

NM OIL CONS. COMMISSION
DEPARTMENT OF THE INTERIOR
ARTESIA, NM 88210
LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

30-015-27745
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 <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		
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"/>		
2. NAME OF OPERATOR Siete Oil and Gas Corporation		
3. ADDRESS OF OPERATOR P.O. Box 2523		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1650' FNL & 2160' FWL, SE$\frac{1}{4}$NW$\frac{1}{4}$, Unit Letter F At proposed prod. zone same		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 6 miles SE of Malaga, NM		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
1650	320	40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH	20. ROTARY OR CABLE TOOLS
n/a	6500'	Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 2929' GR		22. APPROX. DATE WORK WILL START* ASAP

5. LEASE DESIGNATION AND SERIAL NO. NM-88128	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
7. UNIT AGREEMENT NAME	
8. FARM OR LEASE NAME Phillips Federal	
9. WELL NO. 1	
10. FIELD AND POOL, OR WILDCAT Wildcat Delaware	
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 1: T25S, R28E	
12. COUNTY OR PARISH Eddy	13. STATE NM

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 $\frac{1}{4}$ "	8 5/8"	24#	600'	450 sxs circ
7 7/8"	5 $\frac{1}{2}$ "	15.5# & 17#	6500'	1200 sxs (tie back)

Selectively perforate and treat pay zones.

Attachments:

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

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 Reg. Spec. DATE 9/20/93
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY 15/ Scott Powers TITLE AREA MANAGER DATE 11-4-93
CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

*See Instructions On Reverse Side

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

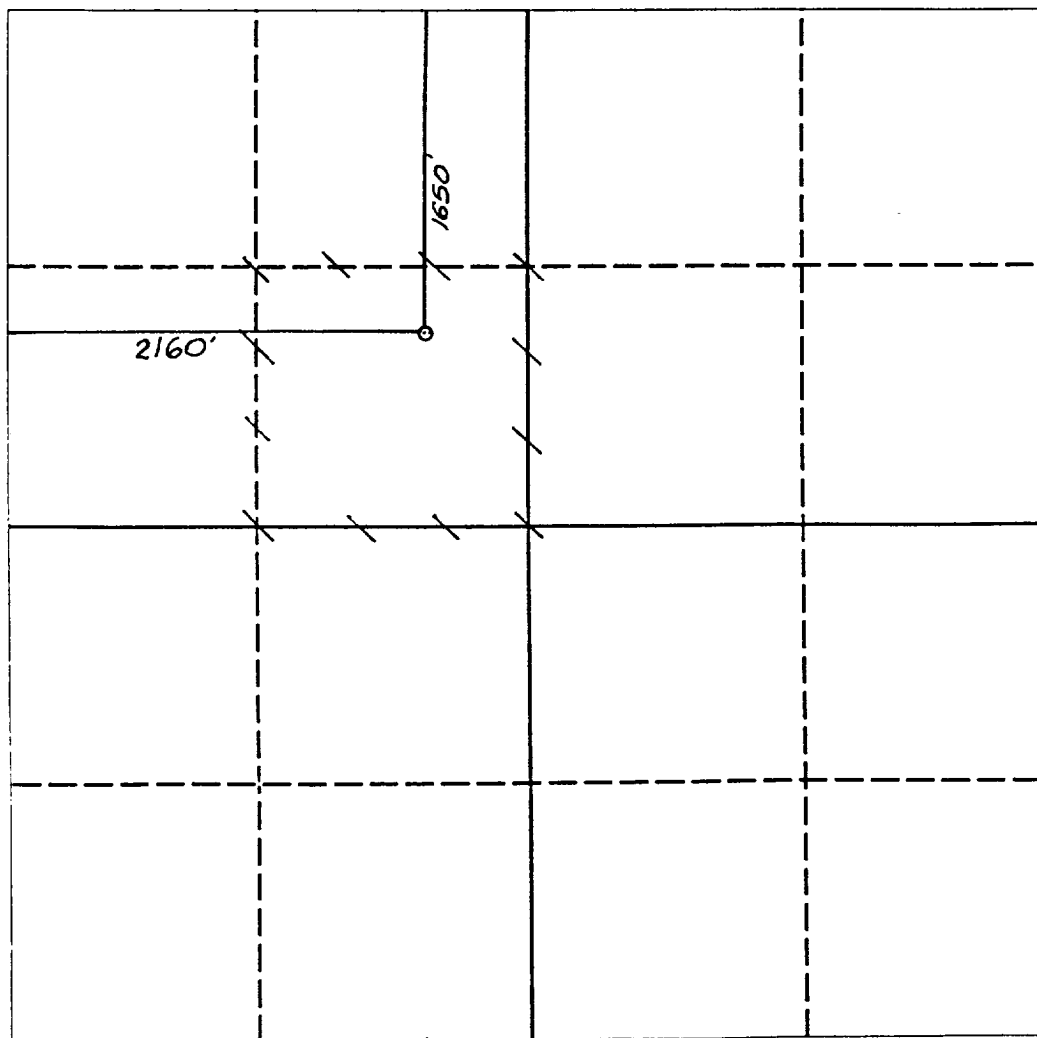
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator SIETE OIL & GAS CORPORATION			Lease PHILLIPS FEDERAL		Well No. 1
Unit Letter F	Section 1	Township 25 SOUTH	Range 28 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: 1650 feet from the NORTH line and 2160 feet from the WEST line					
Ground level Elev. 2929.	Producing Formation Delaware		Pool Wildcat	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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
Harold D. Justice

Printed Name
Exec. Vice President

Position
Siete Oil & Gas Corp.

Company
September 20, 1993

Date

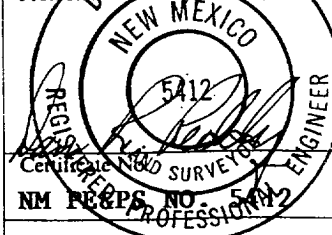
SURVEYOR CERTIFICATION

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

SEPTEMBER 9, 1993

Signature of Professional Surveyor



0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

SUPPLEMENTAL DRILLING DATA
SIETE OIL AND GAS CORPORATION
PHILLIPS FEDERAL #1
1650' FNL & 2160' FWL
Section 1: T258, R28E
Eddy County, New Mexico
Lease Number: NM-88128

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

1. The geologic surface is quaternary.
2. The estimated geological marker tops:
Delaware 2750'
Bone Spring 6450'
3. Estimated depths to water, oil or gas:
Water: Approx. 600'
Oil or Gas: 4600'

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'-600'	24#	J-55	ST&C	New
5 1/2"	0'-6500'	15.5# & 17#	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:
0-600': Fresh water and native mud adding gel and lime for sufficient viscosity to insure clean hole for running casing.
600'-TD: Drill out with native becoming brine; occasional mud sweeps to clean hole, add starch and salt gel to maintain a vis. of 30; @ TD 40; mud wt. 9.6.
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 @ 2700'-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
Phillips Federal #1
1650' FNL & 2160' FWL
Section 1: T25S, R28E
Eddy County, New Mexico
Lease Number: NM-88128

LOCATED: 6 miles Southeast of Malaga, New Mexico

FEDERAL LEASE NUMBER: NM-88128

LEASE ISSUED: March 1, 1992

RECORD LESSEE: Phillips

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

ACRES IN UNIT: 320

SURFACE OWNERSHIP: Federal

GRAZING PERMITTEE: Jerry Ballard
P.O. Box 60
Malaga, NM
(505)745-3347

POOL: Wildcat 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 is at Malaga, NM at the intersection of 285 & 720(Black River Hwy):

- 0.00 Proceed South on 285 for 4.1 miles.
- 4.10 Turn East and proceed 1.3 miles.
- 5.40 Turn South and proceed .4 miles.
- 5.80 Turn East(over railroad) and proceed .4 miles.
- 6.20 Turn North and go .25 miles.
- 6.45 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. No new access road will be necessary.
- 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: One

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. The 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 Section 24, T24S, R28E, NW $\frac{1}{4}$ 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 Southeast.
- 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: None in the area.
- F. Archaeological, Historical and Other Cultural Sites: None were observed in this area. The pad area was archaeologized on September 20, 1993.
- 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

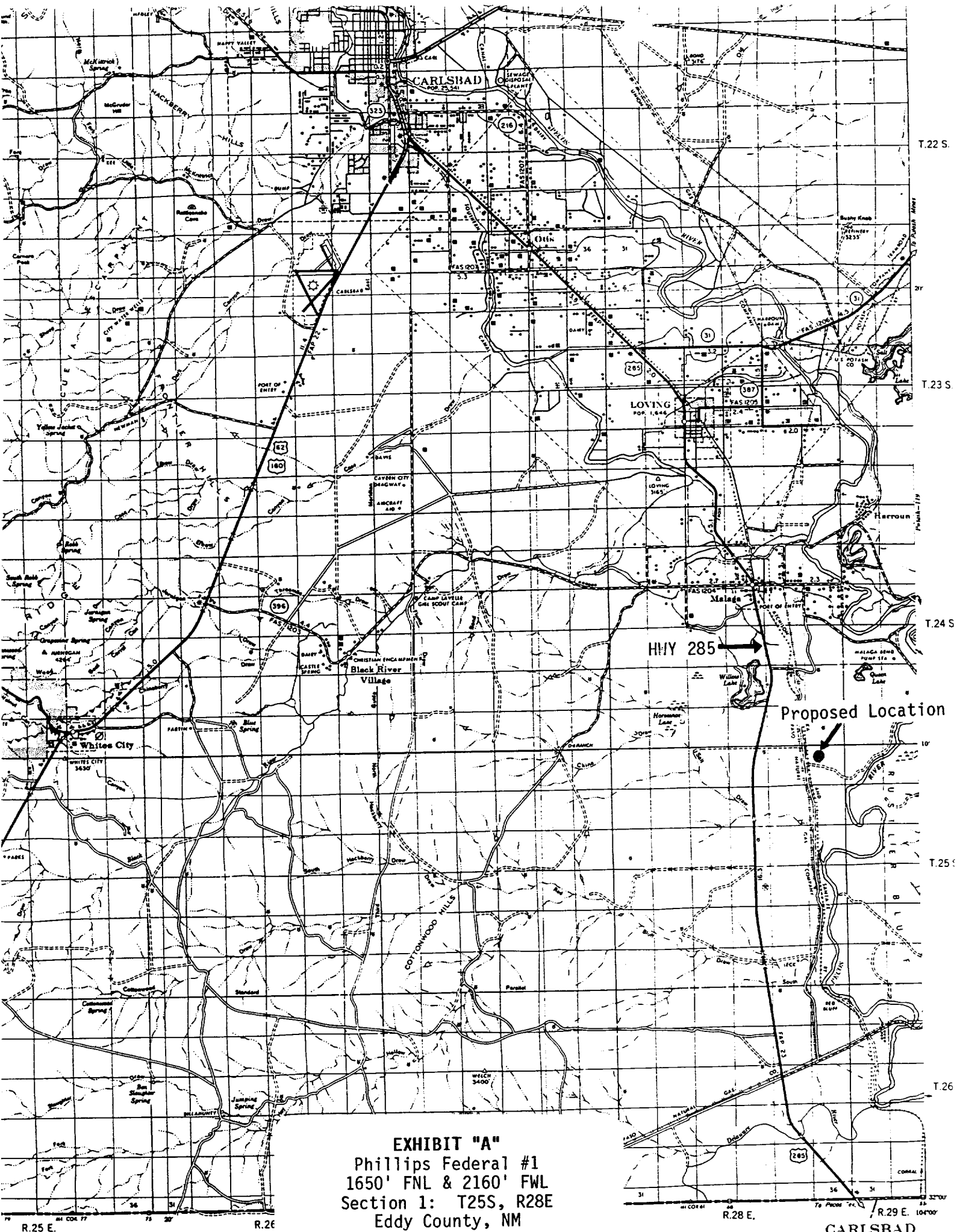
13. CERTIFICATION:

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: 9/20/93

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



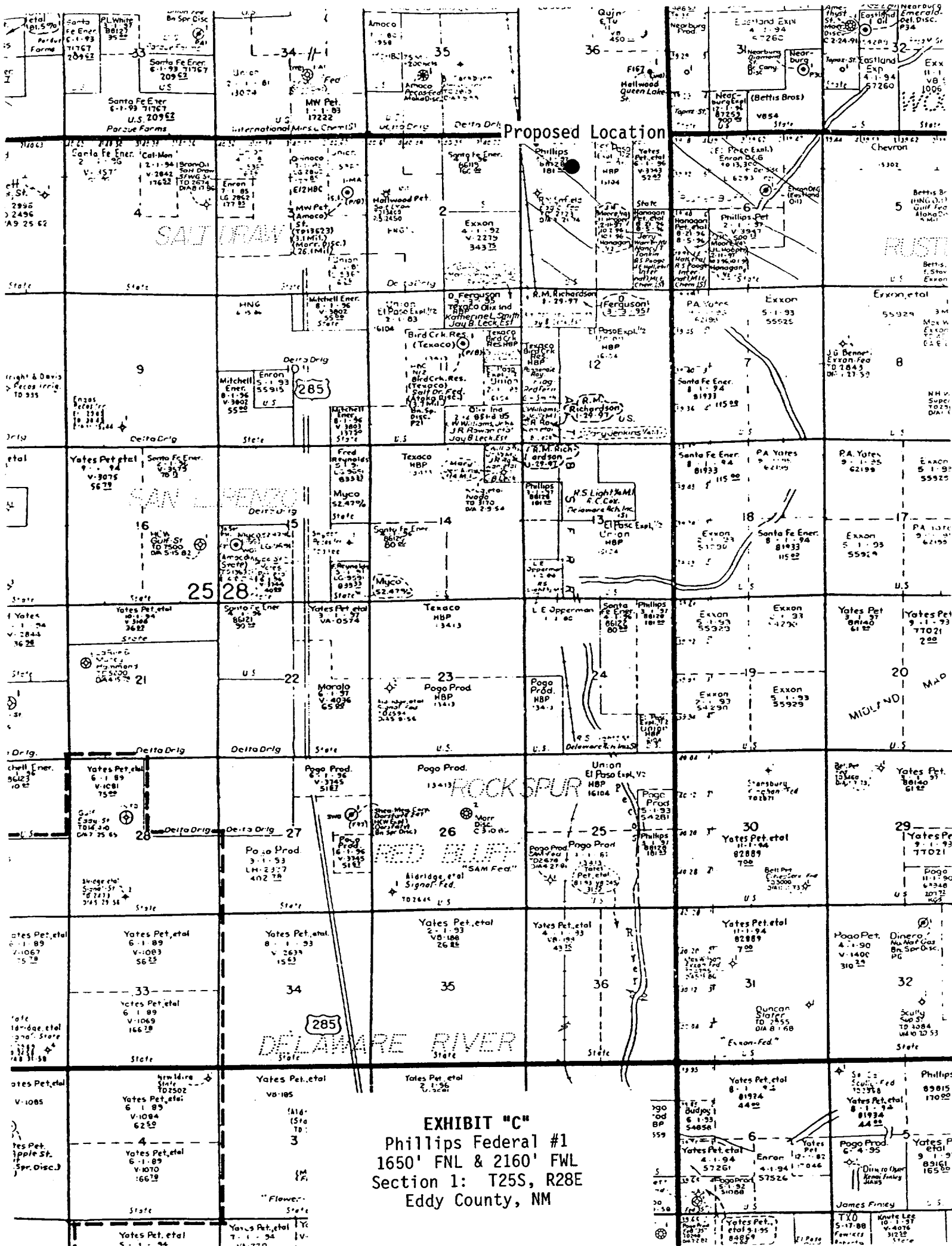
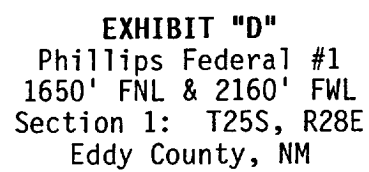
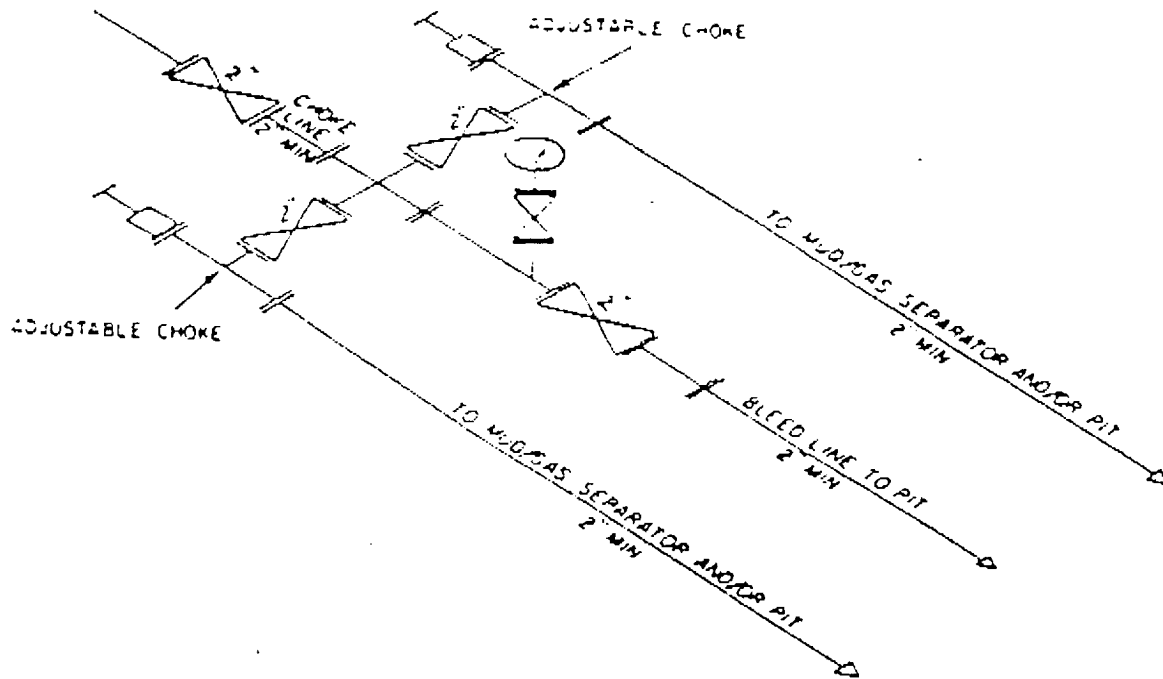


EXHIBIT "C"
Phillips Federal #1
1650' FNL & 2160' FWL
Section 1: T25S, R28E
Eddy County, NM



1. Diagram of Choke Manifold
Equipment

Illustration 2, Page 1



2M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY

BOP DIAGRAM
RATED 3000#

