

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL DEEPEN

b. TYPE OF WELL
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Read & Stevens, Inc. 505/622-3770

3. ADDRESS AND TELEPHONE NO.
P. O. Box 1518 Roswell, NM 88202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface 660' FNL & 990' FWL
At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
30 miles SW of Hobbs, NM

16. NO. OF ACRES IN LEASE 322.3

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. 1320'

19. PROPOSED DEPTH 8,400'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3643' GL

22. APPROX. DATE WORK WILL START* February 15, 1996

5. LEASE DESIGNATION AND SERIAL NO.
LC-065607

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
Hudson Federal

9. AN WELL NO.
6

10. FIELD AND POOL, OR WELLCAT
North East Lea
Quail Ridge Delaware

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 4-T20S-R34E

12. COUNTY OR PARISH Lea

13. STATE New Mexico

23. PROPOSED CASING AND CEMENTING PROGRAM Secretary's Potash

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8" J-55	54.5#	1600'	Circ 1000 sx Lite = 200 "C
11"	8 5/8" S-80	32.0#	5000'	Circ 1100 sx **See Note
7 7/8"	5 1/2" N-80	17.0#	8400'	Tieback w/500 or 975 sx*

Mud Program:

	Mud Wt.	Vis.	W/L Control
0' - 1600': Fresh water native mud:	8.4 ppg	32	No W/L control
1600' - 5000': Brine mud:	10 ppg	28-32	No W/L control
5000' - 8400': Fresh water mud w/starch:	8.8 ppg	32-40	No W/L control

BOP Program:
A 11" 5000 psi wp Shaffer Type LWS BOP, with a 5000 psi wp 11" GK Hydril, will installed on the 13 3/8" casing. Casing and BOP will be tested before drilling out with 11". BOP will be tested daily as a 3000 psi wp system.

* NOTE: If severe lost circulation is not encountered, hole will be reduced at 5000' to 7 7/8" and 1811' drill ahead WITHOUT setting the 8 5/8" casing.
** 8 5/8": Cement with DV tool in two stages starting at 3800':
1st stage: Lead 200 sx lite, tail in w/200 sx "C".
2nd stage: Lead 500 sx lite cement, tail w/200 sx "C". Cement to surface.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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. Agent for: Read & Stevens, Inc. DATE Jan. 19, 1996

SIGNED George Smith TITLE Agent for: Read & Stevens, Inc. DATE Jan. 19, 1996

OPER. GRID NO. 16391
PROPERTY NO. 37584
POOL CODE 312196
API NO. 30-025-33325

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle an applicant to participate in operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY FRANK Splendoria TITLE Acting STATE Director DATE 2-29-96

*See Instructions On Reverse Side

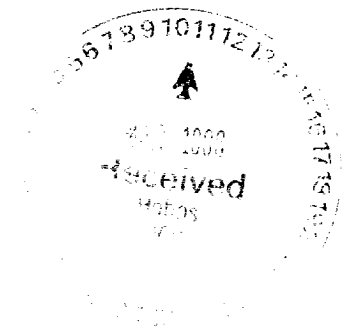
0100000000

0100000000

0100000000

0100000000

0100000000



DISTRICT I
P.O. Box 1990, Hobbs, NM 88241-1990

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Quail Ridge Delaware
Property Code	Property Name HUDSON FEDERAL	Well Number 6
OGRID No.	Operator Name READ & STEVENS, INC.	Elevation 3643

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	4	20 S	34 E		660	NORTH	990	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>LC-065607 Edward R. Hudson, Etal</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>George R. Smith</i> Signature</p> <p>George R. Smith, agent for: Printed Name</p> <p>Read & Stevens, Inc. Title</p> <p>January 19, 1996 Date</p>	
	<p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>JANUARY 16, 1995 Date Surveyed</p> <p><i>Ronald J. Eidson</i> Signature & Seal of Professional Surveyor</p> <p>DMCC</p> <p>W.O. Num. 96-ET-0055</p>	
	<p>Certificate No. JOHN W. WEST 676 RONALD J. EIDSON 3239 GARY EIDSON 12641</p>	



APPLICATION FOR DRILLING
 READ & STEVENS, INC.
 Hudson Federal, Well No. 6
 660' FNL & 990' FWL, Sec. 4-T20S-R34E
 Lea County, New Mexico
 Lease No.: LC-065607
 (Development Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Read & Stevens, Inc. submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is recent Permian with quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

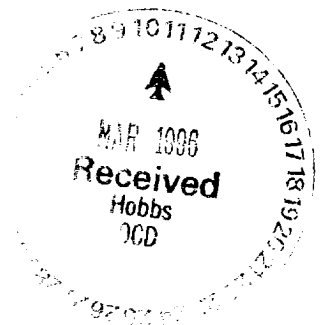
Rustler	1,480'	Bone Spring	8,180'
Top of Salt	1,700'	T.D.	8,400'
Base of Salt	3,080'		
Yates	3,330'		
Queen	3,600'		
Delaware	5,480'		
3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Surface water in the Triassic between 80' - 230'.

Oil: Possible in the Delaware below 5500'.

Gas: None expected.
4. Proposed Casing Program: See Form 3160-3.
5. Proposed Control Equipment: See Form 3160-3 and Exhibit "E".
6. Mud Program: See Form 3160-3.
7. Auxiliary Equipment: Blowout Preventer, gas detector, Kelly cock, pit level monitor, flow sensors and stabbing valve.
8. Testing, Logging, and Coring Program:

Drill Stem Tests:	None unless warranted.	
Logging:	T.D. to 5000':	G/R, CNL-FDC, DLL, MSFL
	T.D. to surface:	G/R, neutron
Coring:	None planned.	
9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified to increase the mud weight. Estimated BHP = 3300 psi (evac. hole) with temperature of 140°.
10. H₂S: None expected. None in previously drilled wells, but a Drilling Operations Plan, Exhibit "F", is being submitted to cover this this contingency.
11. Anticipated starting date: February 15, 1996.
 Anticipated completion of drilling operations: Approx. 3 weeks.





DRILLING CO., INC. - OIL WELL DRILLING CONTRACTORS

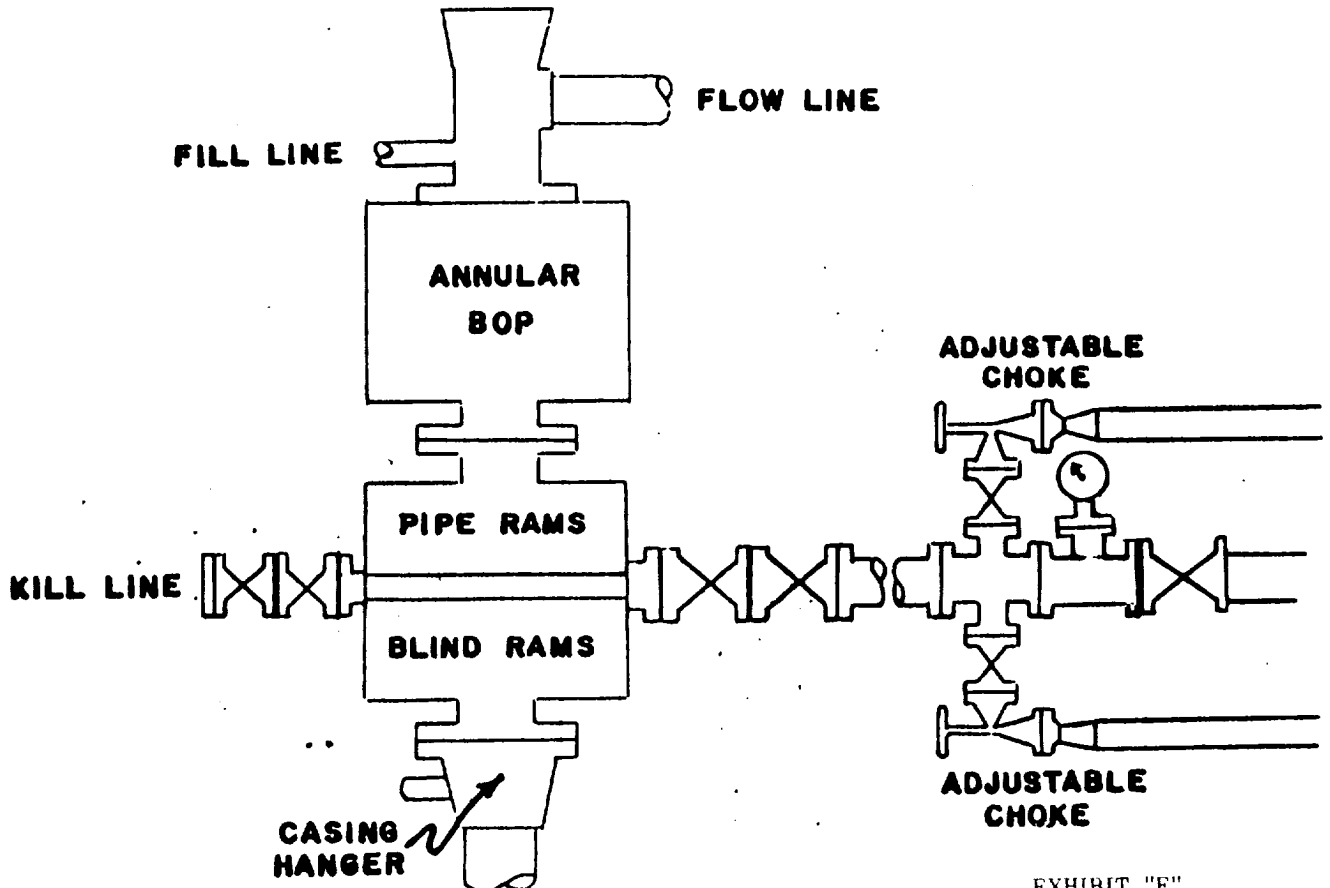
**KEN REYNOLDS—PRESIDENT
ARNIE NEWKIRK—VICE-PRESIDENT**

**P. O. BOX 1498 ROSWELL, NEW MEXICO 88202-1498
505/623-5070 ROSWELL, NM
505/746-2719 ARTESIA, NM**

RIG # 1

BLOWOUT PREVENTOR ARRANGEMENT

- 11" SHAFFER TYPE LWS, 5000 psi WP**
- 11" GK HYDRIL, 5000 psi WP**
- 80 GALLON, 4 STATION PAYNE ACCUMULATOR**
- 3000 psi WP CHOKE MANIFOLD**



**EXHIBIT "E"
READ & STEVENS, INC.
Hudson Federal, Well No. 6
BOP Specifications**

4/8/06

123456789
Received
Hobby
100