



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
ROSSELL DISTRICT OFFICE  
P.O. BOX 1397  
ROSSELL, NEW MEXICO 88201



NM-67102  
3102.41 (065)

RECEIVED

DEC 29 '88

Siete Oil & Gas Corporation  
P.O. Box 2523  
Roswell, New Mexico 88202-2523

O. C. D.  
ARTESIA, OFFICE

DEC 28 1988

Gentlemen:

Your application for Permit to Drill the Kenegade Federal No. 4 well in the SE1/4 sec. 35, T. 19 S., R. 29 E., Eddy County, New Mexico, lease NM-67102, to a depth of 1700 feet to test the Yates formation in the oil-potash area, is hereby approved as amended by stipulations attached to the application.

One copy of the application is returned herewith. Please notify the Bureau of Land Management Office checked on the attached special stipulation, in sufficient time for a representative to witness all cementing operations.

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Sincerely,

s/T. Kreagar

FOR Francis I. Cherry, Jr.  
District Manager

1 Enclosure

cc:

-NMOC-D-Artesia - 2

1954

1954

DEC 28 1954

U.S. DEPT. OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

1954

1954

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-67102
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Siete Oil & Gas Corporation			7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR P. O. Box 2523 Roswell, New Mexico 88202-2523			8. FARM OR LEASE NAME Renegade Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980' FNL & 2094' FWL, SE $\frac{1}{4}$ NW $\frac{1}{4}$ , Unit Letter F At proposed prod. zone Same			9. WELL NO. 4
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 17 miles Northeast of Carlsbad, New Mexico			10. FIELD AND POOL, OR WILDCAT Wildcat-Yates
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any.) 1980'	16. NO. OF ACRES IN LEASE 120	17. NO. OF ACRES ASSIGNED TO THIS WELL 40	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 35: T19S, R29E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 100'	19. PROPOSED DEPTH 1700'	20. ROTARY OR CABLE TOOLS Rotary	12. COUNTY OR PARISH Eddy
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3313' GR		13. STATE N.M.	
22. APPROX. DATE WORK WILL START* ASAP			

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24.0#	350'	350 sks. circ.
7 7/8"	5 1/2"	15.5#	1700'	300 sks. CIRCULATE

Selectively perforate and treat pay zones.

Attachments:

Survey plat (C-102)  
Supplemental Drilling Data  
Surface use plan

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 Approved Officer TITLE V.P. Drilling/Production DATE 12/8/88

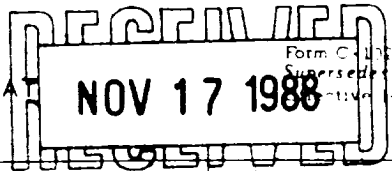
(This space for Federal or State office use)

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

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT



Form C-128  
Supersedes C-128  
Effective 1-1-88

All distances must be from the outer boundaries of the Section

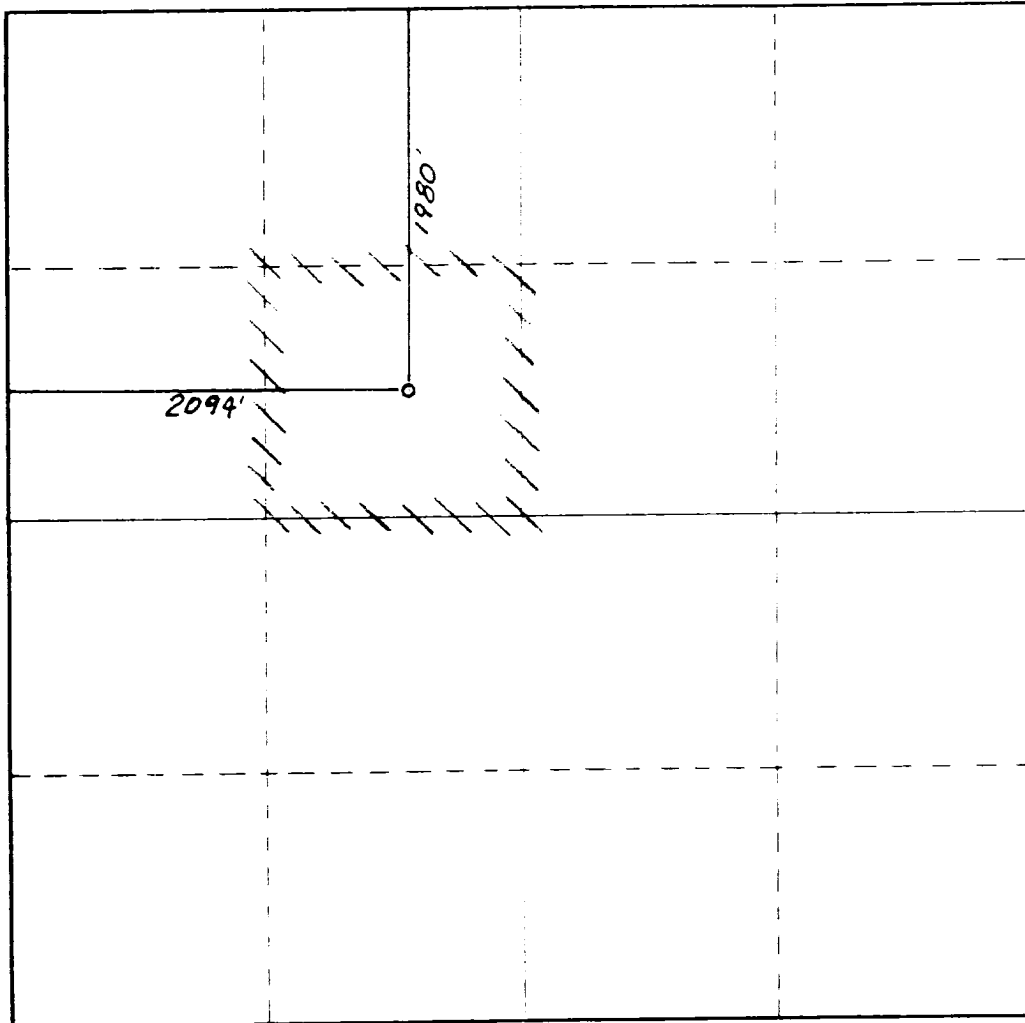
Operator SIETE OIL & GAS CORPORATION			Lease Renegade Federal		Well No. 4
First Letter F	Section 35	Township 19 South	Range 29 East	County Eddy County, N.M.	
Actual Footage Location of Well: 1980 feet from the North line and 2094 feet from the West line					
Ground Level Elev. 3313.	Producing Formation Yates	Pool Wildcat - Yates		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.

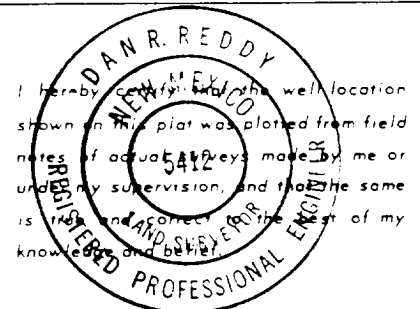
*Harold D. Justice*

Harold D. Justice

V.P. Drilling & Production

Siete Oil & Gas Corporation

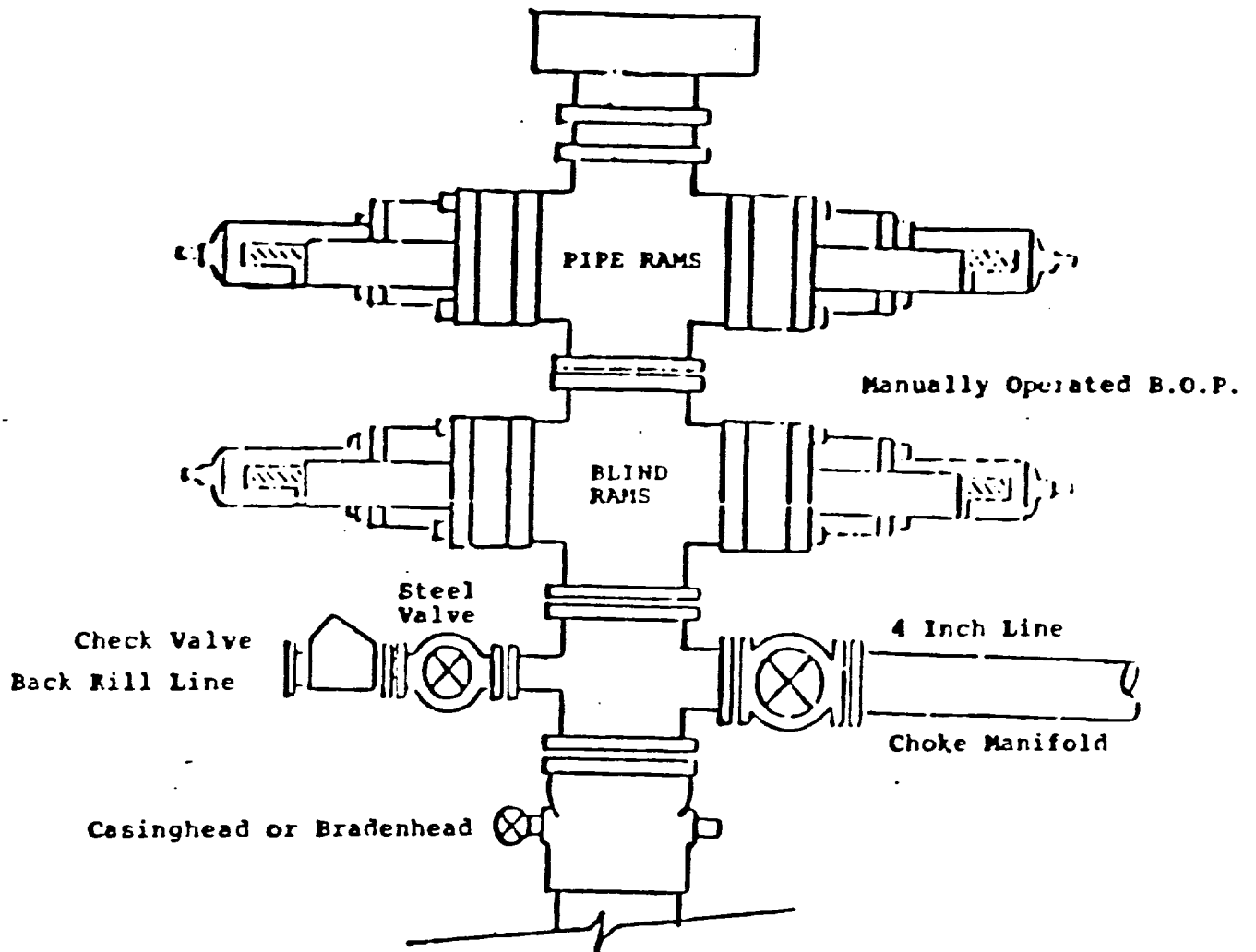
December 8, 1988



Date Surveyed  
November 16, 1988  
Registered Professional Engineer  
and/or Land Surveyor

*Dan R. Reddy*  
Certificate No.  
NM PE&LS NO. 5412

**BOP DIAGRAM**  
**RATED 30001**



SUPPLEMENTAL DRILLING DATA  
SIETE OIL AND GAS CORPORATION  
RENEGADE FEDERAL NO. 4  
1980' FNL & 2094' FWL  
Section 35: T19S, R29E  
Eddy County, New Mexico  
Lease Number - NM-67102

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

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

3/Salt	1300'
Yates	1315'

3. Estimated depths to water, oil or gas:

Water: Approximately 220'  
Oil or Gas: 1425' - 1430'

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'	24.0#	J-55	ST&C	New
5 1/2"	0 - T.D.	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': Native mud adding gel and lime for sufficient viscosity to insure clean hole for running casing.  
350' - 1700': Drill out with native becoming brine.
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**  
**Renegade Federal No. 4**  
**1980' FNL & 2094' FWL**  
**Section 35: T19S, R29E**  
**Eddy County, New Mexico**  
**Lease Number: NM-67102**

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 LEASE: 120

SURFACE OWNERSHIP: Federal

GRAZING PERMITTEE: Snyder Ranches  
C/O Larry Squires  
P.O. Box 726  
Lovington, NM 88260  
Telephone: 393-7544

POOL: Wildcat - Yates

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 being Pecos River Bridge - Carlsbad, New Mexico on Highway 62-180:

- 0.0      Proceed East - Northeast on Highway 62-180 for 13.5 miles.
- 13.5      Turn North (4/10 mile past mile marker 49) on County Road 238 and proceed North for 2.1 miles (end of County Road North).
- 15.6      Proceed North off County Road (Conoco - Tuesday Federal Sign) and proceed 4.1 miles.
- 19.7      Turn East and proceed 3/4 mile.
- 20.45      Turn North @ Osage Federal No. 2 for 2/10 miles.
- 20.65      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. No new access road will be necessary. Will use existing roads in their present state.
- 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 1'
- 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 the proposed well is productive, 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 $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 3: 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. Oil produced during tests will be produced into temporary test 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. None anticipated.

9. WELLSITE LAYOUT:

- A. The drillsite 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 Southwest.
- B. Soil: Reeves - Gypsumland complex.
- 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
- 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 by this area. The pad area was archaeologized on November 16, 1988.

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 88201  
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**

By: Harold D. Justice  
Harold D. Justice.  
V. P. Drilling & Production

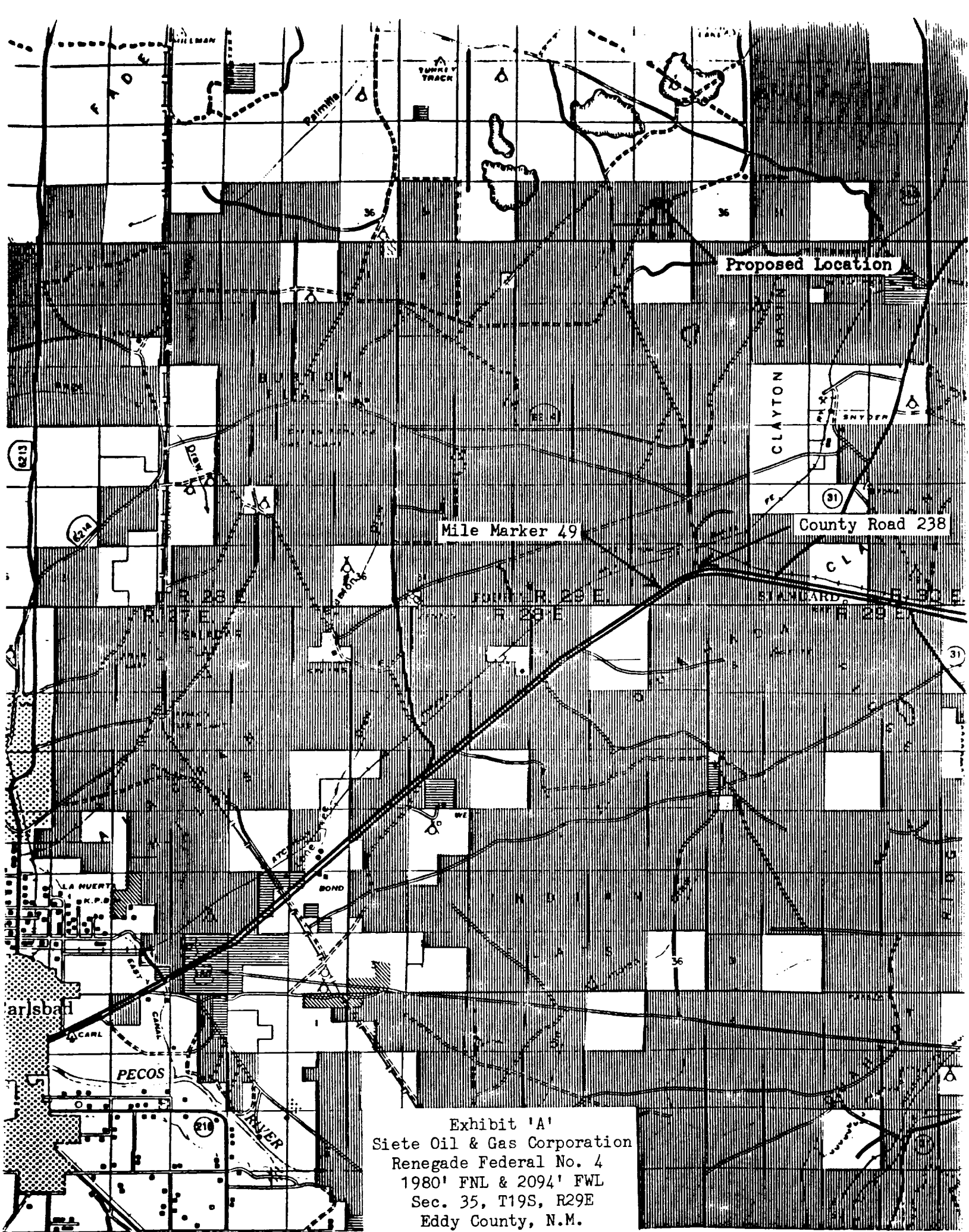


Exhibit 'A'  
Siete Oil & Gas Corporation  
Renegade Federal No. 4  
1980' FNL & 2094' FWL  
Sec. 35, T19S, R29E  
Eddy County, N.M.

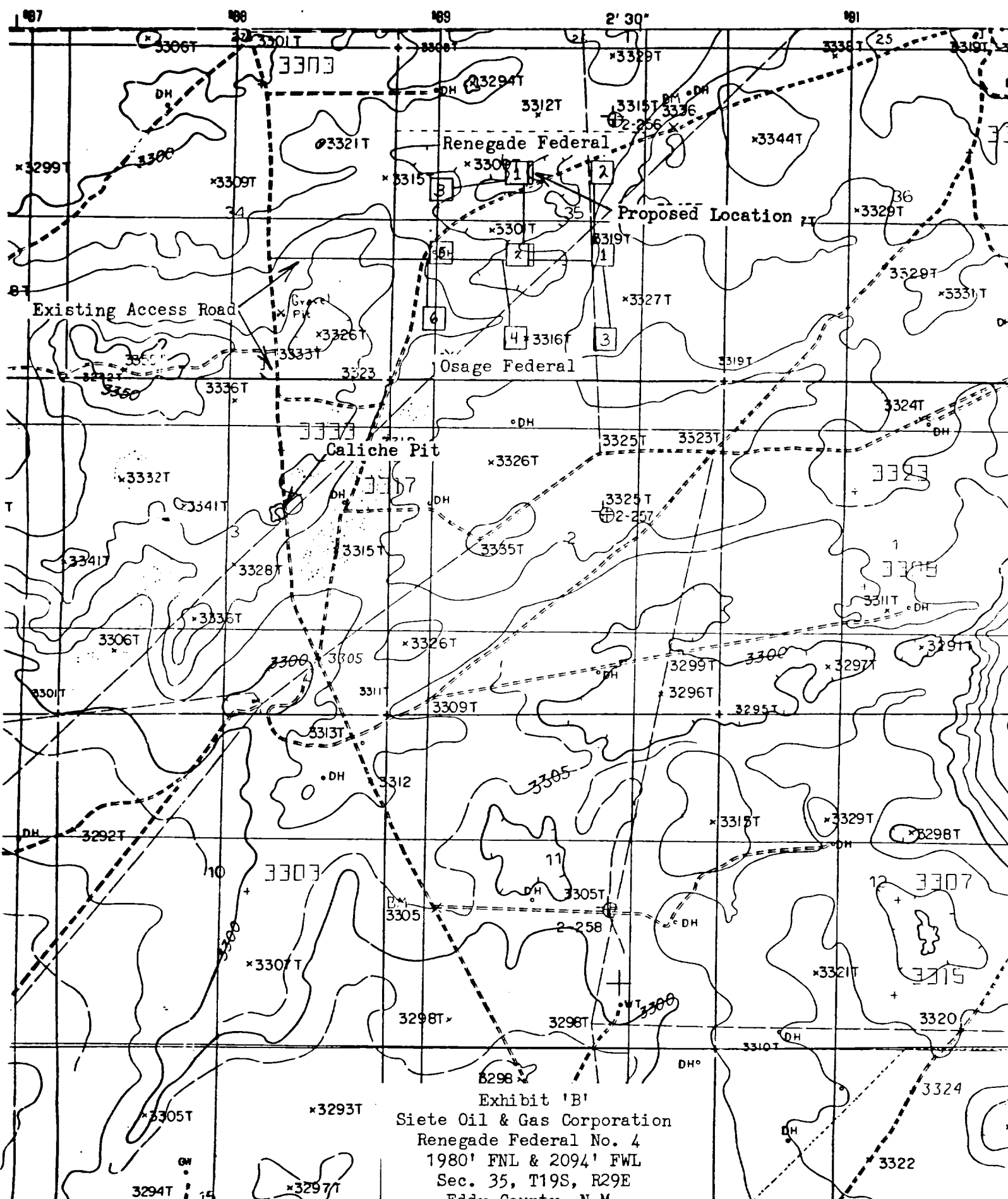


Exhibit 'B'  
Siete Oil & Gas Corporation  
Renegade Federal No. 4  
1980' FNL & 2094' FWL  
Sec. 35, T19S, R29E  
B.L.M. Containing N.M.

PALMILLO

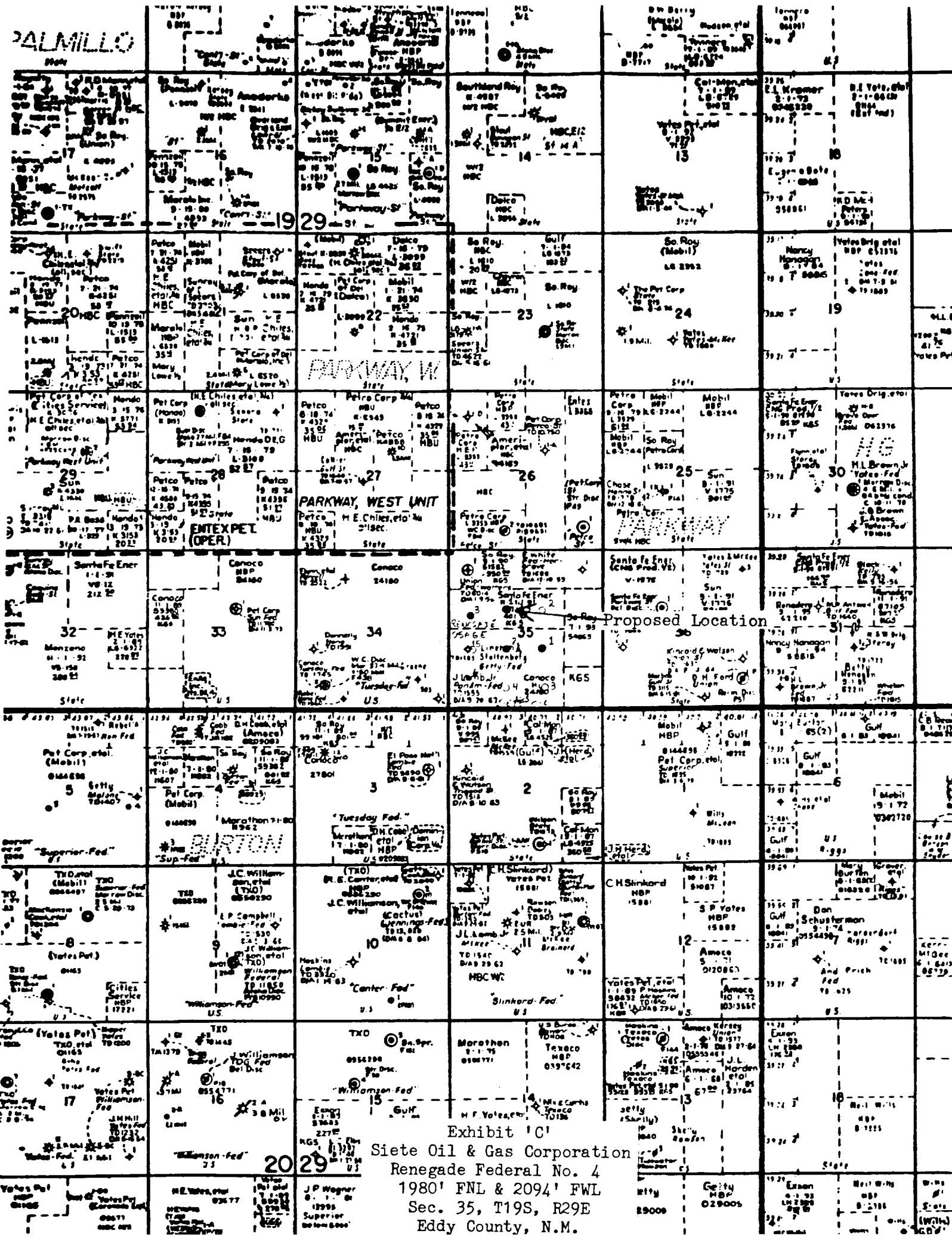
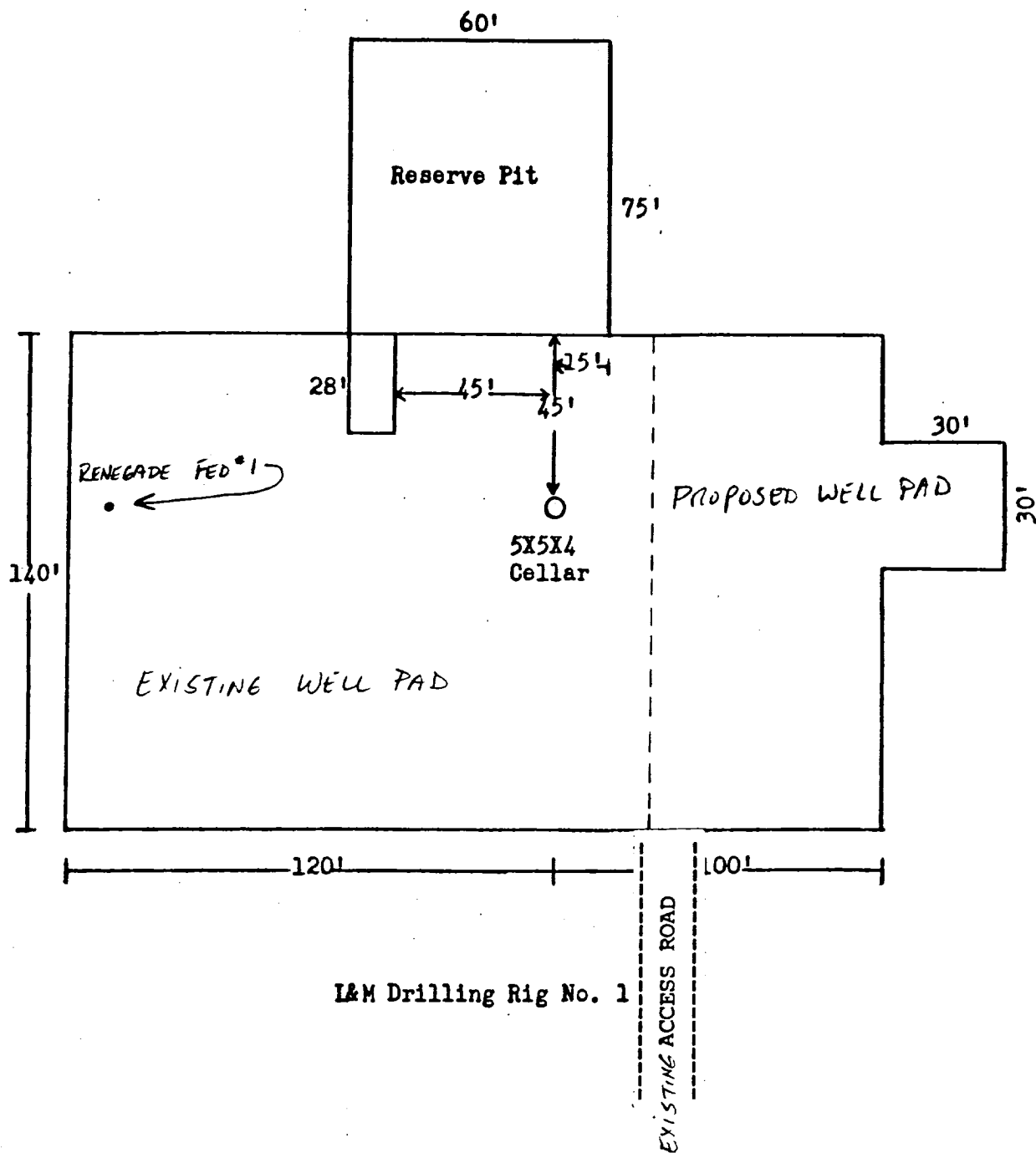


Exhibit 'C'  
Siete Oil & Gas Corporation  
Renegade Federal No. 4  
1980' FNL & 2094' FWL  
Sec. 35, T19S, R29E  
Eddy County, N.M.



L&M Drilling Rig No. 1

Exhibit 'D'  
 Siete Oil & Gas Corporation  
 Renegade Federal No. 4  
 1980' FNL & 2094' FWL  
 Sec. 35, T19S, R29E  
 Eddy County, N.M.