

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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 & Gas Corporation

3. ADDRESS OF OPERATOR

P. O. Box 2523, Roswell, New Mexico 88201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*)  
At surface 1980' FNL & 660' FWL, SW/4 NW/4, Unit Letter E

At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

17 air miles South of Maljamar, NM

15. DISTANCE FROM PROPOSED\*

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

660'

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

N/A

16. NO. OF ACRES IN LEASE

476.56

19. PROPOSED DEPTH

7500'

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3494' 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"        | 54.5#           | 900'          | 800 sx (circulate)   |
| 12/ 1/4"     | 8 5/8"         | 24 & 32.0#      | * 2200'       | 700 sx (circulate)   |
| 7 7/8"       | 5 1/2"         | 15.5#           | 7500'         | 650 sx (TOC @ 2500') |

\*Set intermediate csq.  $\pm 250'$  deeper so that csq. shoe is below the  
base of the salt. SJS 7/27/87 (than above)

Selectively perforate and treat pay zones in Delaware formation.

Attachments:

BOP Sketch

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

*Harold A. Justice*

TITLE Drlg. & Prod. Vice Pres.

DATE 7/13/87

(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

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.

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.

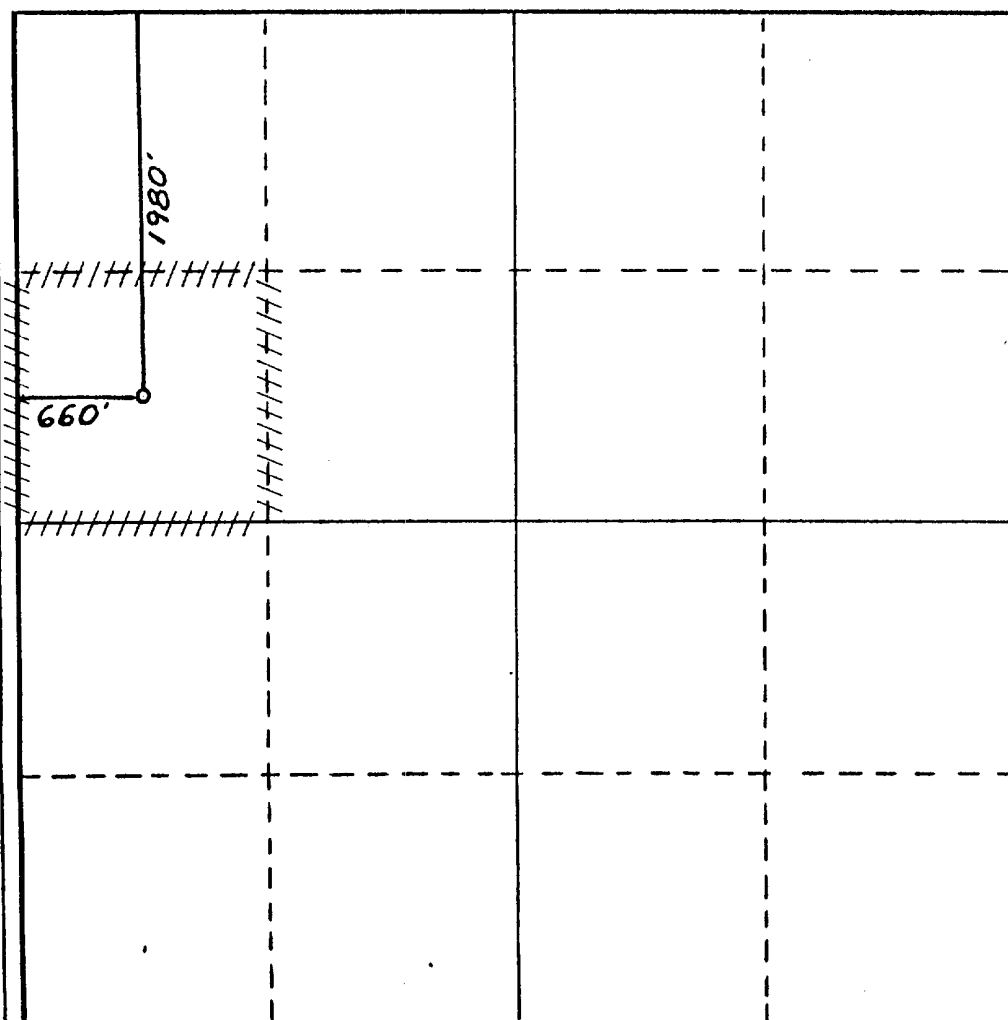
|   |  |                             |                                 |                                       |                      |
|---|--|-----------------------------|---------------------------------|---------------------------------------|----------------------|
| Operator<br><b>SIETE OIL &amp; GAS CORPORATION</b>  |  |                             | Lease<br><b>Kachina Federal</b> |                                       | Well No.<br><b>1</b> |
| Unit Letter<br><b>E</b>   | Section<br><b>6</b>                    | Township<br><b>20 South</b> | Range<br><b>32 East</b>         | County<br><b>Lea</b>                  |                      |
| Actual Footage Location of Well:<br><b>1980</b> feet from the <b>North</b> line and <b>660</b> feet from the <b>West</b> line |  |                             |                                 |                                       |                      |
| Ground Level Elev.<br><b>3494.</b>  | Producing Formation<br><b>Delaware</b> |                             | Pool<br><b>Wildcat</b>          | Dedicated Acreage:<br><b>40</b> Acres |                      |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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*  
Name

Harold D. Justice  
Position

V.P. Drlg. and Production

Company  
Siete Oil & Gas Corporation

Date  
7/15/87

**DAN R. REDDY**  
NEW MEXICO  
I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.  
REGISTERED PROFESSIONAL ENGINEER

Date Surveyed  
June 23, 1987

Registered Professional Engineer  
and/or Land Surveyor

*Dan R. Reddy*  
Certificate No. \_\_\_\_\_

SUPPLEMENTAL DRILLING DATA  
SIETE OIL AND GAS CORPORATION

KACHINA FEDERAL NO. 1

1980' FNL & 660' FWL

Section 6: T20S, R32E

Lea County, New Mexico

Lease Number - NM-58820

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

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

|                   |       |
|-------------------|-------|
| Yates             | 2800' |
| Delaware Mtn. Gp. | 4200' |

3. Estimated depths to water, oil or gas:

|             |       |
|-------------|-------|
| Water:      | 350'  |
| Oil or Gas: | 4200' |

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"     | 0-900'          | 54.5#         | J-55         | ST&C         | New                |
| 8 5/8"      | 0-2200'         | 24 & 32.0#    | J-55         | ST&C         | New                |
| 5 1/2"      | 0-T.D.          | 15.5#         | K-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 - 900': Native mud adding gel and lime for sufficient viscosity to insure clean hole for running casing.  
900' - 2200': Drill out with native becoming brine cut.  
2200' - T.D.: Drill out of intermediate with brine cut mud add starch and salt gel to maintain a viscosity of 32-38; mud weight 9.8 - 10.0 viscosity @ T.D. 40.0.

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 drillstem tests and/or coring is not planned.

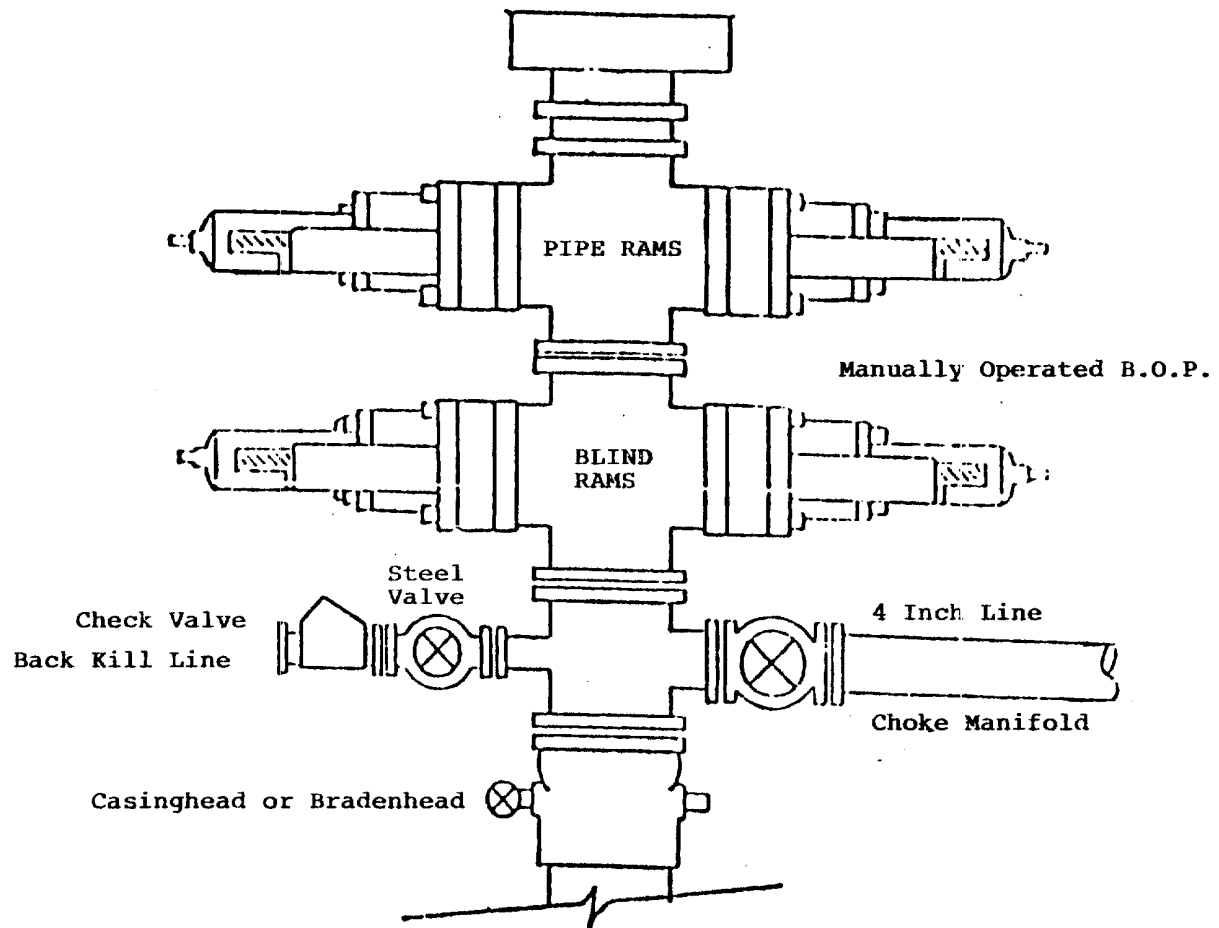
Logging: Compensated Neutron - Formation Density - Gamma Ray - Caliper  
- Dual Laterolog - RXO

9. No abnormal pressures or temperature zones are anticipated.
10. Anticipated starting date: Commence drilling operations ASAP.

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BOP DIAGRAM

RATED 3000#



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SURFACE USE PLAN  
FOR  
DRILLING, COMPLETING AND PRODUCING

SIETE OIL AND GAS CORPORATION  
Kachina Federal No. 1  
1980' FNL & 660' FWL  
Section 6: T20S, R32E  
Lea County, New Mexico  
Lease Number - NM-58820

LOCATED: 17 air miles South of Maljamar, New Mexico

FEDERAL LEASE NUMBER: NM-58820

LEASE ISSUED: August 1, 1984

RECORD LESSEE: Isabel Vansickle

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

ACRES IN LEASE: 476.56

SURFACE OWNERSHIP: Federal

GRAZING PERMITTEE: Ellison Tom, P.O. Box 104, Andrews, TX 79714

POOL: Wildcat - Delaware

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 intersection U.S. Highway 529 and County Road 126 south of Maljamar, New Mexico.

0.0 Proceed south on County Road 126 for 13.9 miles

13.9 Turn west off blacktop and proceed .95 miles west - northwest

14.85 Wellsite



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### 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 measure 15' wide by approximately 5072' in length. New access road will enter the southeast corner of the pad.
- B. Surfacing Materials: Caliche
- C. Maximum Grade: Less than 1%
- D. Turnouts: One every 1/4 mile
- E. Drainage Design: None required
- F. Culverts: None required
- G. Cuts and Fills: None required
- H. Gates, Cattleguards: None required

3. LOCATION OF EXISTING WELLS:

- A. Exhibit "C" displays the existing wells in the immediate area.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. If the proposed well is productive, the tank battery will be installed on well pad.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. A water supply well is not planned. Water will be purchased and hauled to the wellsite over existing and proposed roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Construction material will be obtained from an existing federal pit in the NE/4 NE/4 Section 30: T19S, R32E.

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 well bore 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 northeast.
- 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
- E. Residences and Other Structures: No occupied dwelling in area.
- F. Archaeological, Historical and Other Cultural Sites: None were observed by this area. The pad and road areas were archaeologized on June 23, 1987.

REC-24-157  
JUL 3 11 2007  
609  
50306-14714

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  
V.P. Drilling & Production

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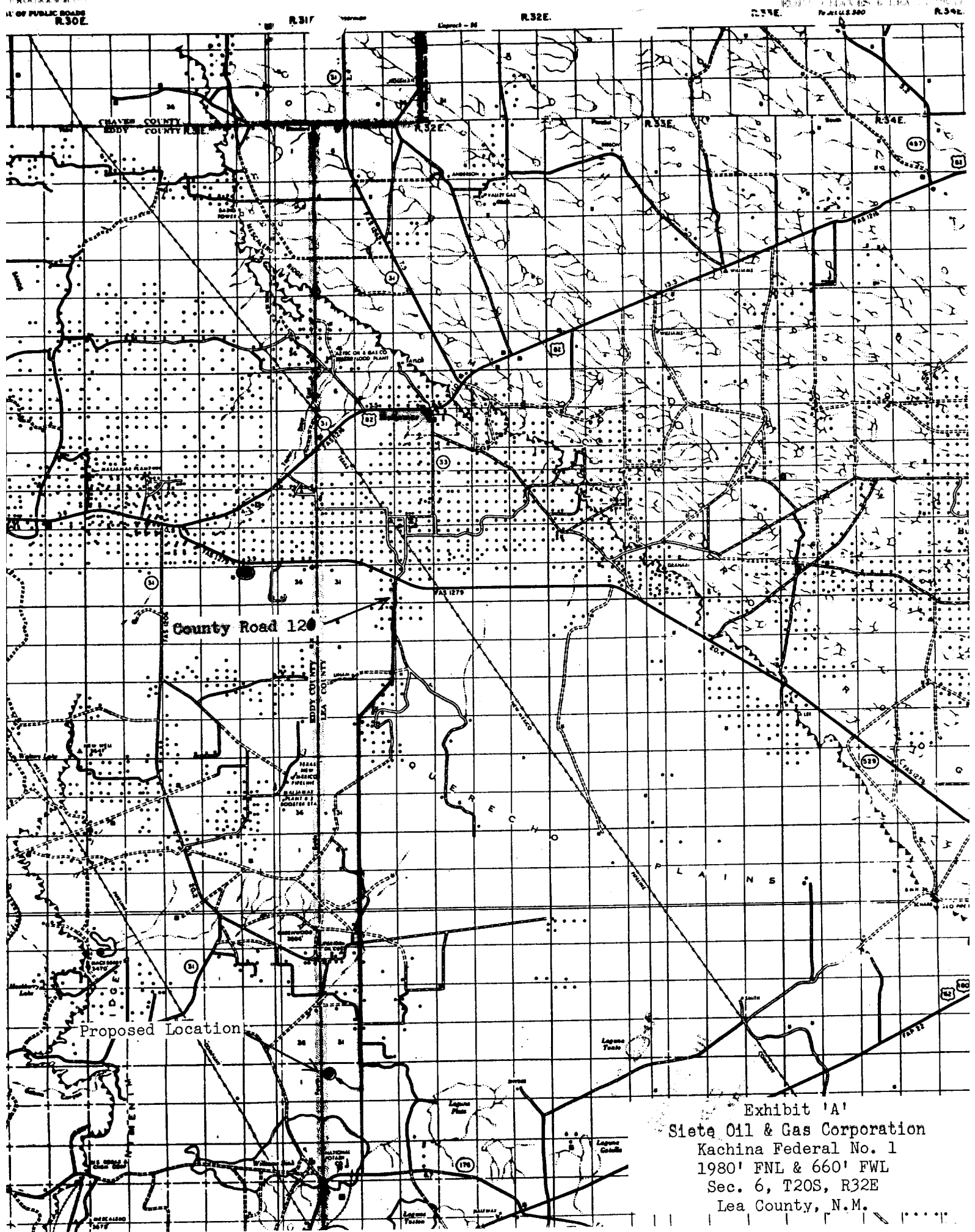
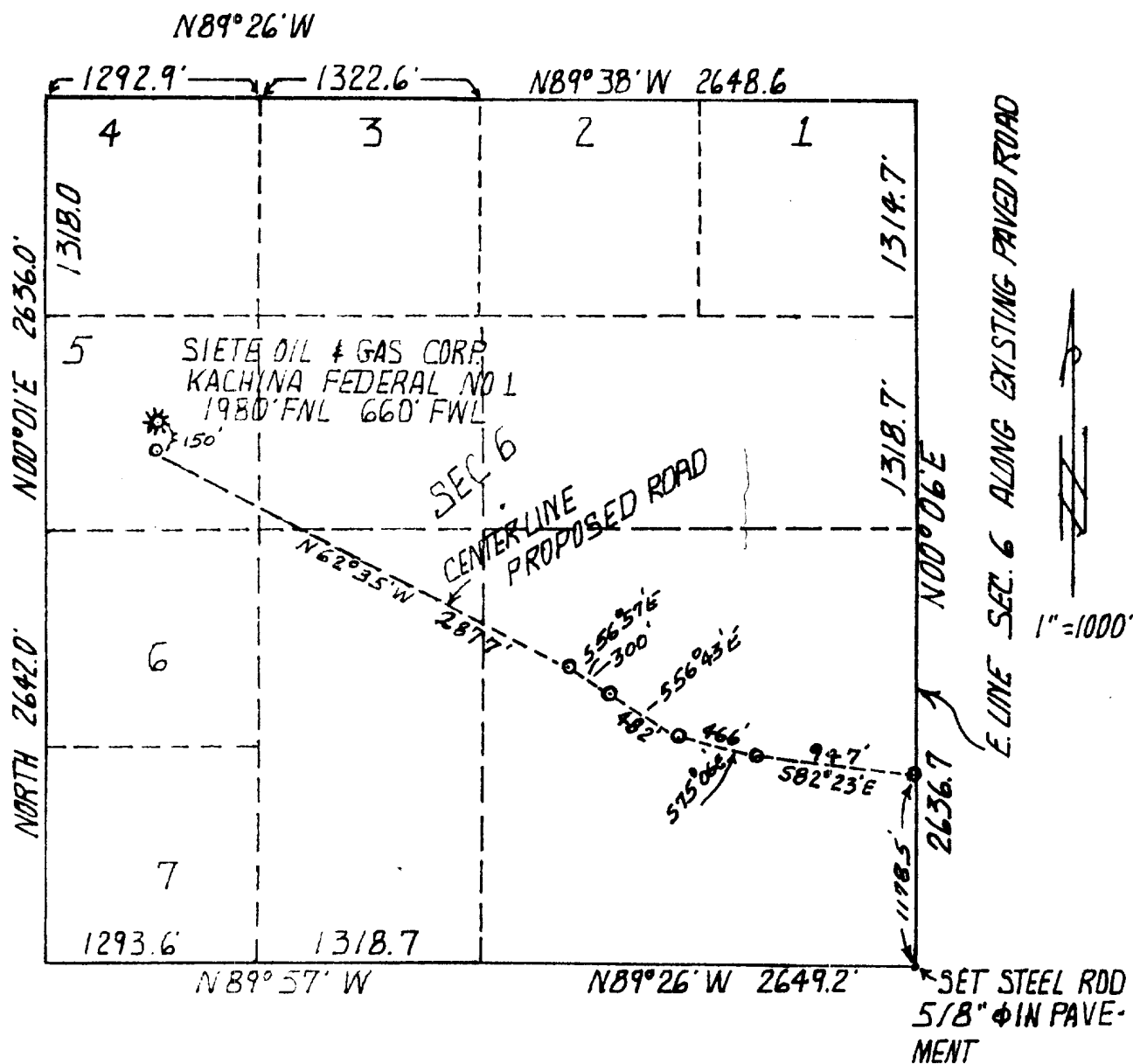


Exhibit 'A'  
Siete Oil & Gas Corporation  
Kachina Federal No. 1  
1980' FNL & 660' FWL  
Sec. 6, T20S, R32E  
Lea County, N.M.

PLAT OF SURVEY



CERTIFICATION:

This is to certify that the foregoing plat was made from field notes of a bona fide survey made by me and is true and correct to the best of my knowledge and belief.

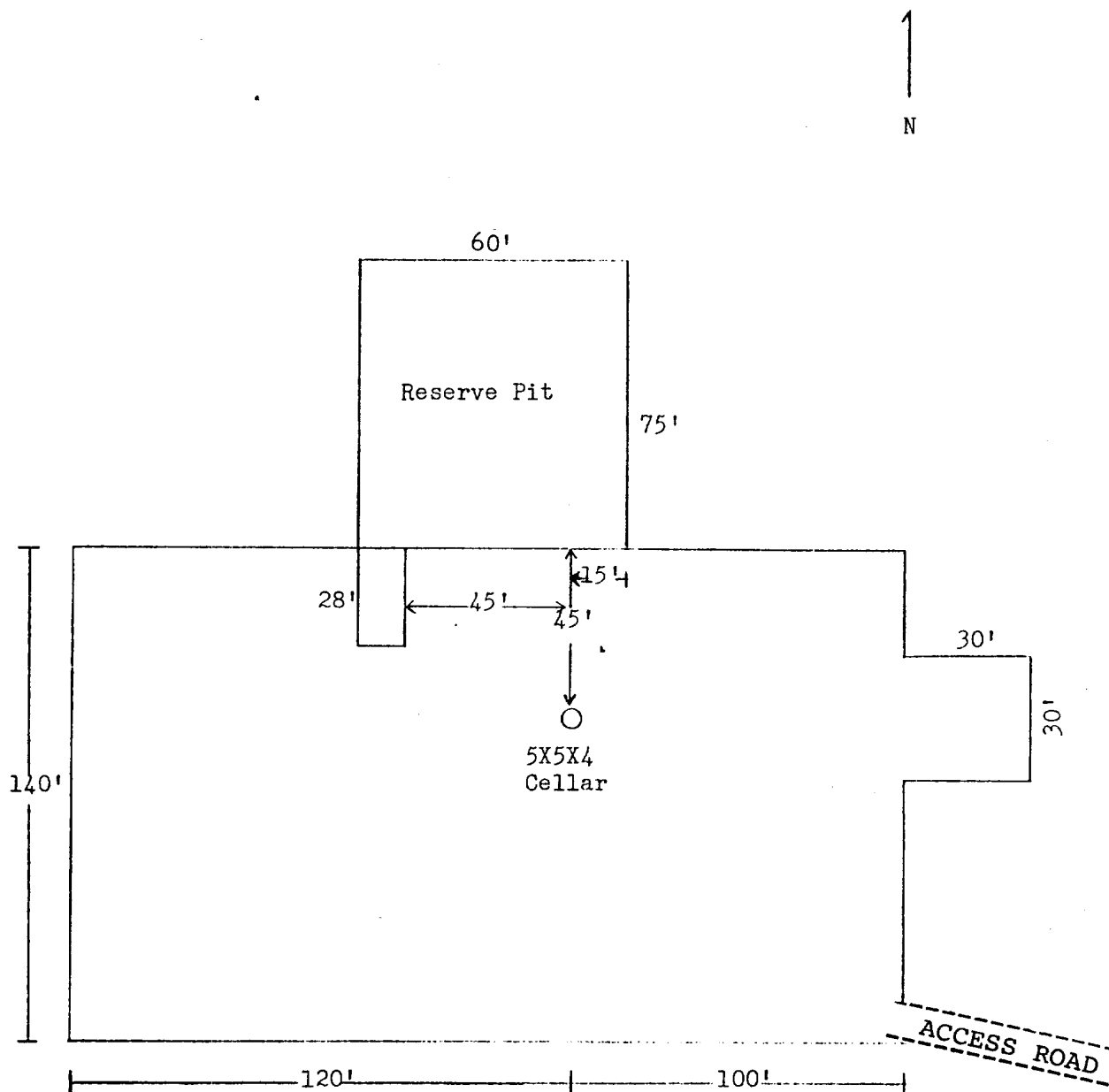


Exhibit 'B'  
Siete Oil & Gas Corporation  
Kachina Federal No. 1  
1980' FNL & 660' FWL  
Sec. 6, T20S, R32E  
Lea County, N.M.

*Dan R. Reddy*  
DAN R. REDDY NM PELS NO. 5412  
July 7, 1987



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I&M Drilling Rig No. 1

Exhibit 'D'  
 Siete Oil & Gas Corporation  
 Kachina Federal No. 1  
 1980' FNL & 660' FWL  
 Sec. 6, T20S, R32E  
 Lea County, N.M.

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18-7-2122  
ELF



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Box 1397, Roswell, New Mexico - 88201

IN REPLY  
REFER TO:

NM-58820  
3162.41 (063)

Siete Oil & Gas Corporation  
P. O. Box 2523  
Roswell, NM 88201

Dear Sir:

Your application for Permit to Drill the Kachina Federal No. 1 Well in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ , sec. 6, T. 20 S., R. 32 E., Lea County, New Mexico, lease NM-58820, to a depth of 7500 feet to test the Delaware 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,

Francis K. Cherry, Jr.  
District Manager

1 Enclosure

cc:  
NMOCD - Hobbs - 2

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OCC  
HOBBS DISTRICT

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Box 1397, Roswell, New Mexico - 88201



IN REPLY  
REFER TO:

The enclosed report contains information regarding the proposed  
acquisition of land for the establishment of a new  
Bureau of Land Management field office in the  
Roswell area, New Mexico.

The proposed acquisition of land for the establishment of a new  
Bureau of Land Management field office in the Roswell area, New Mexico,  
is being considered for the purpose of providing for the  
management of public lands in the area.

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