

United States Department of the Interior



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

NE-67102 3162.41 (065)

RECEIVED

DEC 29'88

Siete Oil & Cas Corporation P.O. Box 2525 Reswell, New Mexico 88202-2523

Gentlemen:

Your application for Permit to Drill the Kenegade Federal No. 4 well in the SELNWA sec. 35, T. 19 S., R. 29 E., Eddy County, New Mexico, Icase NE-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 sureau 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,

O. C. D. DEC 28 1988

s/T. Kreager

Francis 1. Cherry, Jr.

1 Enclosure

cc: -NMOCD-Artesia - 2 • • •

SEL SCORE DEC 25 LSC

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Form 3160-3 (No rember 1983) (formerly 9-331C)		TED ^O STATES T OF THE INTE LAND MANAGEME			Form approve Budget Burea Expires Augu 5. LEASE DESIGNATION NM-67102	·
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b. TYPE OF WELL		DEEPEN	PLUG BA		T. CALL AGE AND	
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2. NAME OF OPERATOR					Renegade Fe	deral
Siete Oil	& Gas Corporatio	on		-	9. WELL NO.	
3. ADDRESS OF OPERATOR					4	
P. O. Box		vell, New Mexic			10. FIELD AND POOL, \mathcal{N}	
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	0' FNL & 2094' H	WL, SEZNWZ, U	nit Letter F		AND SUBVEY OR	AREA
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14. DISTANCE IN MILES	AND DIRECTION FROM NEA	REST TOWN OR POST OFF	ICE*		12. COUNTY OF PARIS	
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15. DISTANCE FROM PRO	DPOBED LOCATION [®]		PROPOSED DEPTH		Y OR CABLE TOULS	
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21. ELEVATIONS (Show w 3313' GR	bether DF, RT, GR, etc.)			···· ·	22. AFPROX. DATE V ASAP	VORK WILL START"
23	l	PROPOSED CASING AN	ND CEMENTING PROGRA	A M	<u> </u>	·
SIZE OF HOLE	SIZE OF CABING	WEIGHT FER FOOT	SETTING DEPTH		OPANTITE OF CEN	
12 1/4"	8 5/8"	24.0#	350'	QUANTITY OF CEMENT 350 sks. <u>circ.</u>		
7 7/8"	5 1/2"	15.5#	1700'		300 sks. CIR	
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Suppl	s: y plat (C-102) emental Drilling ce use plan	; Data				RECE
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(This space for Fed	eral or State office use)					
PERMIT NO.			APPROVAL DATE			
APPROVED BY CONDITIONS OF APPRO	VAL, IF ANY :				DATE	

*See Instructions On Reverse Side

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BOP DIAGRAM Rated 30001



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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:

Size	Interval	Weight	Grade	Joint	New or Used
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

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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						
<u>POOL</u> :	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. FROPOSED 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 l'
 - 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 $SW_{\geq}NE_{\neq}^{1}$ of Section 3: T2OS, 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. <u>Flora and Fauna</u>: 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 $1 \frac{3}{4}$ 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

LITE CLA By: <u>Harold D. Justice</u>.

V. P. Drilling & Production





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