

COMMISSION
Artesia, UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE*
(Other instructions on
reverse side)

20-015-26616 file
Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Siete Oil and Gas Corporation ✓

RECEIVED

3. ADDRESS OF OPERATOR

P.O. Box 2523, Roswell, NM 88202-2523

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

At surface 660' FSL & 990' FWL, SW $\frac{1}{4}$ SW $\frac{1}{4}$, Unit Letter M

At proposed prod. zone Same

JAN 16 '91

O.C.O.
ARTESIA, OFFICE

5. LEASE DESIGNATION AND SERIAL NO.

LC-050797

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Indigo Federal

9. WELL NO.

3

10. FIELD AND POOL, OR WILDCAT

Wildcat Bone Spring

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

Sec. 13: T20S, R28E

12. COUNTY OR PARISH

Eddy

13. STATE

NM

15. DISTANCE FROM PROPOSED*

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

660'

16. NO. OF ACRES IN LEASE

720

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1100'

19. PROPOSED DEPTH

8000'

20. ROTARY OR CABLE TOOLS

Rotary

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

3243' 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
17 1/2"	13 3/8"	48#	300'	330 sxs circ
12 1/4"	8 5/8"	24# & 32#	2900'	1100 sxs circ
7 7/8"	5 1/2"	17# & 15.5#	8000'	1000 sxs (see stips)

Selectively perforate and treat zones.

Attachments:

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

Cathy Batley-Seely

TITLE

Drilling Technician

DATE

12/19/90

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

1-15-91

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.

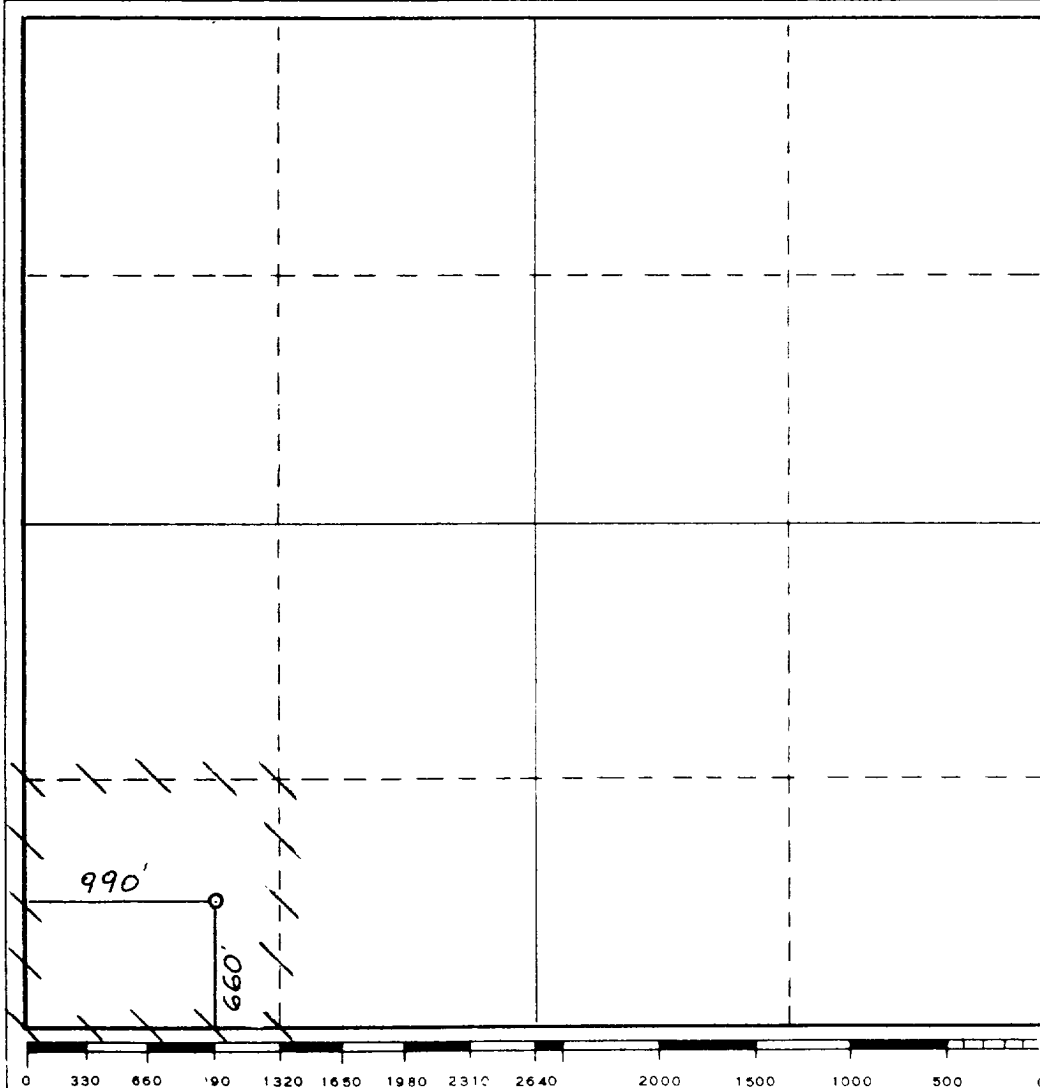
Operator SIETE OIL & GAS CORPORATION			Lease Indigo Federal		Well No. 3
Unit Letter M	Section 13	Township 20 South	Range 28 East	County Eddy County, N.M.	
Actual Footage Location of Well: 660 feet from the South line and 990 feet from the West line					
Ground Level Elev. 3243.	Producing Formation Bone Spring		Pool Wildcat		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-Seely
Name
Cathy Batley-Seely

Position
Drilling Technician

Company
Siete Oil and Gas Corp.

Date
December 19, 1990

Dan R. Reddy
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

December 4, 1990

Registered Professional Engineer
and/or Land Surveyor

Dan R. Reddy
Certificate No.

NM PE&PS NO. 5412

SUPPLEMENTAL DRILLING DATA
SIETE OIL AND GAS CORPORATION
INDIGO FEDERAL #3
660' FSL & 990' FWL
Section 13: T20S, R28E
Eddy County, New Mexico
Lease Number: LC-050797

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

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

Del. Sand	3025'
Bone Spring	5425'

3. Estimated depths to water, oil or gas:

Water:	Approx. 150'
Oil or Gas:	3200'

4. Proposed casing program:

<u>Size</u>	<u>Interval</u>	<u>Weight</u>	<u>Grade</u>	<u>Joint</u>	<u>New or Used</u>
13 3/8"	0 - 300'	48#	J-55	LT&C	New
8 5/8"	0 - 2900'	32#&24#	J-55	LT&C	New
5 1/2"	0 - 8000'	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': Fresh water & native mud adding gel & lime for sufficient viscosity to insure clean hole for running casing.
250-2900': Cut brine.
2900-8000': Drill out with native becoming brine, add starch and salt gel to maintain a viscosity of 30, @ TD 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 & coring programs: Possible DST and/or coring is not planned.
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
Indigo Federal No. 3
660' FSL & 990' FWL
Section 13: T20S, R28E
Eddy County, New Mexico
Lease Number: NM-050797

LOCATED: 22 miles Southeast of Artesia, New Mexico

FEDERAL LEASE NUMBER: NM-050797

LEASE ISSUED: January 1, 1940

RECORD LESSEE: Collier Petroleum

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

ACRES IN LEASE: 720

SURFACE OWNERSHIP: Federal

POOL: Wildcat Bone Spring

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 at the intersection of US Highway 206 and US Highway 82 East of Artesia, NM:

- 0.00 Proceed South on County Road 206 8.5 miles.
- 8.50 Turn East-Southeast on County Road 237 and proceed 2.4 miles to County Road 238.
- 11.90 Turn East on County Road 238 and go 3.4 miles past Indigo Fed. #1.
- 12.30 Turn South and go .4 miles to Indigo Fed. #3.
- 12.70 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 new access road will be approx. 14' wide and approx. 1100' long. It will enter the proposed location from the Northeast corner. The new access road is shown on Exhibit "B".

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 and 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 lay approx 1100' of 2" polyurethane flowline from the proposed location to the Indigo Federal #1 tank battery (NW $\frac{1}{4}$ SW $\frac{1}{4}$).

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 roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Construction materials will be obtained from a federal pit located in Sec. 17, T20S, R29E (SE $\frac{1}{4}$ SW $\frac{1}{4}$).

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 produced during tests, will be put into frac 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. If needed, an electric line will be ran to an existing electrical line located at the Indigo Fed. #1.

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 chalky, white gypsum soil.

- 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: None in the immediate area.
- F. Archaeological, Historical and Other Cultural Sites: None were observed in this area. The pad area was archaeologized on December 4, 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: 12/19/90

BY: Harold D. Justice CBS
Harold D. Justice
V.P. Drilling & Production

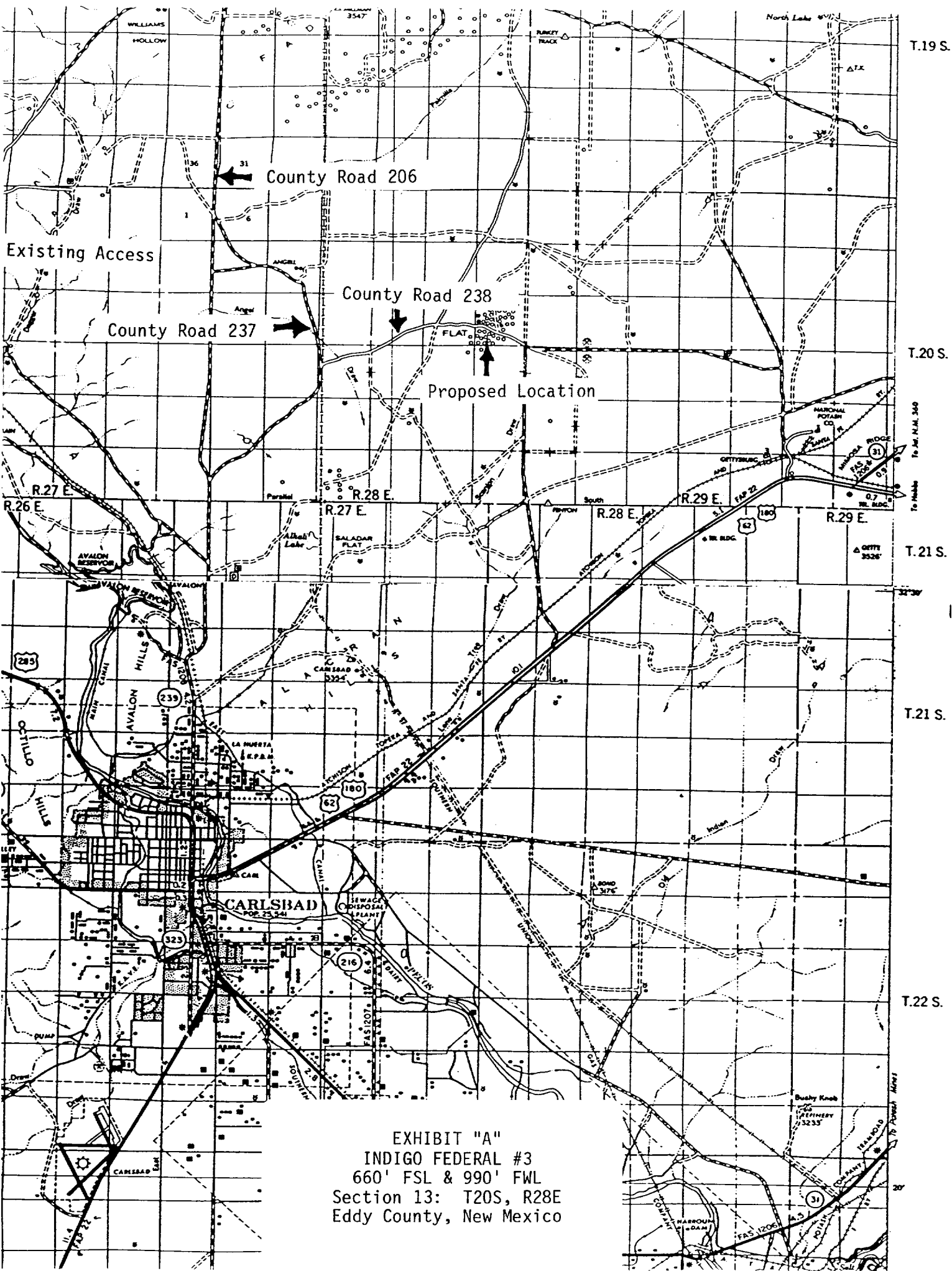


EXHIBIT "A"
INDIGO FEDERAL #3
660' FSL & 990' FWL
Section 13: T20S, R28E
Eddy County, New Mexico

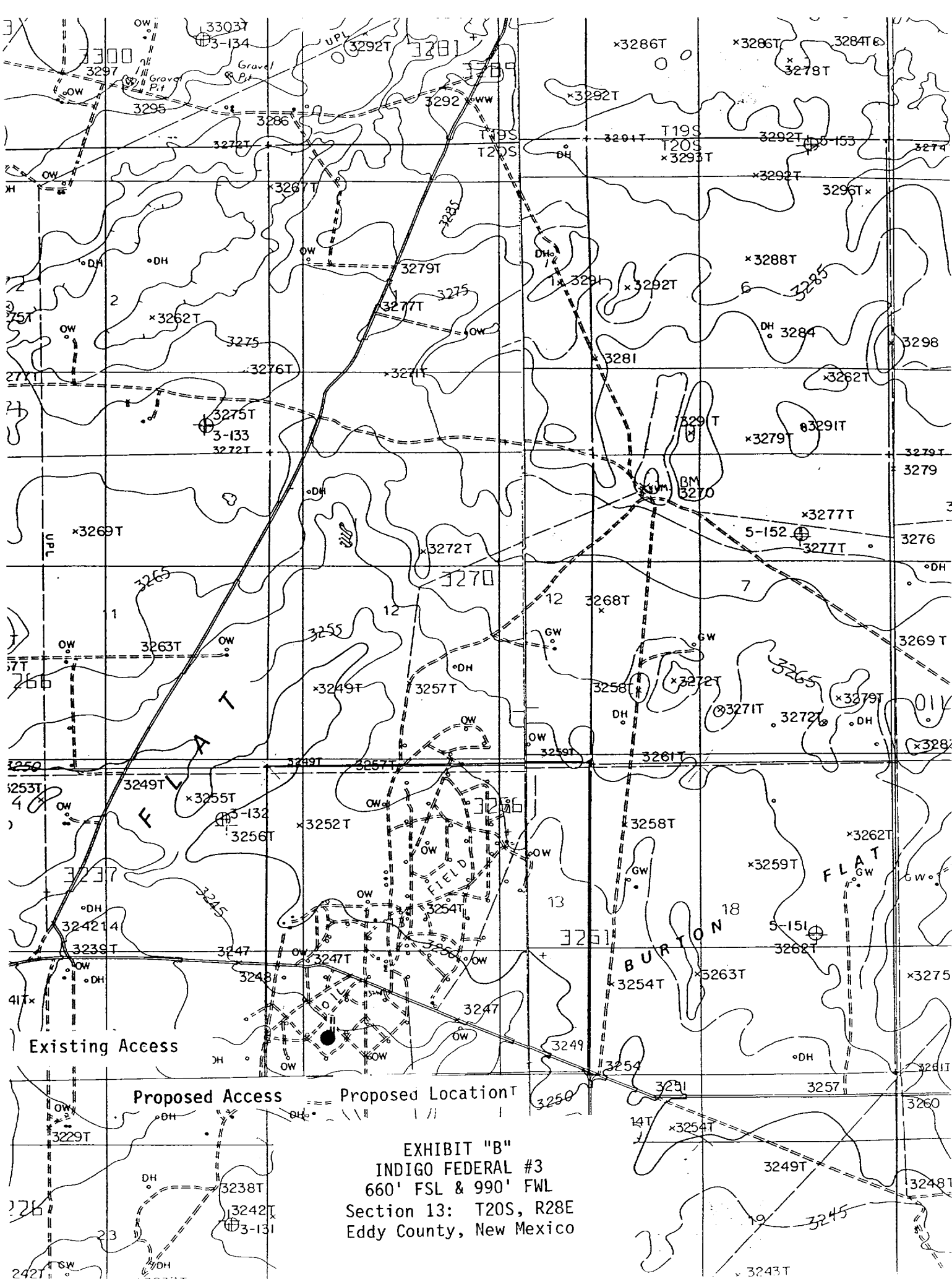
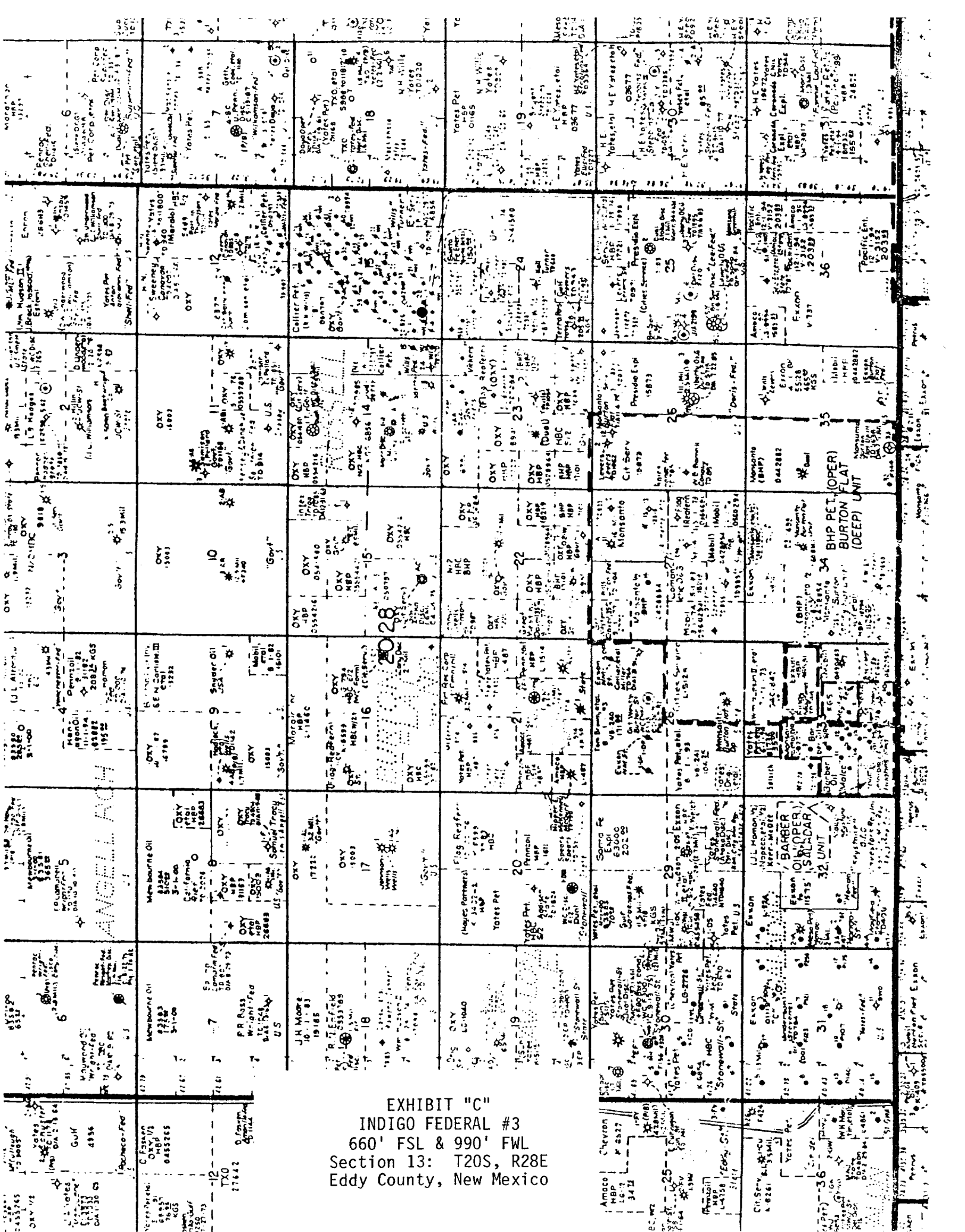


EXHIBIT "B"
 INDIGO FEDERAL #3
 660' FSL & 990' FWL
 Section 13: T20S, R28E
 Eddy County, New Mexico



WEK Drilling Co., Inc.
Plat Rig #2
Location & Pit Specs
1-1-89

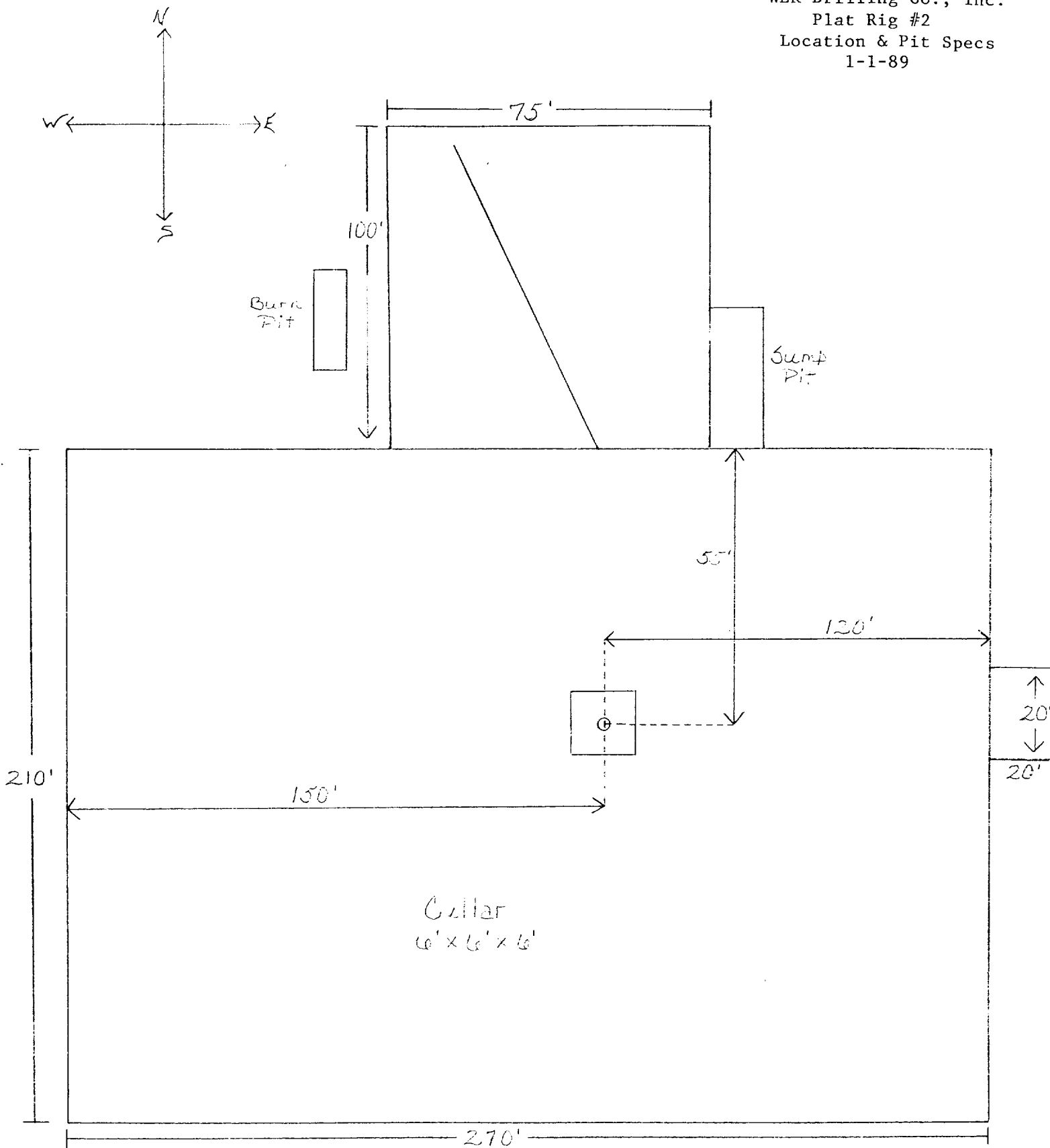


EXHIBIT "D"
INDIGO FEDERAL #3
660' FSL & 990' FWL
Section 13: T20S, R28E
Eddy County, New Mexico

RECEIVED

BOP DIAGRAM
RATED 3000#

JAN 7 9 40 AM '91

CABLE AREA
SCE
TEAS

