL START\*  
ASAP

Secretary's Potash

PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
24"	20"	90#	J-55	8rd	350	350 sxs circ
17 1/2"	13 3/8"	48#	J-55	8rd	1200	500 sxs circ
12 1/4"	8 5/8"	24# & 32#	J-55	8rd	3200	1000 sxs circ
7 7/8"	5 1/2"	15.5#	J-55	8rd	4400	750 sxs (tieback)

KOP @ 3200"+-

Build rate 2 dg./100' minimum curvature method.

Maximum Angle 16.18° @ measured depth of 4427.7', vertical depth @ 4400'

Target @ TD (original staking of 1420' FNL & 2550' FEL), 230' displacement.

Selectively perforate and treat pay zones.

Attachments:

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

\*NOTE: Injection Operations  
are: Subject to  
Like Approval  
by State

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 O. Justice TITLE Exec. Vice President DATE 2/16/93  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE 5-3-93

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS

CASE # 10619  
ORDER # R-9322

\*See Instructions On Reverse Side

ATTACHED

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make a false statement.

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**

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

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

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

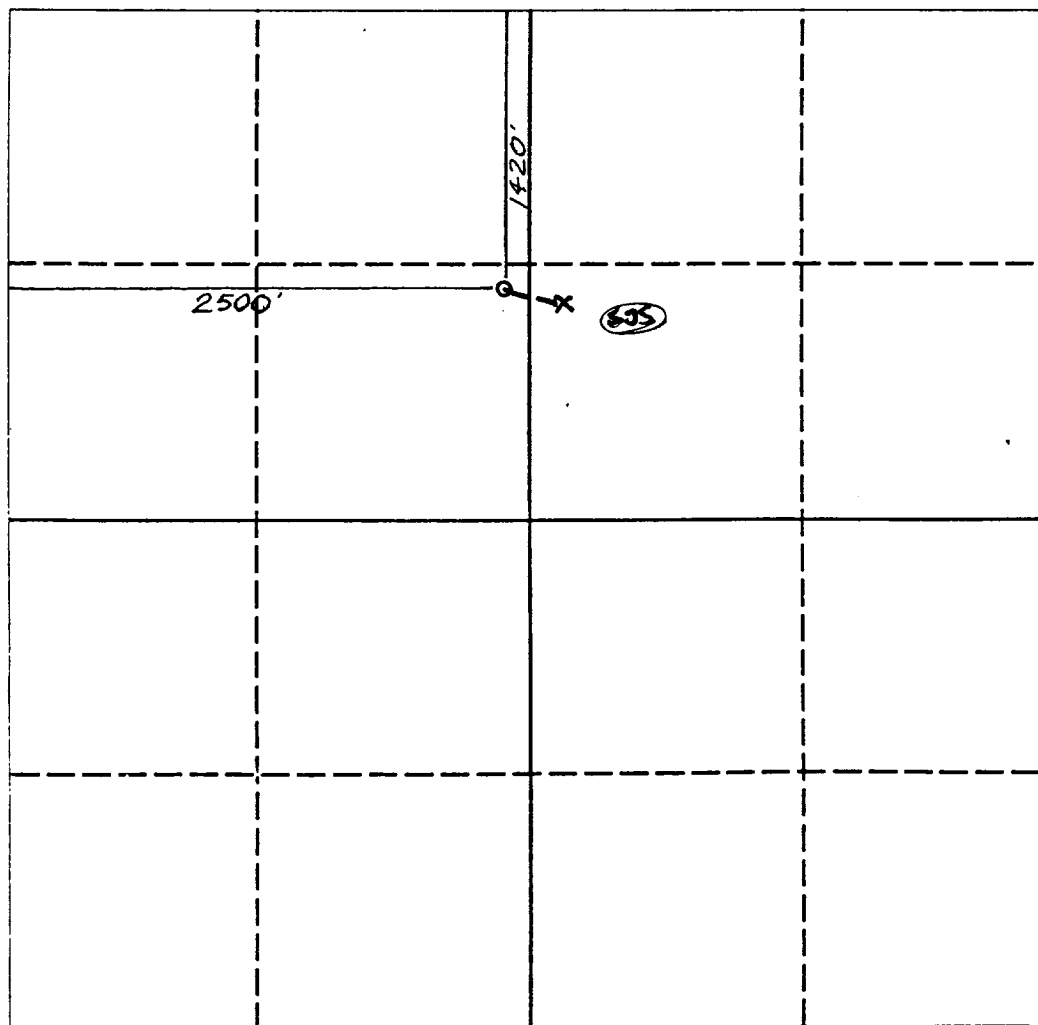
**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

**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>PARKWAY DELAWARE UNIT</b>		Well No. <b>303</b>
Unit Letter <b>F</b>	Section <b>35</b>	Township <b>19 SOUTH</b>	Range <b>29 EAST</b>	County <b>EDDY COUNTY, NM</b>	
Actual Footage Location of Well: <b>2500</b> feet from the <b>WEST</b> line and <b>1420</b> feet from the <b>NORTH</b> line					
Ground level Elev. <b>3311.</b>	Producing Formation <b>Delaware</b>		Pool <b>Parkway</b>		Dedicated Acreage: <b>n/a</b> 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.



**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  
**Exec. Vice President**  
Company  
**Siete Oil & Gas Corp.**  
Date  
**February 16, 1993**

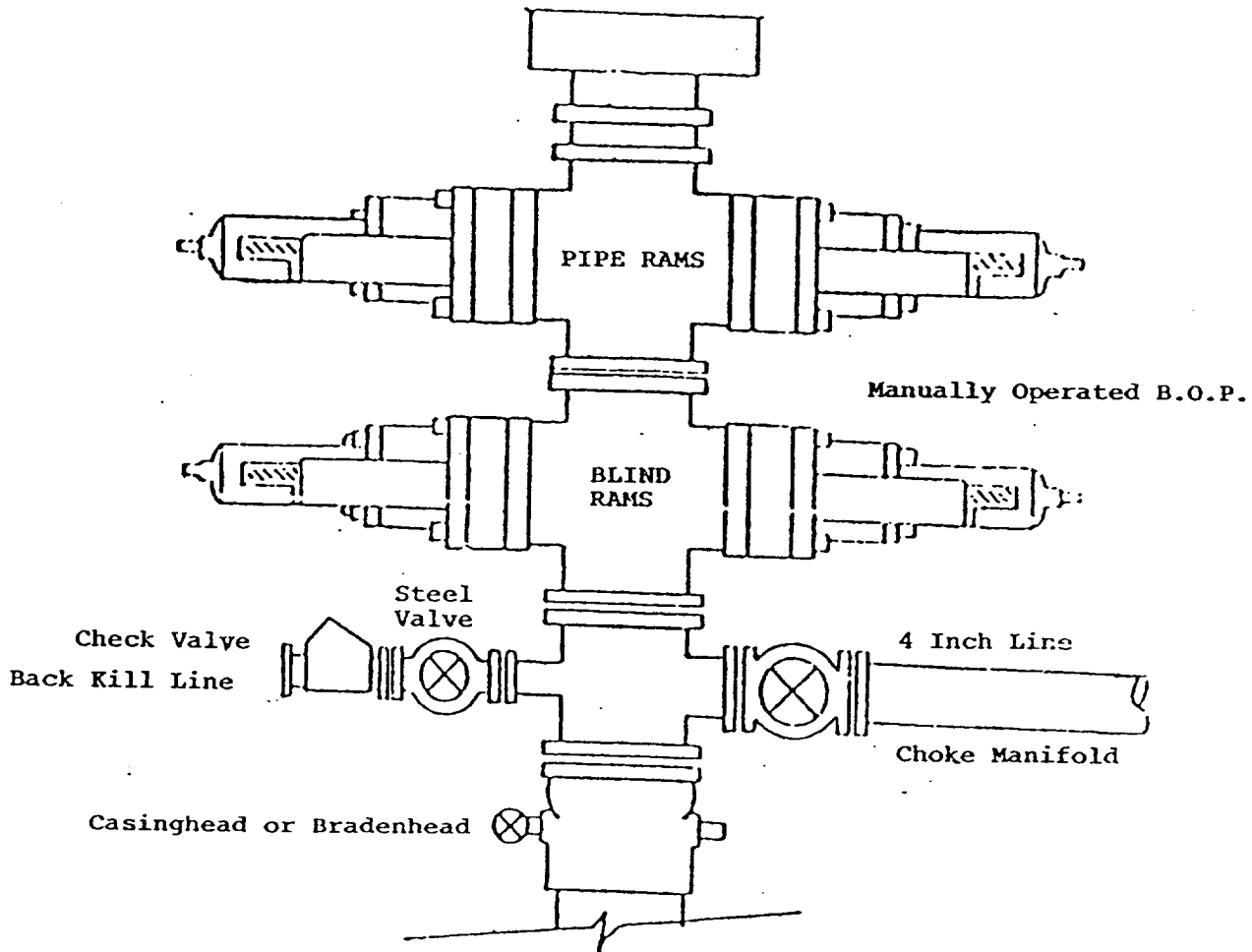
**SURVEYOR CERTIFICATION**

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  
**OCTOBER 8, 1992**  
Signature & Seal of Professional Surveyor  
*[Signature]*  
NEW MEXICO  
3412  
REGISTERED PROFESSIONAL SURVEYOR  
NM PEERS NO. 3412

BOP DIAGRAM

RATED 3000#



SUPPLEMENTAL DRILLING DATA  
SIETE OIL AND GAS CORPORATION  
PARKWAY DELAWARE UNIT #303  
1420' FNL & 2500' FWL  
Section 35: T19S, R29E  
Eddy County, New Mexico  
Lease Number: NM-67102  
Unit Agreement: NMNM88491X

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'  
    Delaware            3200'
3. Estimated depths to water, oil or gas:  
    Water:   Approx.   220'  
    Oil or Gas:   3300'

4. Proposed casing program:

<u>Size</u>	<u>Interval</u>	<u>Weight</u>	<u>Grade</u>	<u>Joint</u>	<u>New or Used</u>
20"	0'-350'	90#	J-55	ST&C	New
13 3/8"	0'-1200'	48#	J-55	ST&C	New
8 5/8"	0'-3200'	24# & 32#	J-55	ST&C	New
5 1/2"	0'-4400'	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': Fresh water and native mud adding gel and lime for sufficient viscosity to insure clean hole for running casing.  
    350'-1200': Drill out with native becoming brine; occasional mud sweeps to clean hole.  
    1200'-3200': Fresh water with occasional mud sweeps.  
    3200'-TD: Drill out of intermediate with a cut brine system, add starch and salt gell to maintain a viscosity of 29; mud weight 9.5-9.7.
7. Auxiliary Equipment: A kelly cock will be installed on the rig floor while drilling operations are in progress.
8. Testing & coring programs: None anticipated.  
    Logging: Compensated Neutron-Formation Density-Gamma Ray-Caliper-Dual Laterlog-RXO @ 3200'-TD.
9. No abnormal pressures or temperature zones are anticipated. There has not been H2S encountered while drilling formations from surface to T.D. Therefore, we do not have any contingency plans for this well.
10. Anticipated starting date: Commence drilling operations ASAP upon BLM approval.

SURFACE USE PLAN  
FOR  
DRILLING, COMPLETING AND PRODUCING

SIETE OIL AND GAS CORPORATION  
Parkway Delaware Unit #303  
1420' FNL & 2500' FWL  
Section 35: T19S, R29E  
Eddy County, New Mexico  
Lease Number: NM-67102  
Agreement Number: NMNM88491X

LOCATED: 17 miles Northeast of Carlsbad, New Mexico

FEDERAL LEASE NUMBER: NM-67102

LEASE ISSUED: November 1, 1986

RECORD LESSEE: Santa Fe Energy

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

ACRES IN UNIT: 920

SURFACE OWNERSHIP: Federal

GRAZING PERMITTEE: Snyder Ranches  
c/o Larry Squires  
(505) 393-7544

POOL: Parkway Delaware

EXHIBITS:

- A. Area Road Map
- B. Topographic Map Showing Access Route
- C. Lease Map Showing Well Site
- D. Sketch of Well Pad

ROAD LOG TO PROPOSED DRILLSITE

Starting point being Pecos River Bridge-Carlsbad on Highway 62-180:

0.00	Proceed East-Northeast on Highway 62-180 for 13.5 miles.
13.50	Turn North (4/10 mile past mile marker 49) on County Road 238 & proceed North for 2.1 miles (end of County Road North).
15.60	Proceed North off County Road (Tuesday Federal Sign) & proceed 4.1 miles.
19.70	Turn East and proceed .75 mile.
20.45	Turn North @ Osage #2 and proceed .5 mile.
21.95	Go Southeast off Meridian's Apache "A" #1 pad and proceed .05 mile.
22.00	Location.

### THIRTEEN POINT PROGRAM

1. EXISTING ROADS:

- A. Existing access 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 100' in length with 6" compacted caliche. It will exit Southeast off Meridian's Apache "A" #1 well pad and enter our proposed location from the Northwest corner. The new access road is shown on Exhibit "B".

3. LOCATION OF EXISTING WELLS:

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

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. Prior to injecting fluids, a buried 1300' 2 3/8" fiberglass line will be laid South to the PDU #506 injection well following the access road. It will maintain an operating pressure of 3000#. A 1" meter & check valve will be placed at the PDU #303 location.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. The water supply for drilling purposes will be coming from the Renegade Federal #1 battery (Sec. 35, T19S, R29E, SE $\frac{1}{4}$ NW $\frac{1}{4}$ ). We plan to lay approx. 2500' of 2" SDR11 polyurethane pipe temporarily on the surface following the new access road and existing access roads to the Renegade #1 battery. The line will maintain an operating pressure of 30 psi. After drilling operations are completed we will have the line hauled off. The proposed temporary line is shown in Exhibit "B".

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Construction materials will be obtained from a federal pit located in Section 3, T20S, R29E, 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 stored in a trash trailer. All waste material will be contained to prevent scattering by the wind. Afterwards, it will be disposed of in an approved landfill.

8. ANCILLARY FACILITIES:

- A. None planned.

9. WELLSITE LAYOUT:

- A. The dimensions and location of the well site and mud pits with respect to the wellbore are shown on Exhibit "D".
- B. The wellsite is nearly level and will not require any cut or fill. The well pad will be surfaced with caliche.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of re-entry 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 in the area.
- 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 area was archaeologized on October 8, 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: 2/10/93

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

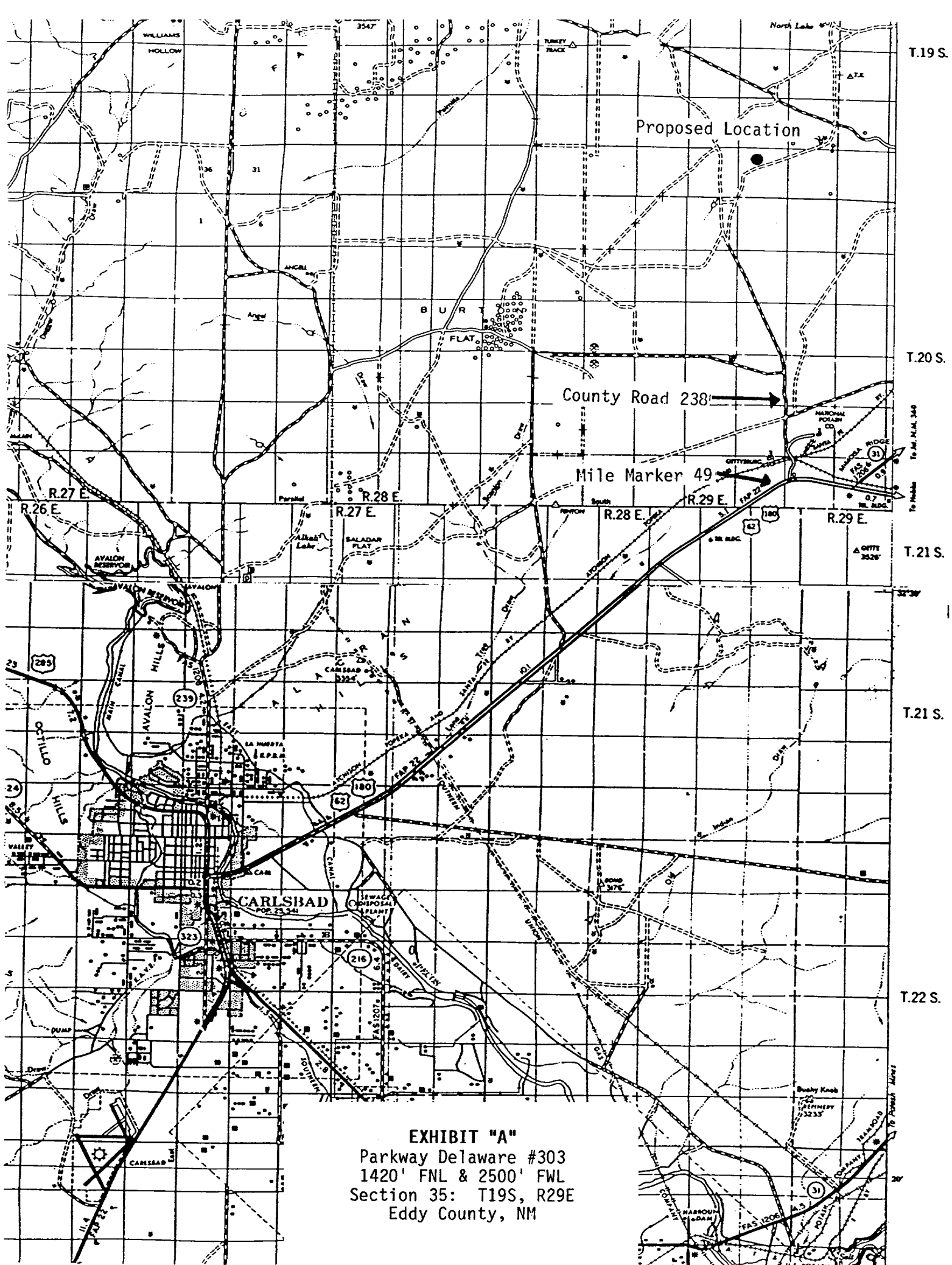
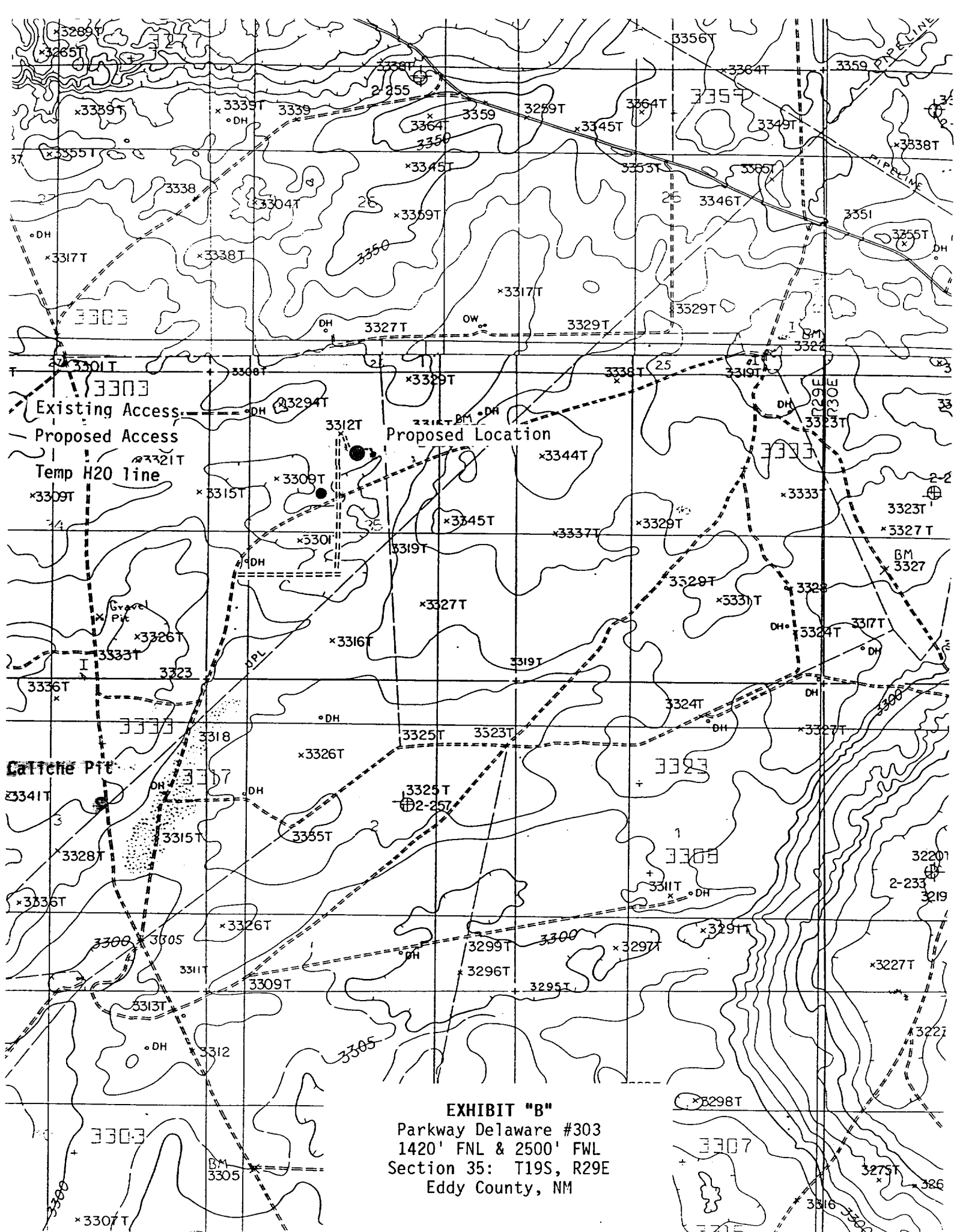
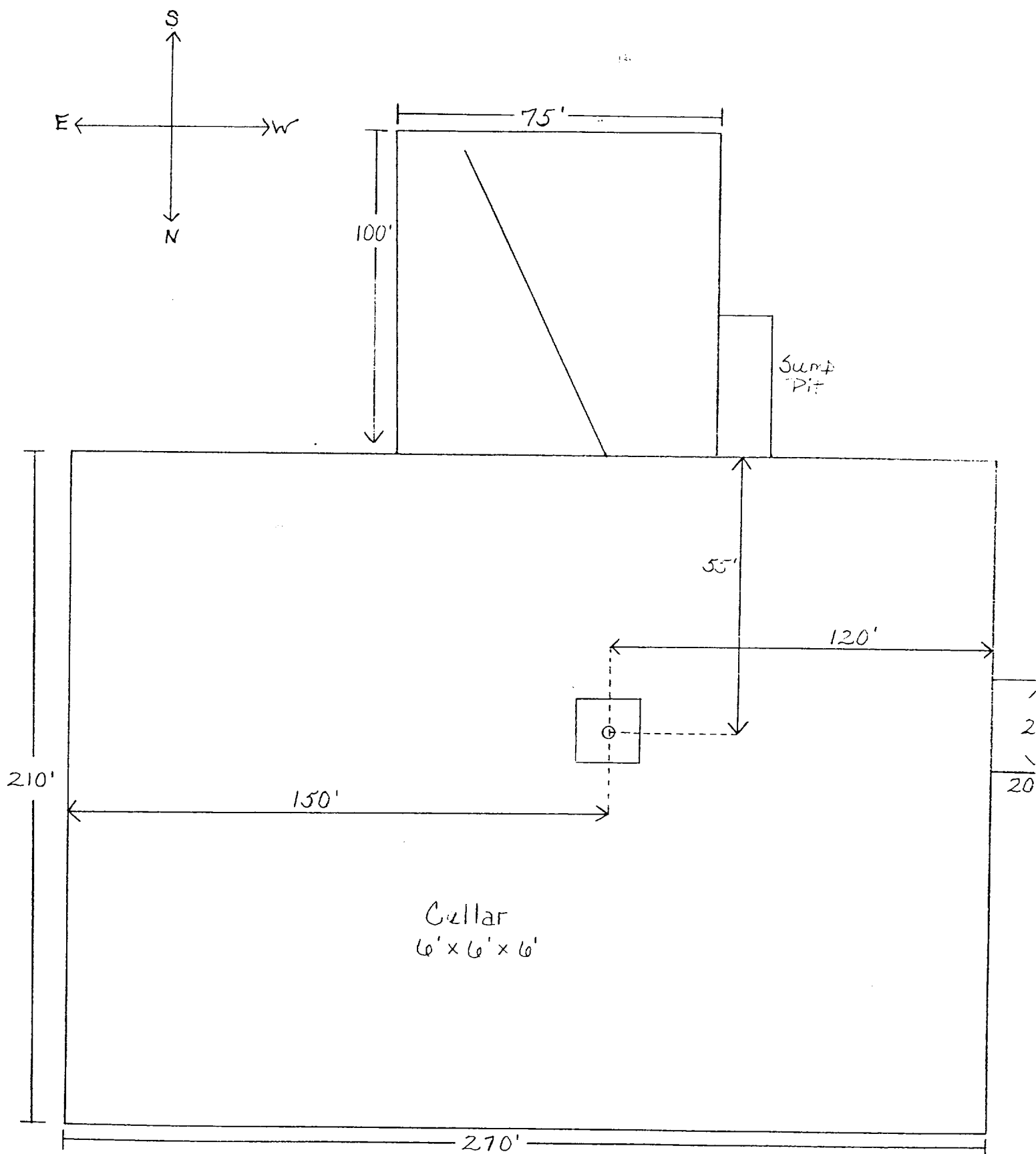


EXHIBIT "A"  
Parkway Delaware #303  
1420' FNL & 2500' FWL  
Section 35: T19S, R29E  
Eddy County, NM







**EXHIBIT "D"**  
 Parkway Delaware #303  
 1420' FNL & 2500' FWL  
 Section 35: T19S, R29E  
 Eddy County, NM

SICIL GAS CORP.  
 PARKWAY, DELAWARE UNIT 303  
 SEC. 35, T19S, R29E  
 EDDY COUNTY, NEW MEXICO

FILE: SICIL\_NK.DAT Thu Jan 20 1995



VERTICAL SECTION  
 SCALE: 200 FEET/DIVISION  
 REFERENCE: WELL THAD

