

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Artesia, NM 88210

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

GIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Siete Oil and Gas Corporation

3. ADDRESS OF OPERATOR

P.O. Box 2523 Roswell, N.M. 88202-2523

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

At surface

660' FSL & 660' FWL

At proposed prod. zone

same

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

13 miles northeast of Carlsbad, New Mexico

15. DISTANCE FROM PROPOSED*

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

660'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1320'

16. NO. OF ACRES IN LEASE
ARTESIA OFFICE

960

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

19. PROPOSED DEPTH

6200'

20. ROTARY OR CABLE TOOLS

Rotary

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

3286' GR

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
26"	20"	94#	250'	475 sxs circ
17 1/2 "	13 3/8"	48#	1200'	600 sxs circ
12 1/4 "	8 5/8	32# & 24#	3100'	1100 sxs circ
7 7/8 "	5 1/2 "	15.5#	6200'	950 sxs

Attachments:

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

post ID-1
7-6-90
New Loc & API

RECEIVED
JUN 20 11 03 AM '90
CASE
AREA

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-Wiley TITLE Drilling & Production Tech. DATE 18 June 1990

(This space for Federal or State office use)

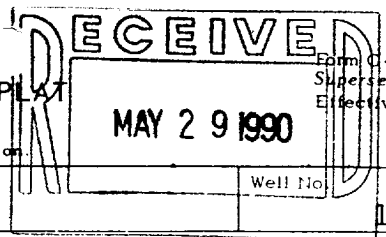
PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY Dave Street TITLE Carlsbad Resource Area DATE 6-28-90

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.

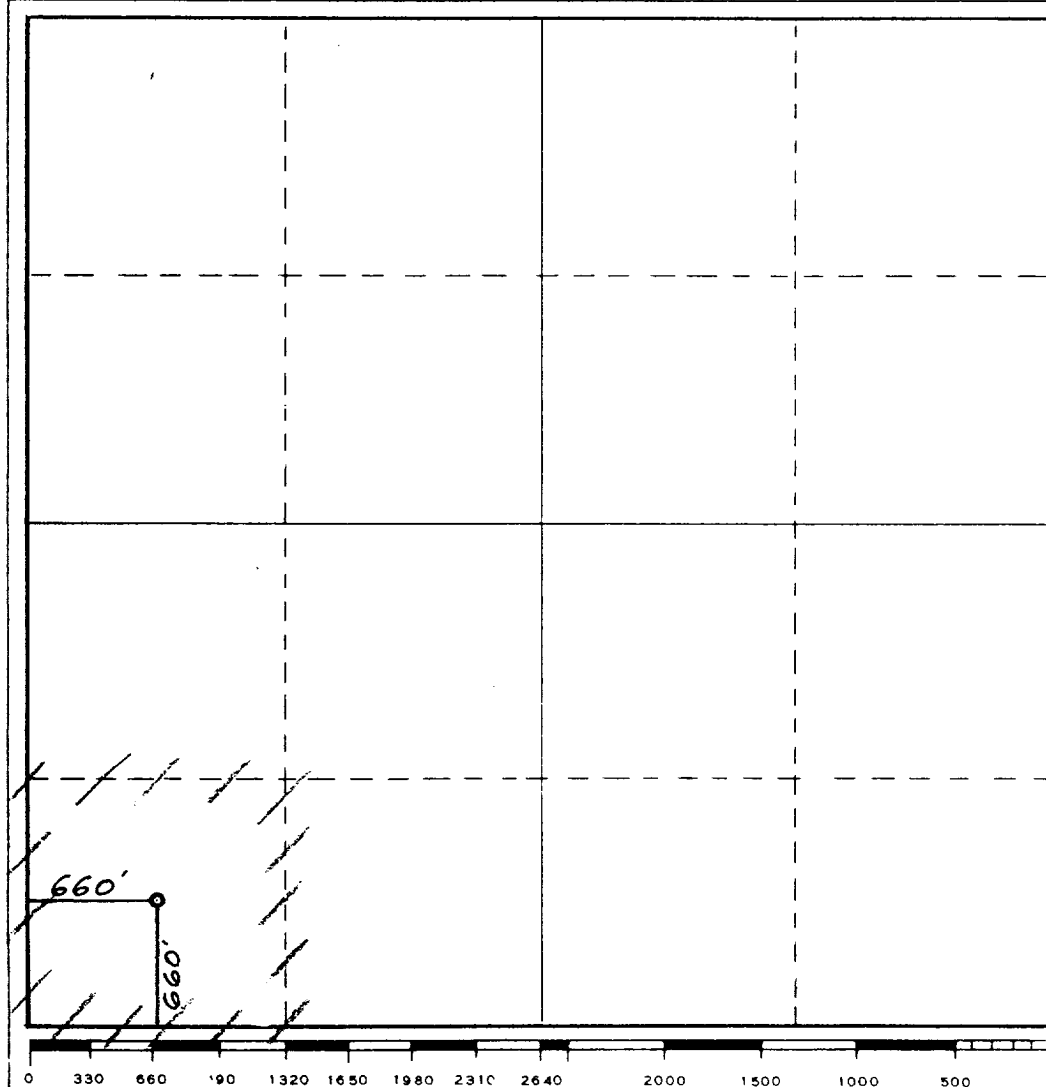
Operator SIETE OIL & GAS CORPORATION		Lease Gila Federal		Well No. 1
Unit Letter M	Section 10	Township 20 South	Range 29 East	County Eddy County, N.M.
Actual Footage Location of Well: 660 feet from the South line and 660 feet from the West line				
Ground Level Elev. 3286.	Producing Formation Delaware	Pool East Burton	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

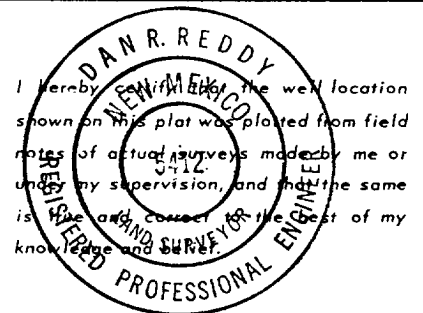
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Cathy Batley-Sieley
Name
Drilling/Production Tech.

Position
Siete Oil & Gas Corporation

Company
June 18, 1990

Date



Date Surveyed
May 24, 1990

Registered Professional Engineer
and/or Land Surveyor

Dan R. Reddy
Certificate No.
NM PE&LS NO. 5712

SUPPLEMENTAL DRILLING DATA
SIETE OIL AND GAS CORPORATION
GILA FEDERAL #1
660' FSL & 660' FWL
Section 10: T20S, R29E
Eddy County, New Mexico
Lease Number: NM-0556290

The following items supplement "Onshore Oil and Gas Order No. 1":

1. The geologic surface is quaternary alluvium.
2. The estimated geological marker tops:

Rustler	200'
Yates	1290'
Delaware	3140'
Bone Spring	5915'

3. Estimated depths to water, oil or gas:

Water: Approximately 200'
Oil or Gas: 3140'

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 - 250'	94#	J-55	LT&C	New
13 3/8"	0 - 1200'	48# 54.5#	J-55	LT&C	New
8 5/8"	0 - 3100'	32# & 24#	J-55	LT&C	New
5 1/2"	0 - 6200'	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:

0-250': Native mud adding gel and lime for sufficient viscosity to insure clean hole for running casing.

1200'
00'-3100' N/FW 250'-~~3100'~~: Cut Brine.

3100'-T.D.: Drill out with native becoming brine, add starch and salt gel to maintain a viscosity of 30, @ T.D. 40; mud weight 9.3#.

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
Gila Federal No. 1
660' FSL & 660' FWL
Section 10: T20S, R29E
Eddy County, New Mexico
Lease Number: NM-0556290

LOCATED: 13 miles Northeast of Carlsbad, New Mexico

FEDERAL LEASE NUMBER: NM-0556290

LEASE ISSUED: September 1, 1964

RECORD LESSEE: Roger Canter, et al

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

ACRES IN LEASE: 280

SURFACE OWNERSHIP: Federal

POOL: East Burton Delaware

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 82-160 going Northeast of Carlsbad, NM.

0.00	Proceed Northeast on Highway 82-160 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	Turn back West & proceed 2.3 miles.
17.90	Turn North and proceed .4 mile.
18.30	Turn back East & proceed .25 mile to T.O.G. Federal #2.
18.55	Proceed North .7 mile.
19.25	Turn East & go .25 mile.
19.50	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 proposed new access road will be approx. 14' wide & 2400' in length. It will be coming off the T.O.G. Federal #2 and will be entering the location from the Southwest corner as shown in Exhibit "D".

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: None required

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 construct a tank battery on location.

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 $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 17: 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. We do not anticipate any oil production during tests..

- 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 from the existing electrical line located in Sec. 16 in the S/2 to the proposed well site following ROW.

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: The top soil at the well site is a gravelly, loamy sand.
- 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: The Pecos River is approximately 5½ miles West of the proposed well site.
- 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 May 24, 1990.
- 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 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: 6/19/90

BY: Harold D. Justice CB2

Harold D. Justice

V.P. Drilling & Production

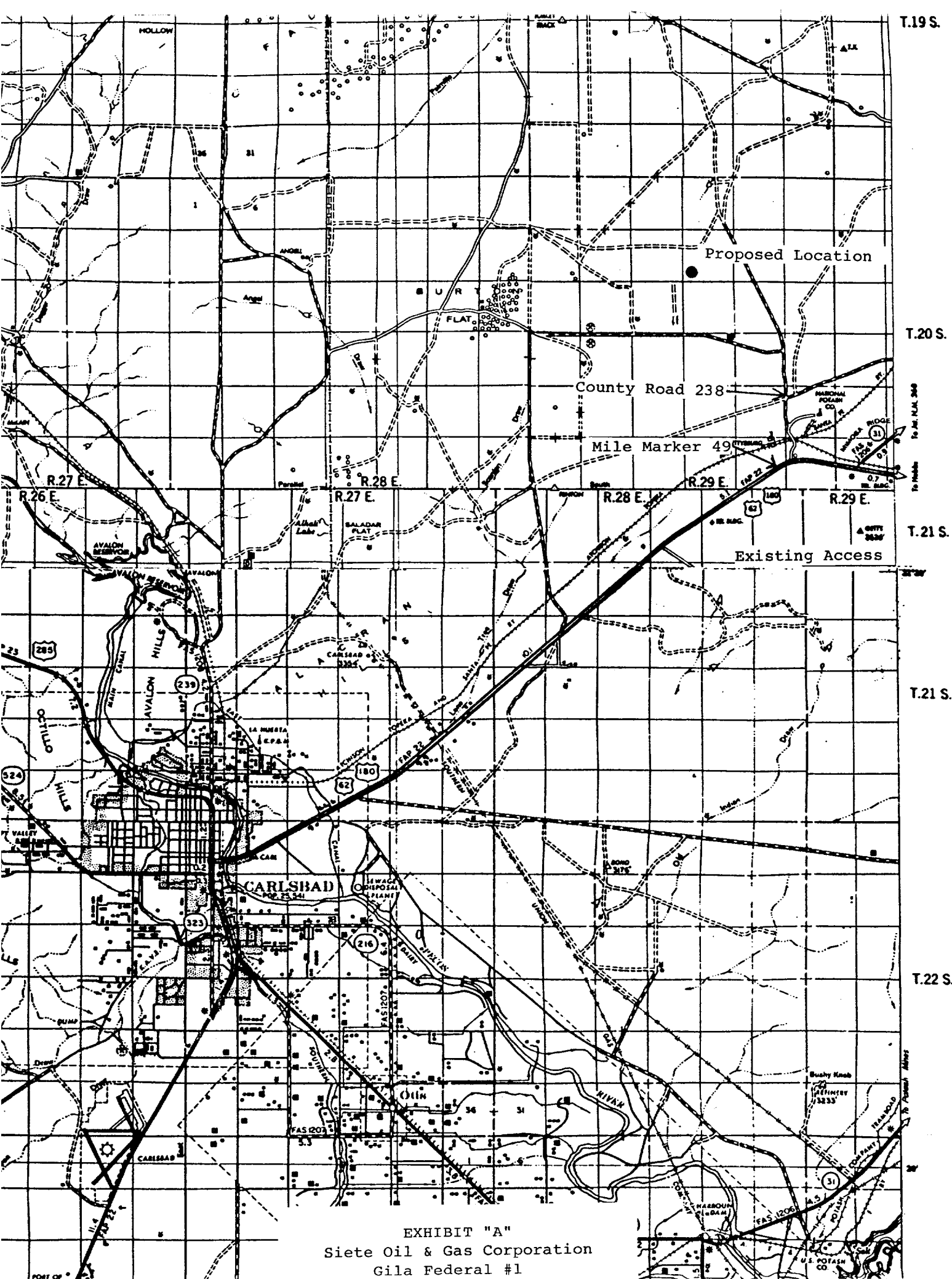
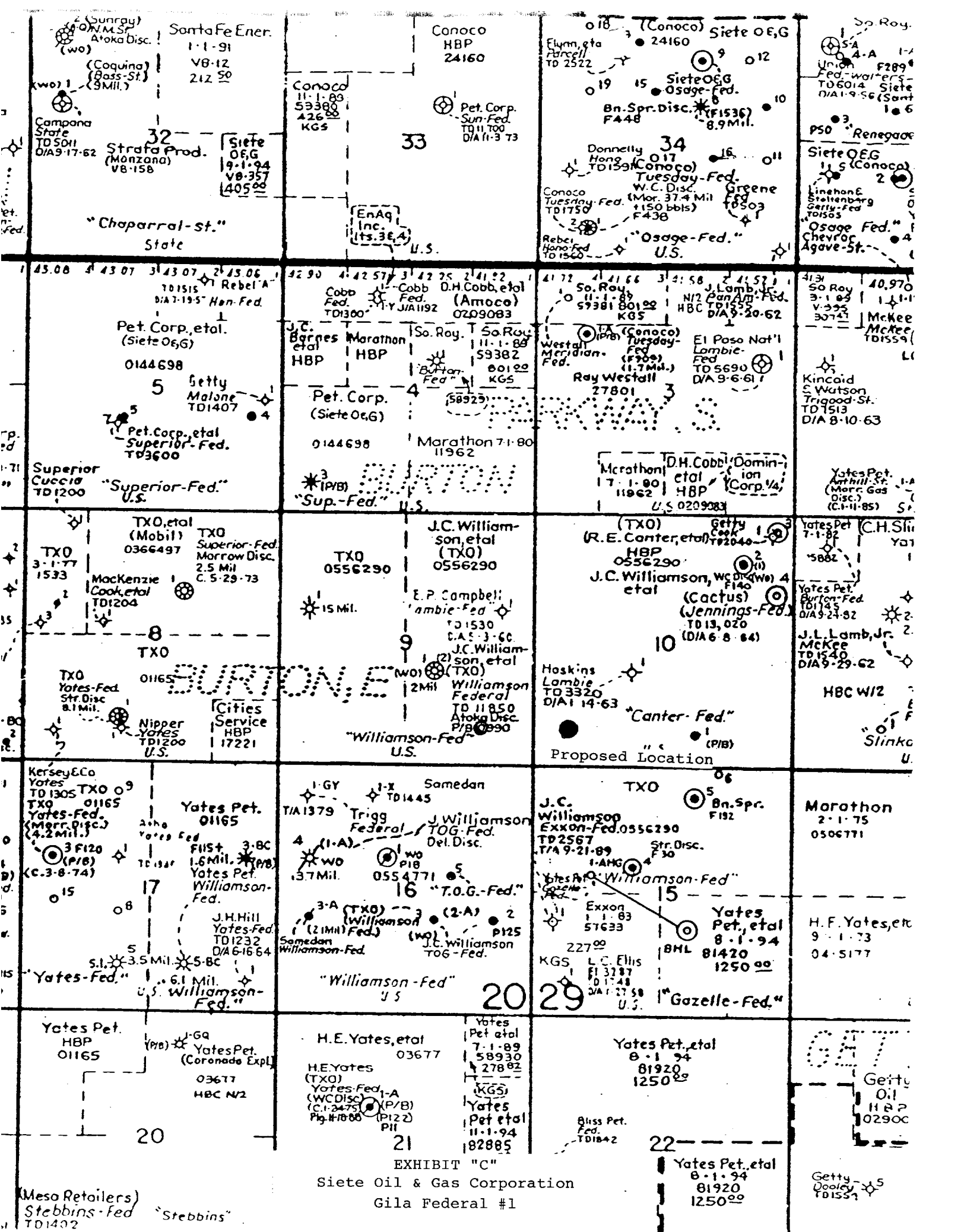


EXHIBIT "A"
Siete Oil & Gas Corporation
Gila Federal #1



Location & Pit Specs
1-1-89

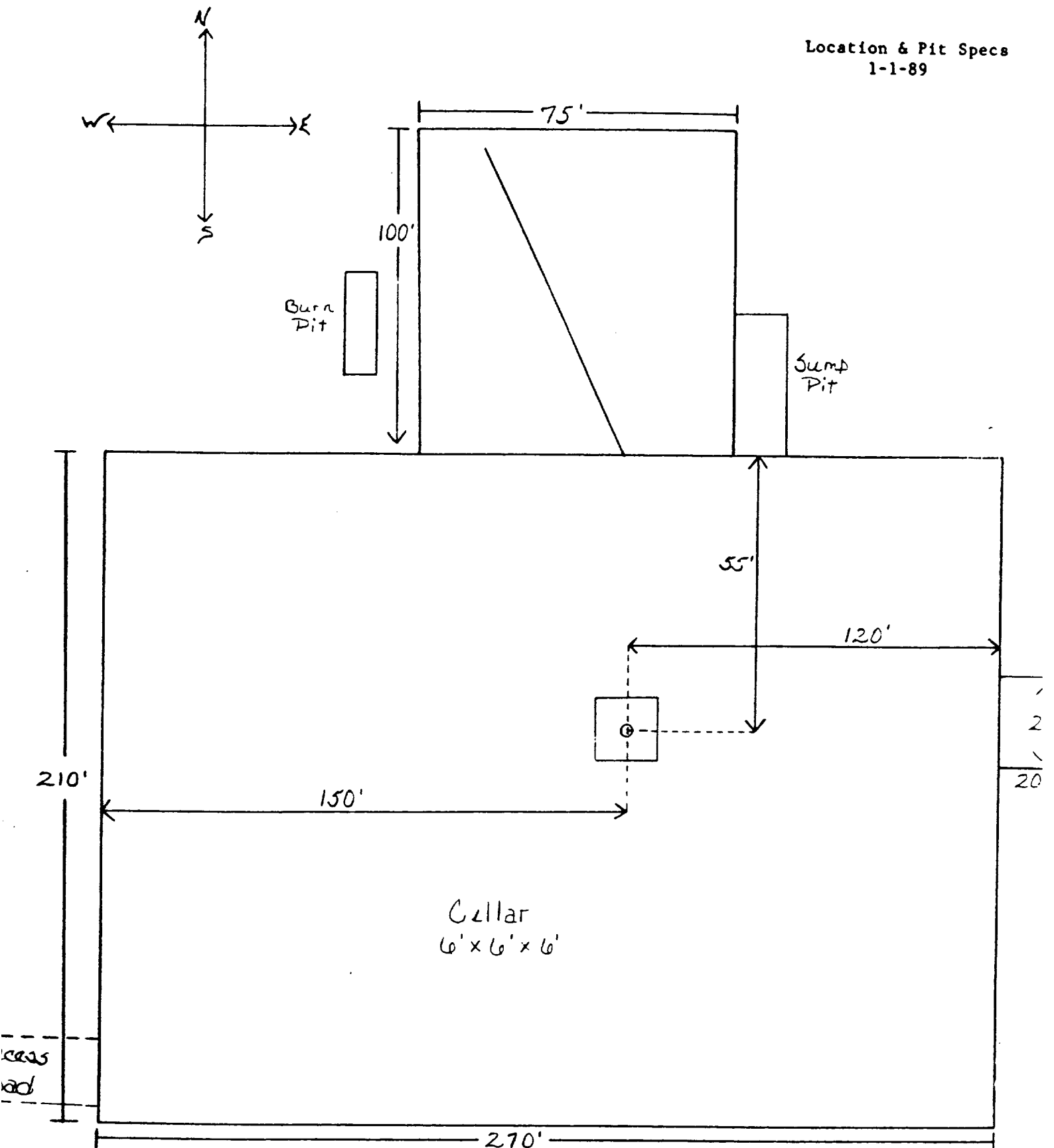


EXHIBIT "D"
Siete Oil & Gas Corporation
Gila Federal #1

BOP DIAGRAM

RATED 3000#

