N.M. OIL CONS. COMMISSION
P.O. BOX 1980
HOBBS, NEW MEXICO 88240

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.: NM-9016

6. If Indian, Allottee or Tribe Name:

7. If Unit or CA, Agreement Designation:

1. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.: Inca Federal #8

2. Name of Operator: Siete Oil & Gas Corporation

9. API Well No.: 30-025-30323

3. Address and Telephone No.: P.O. Box 2523, Roswell, NM 88202-2523

10. Field and Pool, or Exploratory Area: Young Wolfcamp North

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1943' FWL & 1980' FNL
Sec. 17, T18S, R32E
SE¼NE¼, Unit Letter F

11. County or Parish, State: Lea, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
[X] Notice of Intent	[ ] Abandonment	[ ] Change of Plans
[ ] Subsequent Report	[X] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[ ] Other _____	[ ] Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Siete Oil & Gas Corporation intends to deepen the above shut-in well to 10050' & test the Wolfcamp zone as follows:

1. Squeeze perfs @ 4440'-50' w/100 sxs "C", 3% S-1.
2. DO squeeze & test to 1000 psi.
3. Drill CIBP @ 8300'.
4. Squeeze perfs @ 8799'-9080' w/200 sxs "H", 2% CaCl2.
5. DO squeeze & test to 1000 psi.
6. Drill float collar & shoe @ 9300'.
7. Drill formation to 10050'.
8. DST Wolfcamp zone & run logs.
9. Set TIW liner 4" 11.6# J-55 from 9000' to 10050' & cement w/75 sxs "H", .5% TIC.
10. Perforate & test Wolfcamp zone.

14. I hereby certify that the foregoing is true and correct
Signed Cathy Bathey-Seely Title Regulatory Specialist Date 8/12/94

(This space for Federal or State office use)
Approved by /s/ Shannon J. Shaw Title Petroleum Engineer Date 9/7/94
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

SUPPLEMENTAL DRILLING DATA
SIETE OIL AND GAS CORPORATION
INCA FEDERAL #8
1980' FNL & 1943' FWL
Section 17: T18S, R32E
Lea County, New Mexico
Lease Number: NM-9016

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

1. The geologic surface is quaternary.

2. The estimated geological marker tops:

Rustler	1028'
B/Salt	2353'
Queen	3726'
Del. Sand	5153'
Bone Spring	6268'
Wolfcamp	10000'

3. Estimated depths to water, oil or gas:
   Water: Approx. 350'
   Oil or Gas: Wolfcamp-10000'

4. Existing & *Proposed Casing Program:

Size	Interval	Weight	Grade	Joint	New or Used
13 3/8"	0'-486'	48	J-55	ST&C	New
8 5/8"	0'-2399'	24	J-55	ST&C	New
5 1/2"	0'-9284'	15.5 & 17	J-55 & N-80	LT&C	New
*4"	9000'-10050'	11.6	J-55	ST&C	New

Cementing Program:
4" 75 sxs "H", .5% TIC

5. Pressure Control Equipment: The blowout preventer will be a double ram type preventer. A sketch is attached. The BOP will be nippled up at approx. 500' and used continuously until TD is reached. All BOP's and accessory equipment will be tested to 3000 psi.

6. Mud Program:
   0-10050': Fresh water and native mud adding gel and lime for sufficient viscosity to insure clean hole for running casing; mud wt. 9.5#, vis. 36.

7. Auxiliary Equipment: A kelly cock will be installed on the rig floor while drilling operations are in progress.

8. Testing & coring programs: Possible DST on Wolfcamp zone.
   Logging: Compensated Neutron-Formation Density-Gamma Ray-Caliper-Dual Laterlog-RXO @ 9200'-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: September 1, 1994 upon BLM approval.

SURFACE USE PLAN

FOR

RE-ENTERING

SIETE OIL AND GAS CORPORATION
Inca Federal #8
1980' FNL & 1943' FWL
Section 17: T18S, R32E
Lea County, New Mexico
Lease Number: NM-9016

LOCATED:	11 miles South of Maljamar, New Mexico
FEDERAL LEASE NUMBER:	NM-9016
LEASE ISSUED:	January 1, 1945
RECORD LESSEE:	Minntex Oil Company
BOND COVERAGE:	$25,000 Bond of Siete Oil and Gas Operator
ACRES IN UNIT:	1004.23
SURFACE OWNERSHIP:	Federal
GRAZING PERMITTEE:	Virgil Linan Estate
POOL:	Young Wolfcamp North
EXHIBITS:	A. Area Road Map B. Topographic Map Showing Access Route C. Lease Map Showing Well Site D. Sketch of Well Pad

THIRTEEN POINT PROGRAM

1. EXISTING ROADS:

   A. A map showing existing roads is shown on Exihibits "A" & "B" of the initial application for permit to drill which is on file at the BLM.

2. PROPOSED NEW ROAD:

   A. No new access will be necessary.

3. LOCATION OF EXISTING WELLS:

   A. A map showing existing wells is shown on Exhibit "C" of the initial application for permit to drill which is on file at the BLM.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

   A. If well is productive, we propose to lay approx. 1200' of 2" SDR11 polyeurethane flowline on the surface up to the Inca Fed. #7 tank battery(Sec. 17, T18S, R32E, NE¼NW¼). We will build separate production facilities for the Inca Fed. #8 at the Inca Fed. #7 battery. This will enable these wells to share the existing water disposal transfer system.

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. No construction materials will necessary.

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 in 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 anticipated.

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" in the initial application for permit to drill already on file with the BLM.

B. The wellsite is level and will not require any cut or fill.

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 Southwest.

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: A ranch house located approx. 6/10 miles Northwest of location.

F. Archaeological, Historical and Other Cultural Sites: None were observed in this area. A archaeological report is already on file at the BLM.

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

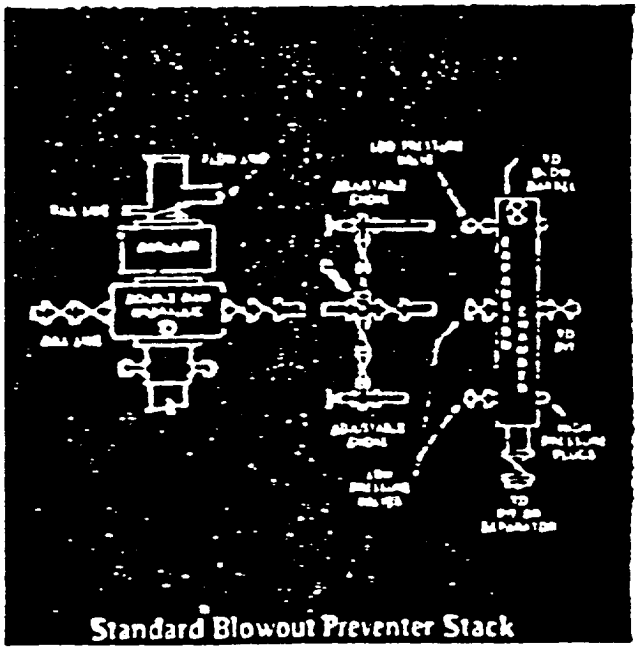
13. CERTIFICATION:

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: _____

BY: _____
Harold D. Justice
Executive Vice President

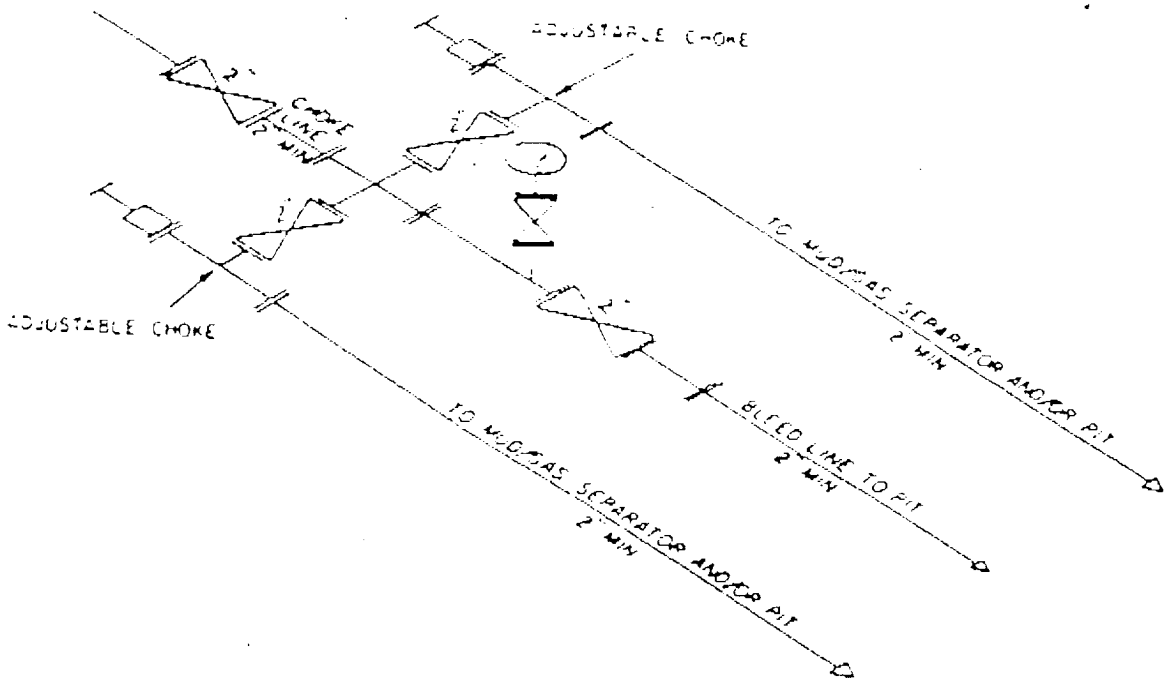


Standard Blowout Preventer Stack

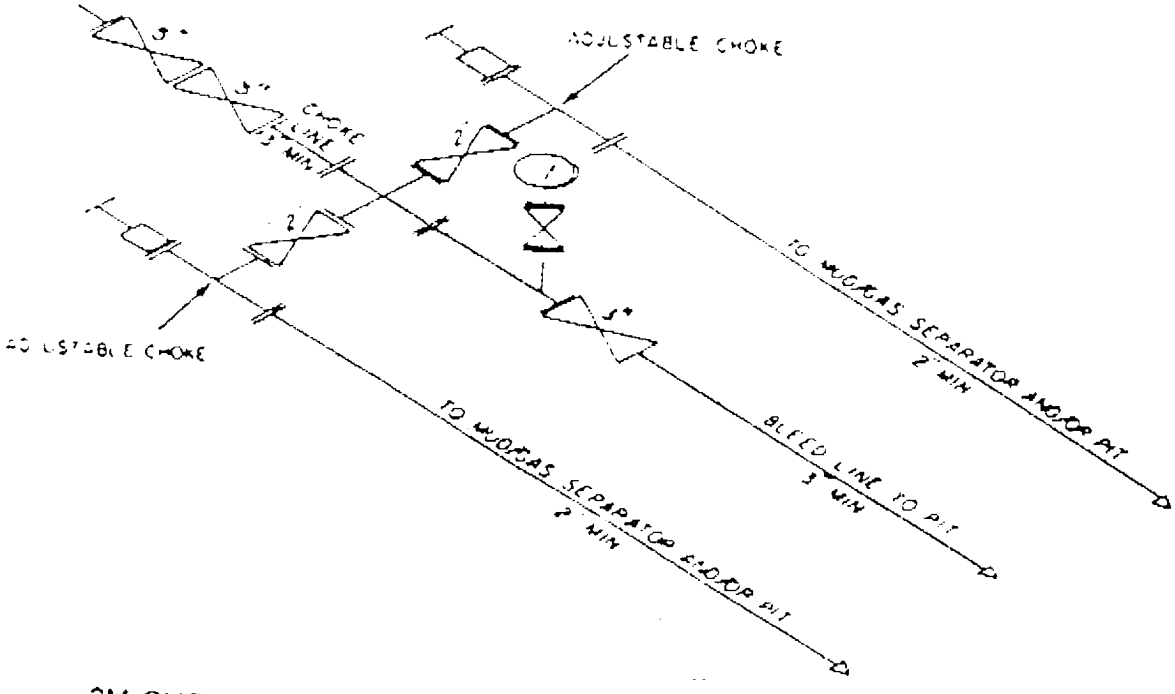
One hydraulic double 10" X 900 series.
One Hydril 10" X 900 series.
Choke manifold 4" X 900 series flanged connections. 4 valve accumulator closing unit.

I. Diagrams of Choke Manifold Equipment

Illustration 2, Page 1



2M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY



3M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY