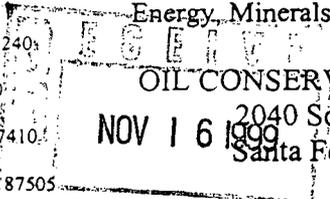


1 P1-124 N/R

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
811 South First, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised March 25, 1999



WELL API NO. 30-015-29196
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. Order # SWD-752
7. Lease Name or Unit Agreement Name: Nix Federal SWD

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
Oil Well Gas Well Other Salt Water Disposal Well

2. Name of Operator
Read & Stevens, Inc.

8. Well No.
#5

3. Address of Operator
P. O. Box 1518 Roswell, New Mexico 88202

9. Pool name or Wildcat
Fenton Delaware

4. Well Location
Unit Letter M 990 feet from the South line and 330 feet from the West line
Section 27 Township 21S Range 28E NMPM County Eddy

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
3175' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Step rate test <input checked="" type="checkbox"/>	

12 Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

Read & Stevens disposes of produced water from the Nix lease into the Nix Federal #5 SWD under administrative order SWD-752. In that order, wellhead pressure while injecting water is limited to no more than 521 psi. On September 10, 1999 Homes Wireline Service was rigged up on the SWD well to run a step rate test. Results of the test showed fractured initiation taking place at 1,010 psi wellhead pressure at a rate in excess of 1,500 BWPD. Read & Stevens, therefore requests an increase in the pressure allowable on the subject well to 900 psi.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Operations Manager DATE 11-2-99

Type or print name John C. Maxey, Jr. Telephone No. 505/622-3770

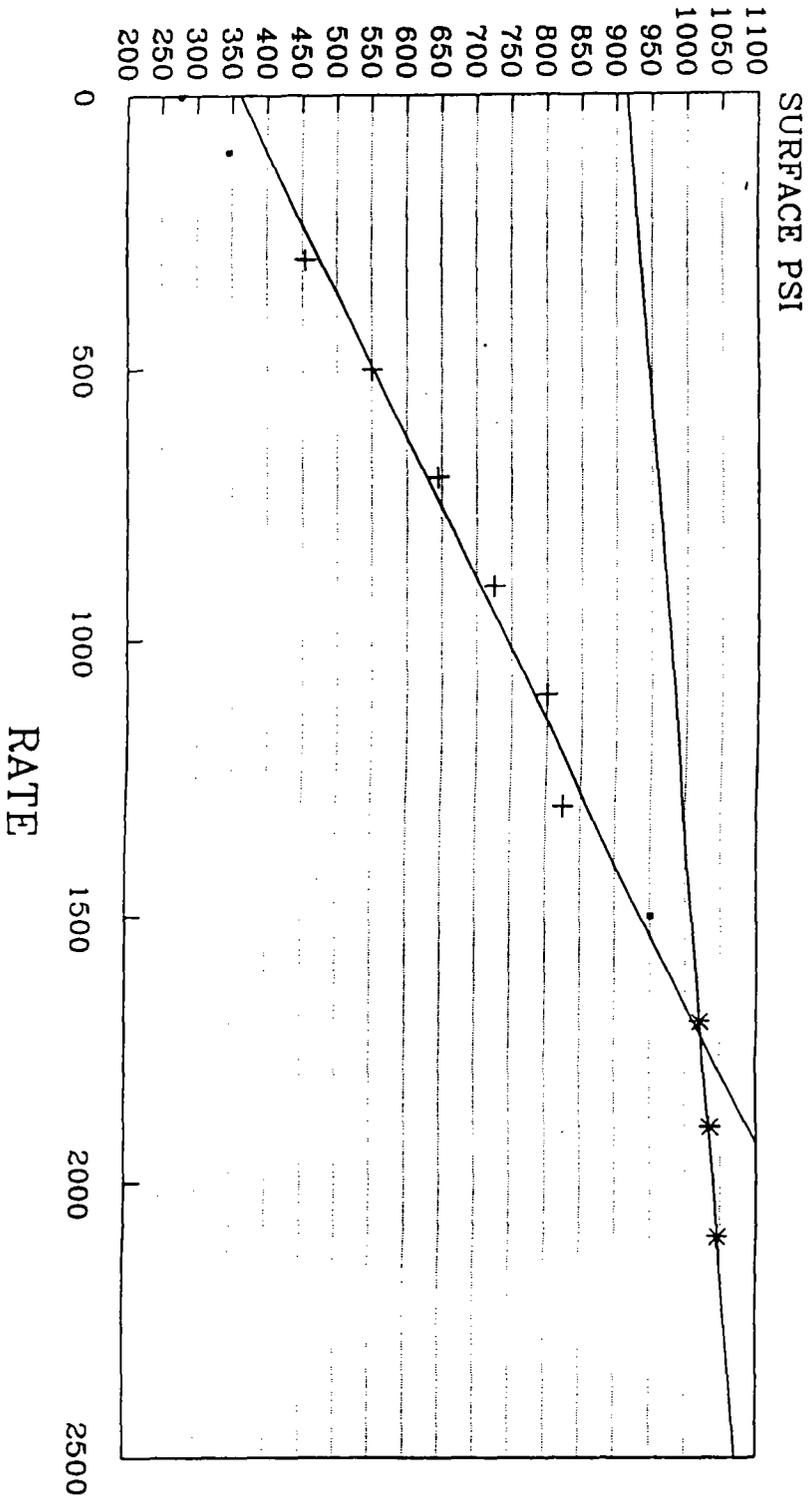
(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:

RECEIVED OCT 18 1999

READ & STEVENS NIX FEDERAL #5



FRAC @ 1010 SF PSI 9-10-99

HOLMES + WIRELINE * SERVICE, INC.

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State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
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OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

WELL API NO. 30-015-29196
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. Order # SWD-752
7. Lease Name or Unit Agreement Name: Nix Federal SWD

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Salt Water Disposal Well		7. Lease Name or Unit Agreement Name: Nix Federal SWD
2. Name of Operator Read & Stevens, Inc.	8. Well No. #5	
3. Address of Operator P. O. Box 1518 Roswell, New Mexico 88202	9. Pool name or Wildcat Fenton Delaware	
4. Well Location Unit Letter <u>M</u> : <u>990</u> feet from the <u>South</u> line and <u>330</u> feet from the <u>West</u> line Section <u>27</u> Township <u>21S</u> Range <u>28E</u> NMPM County <u>Eddy</u>		
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3175' GR		

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TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
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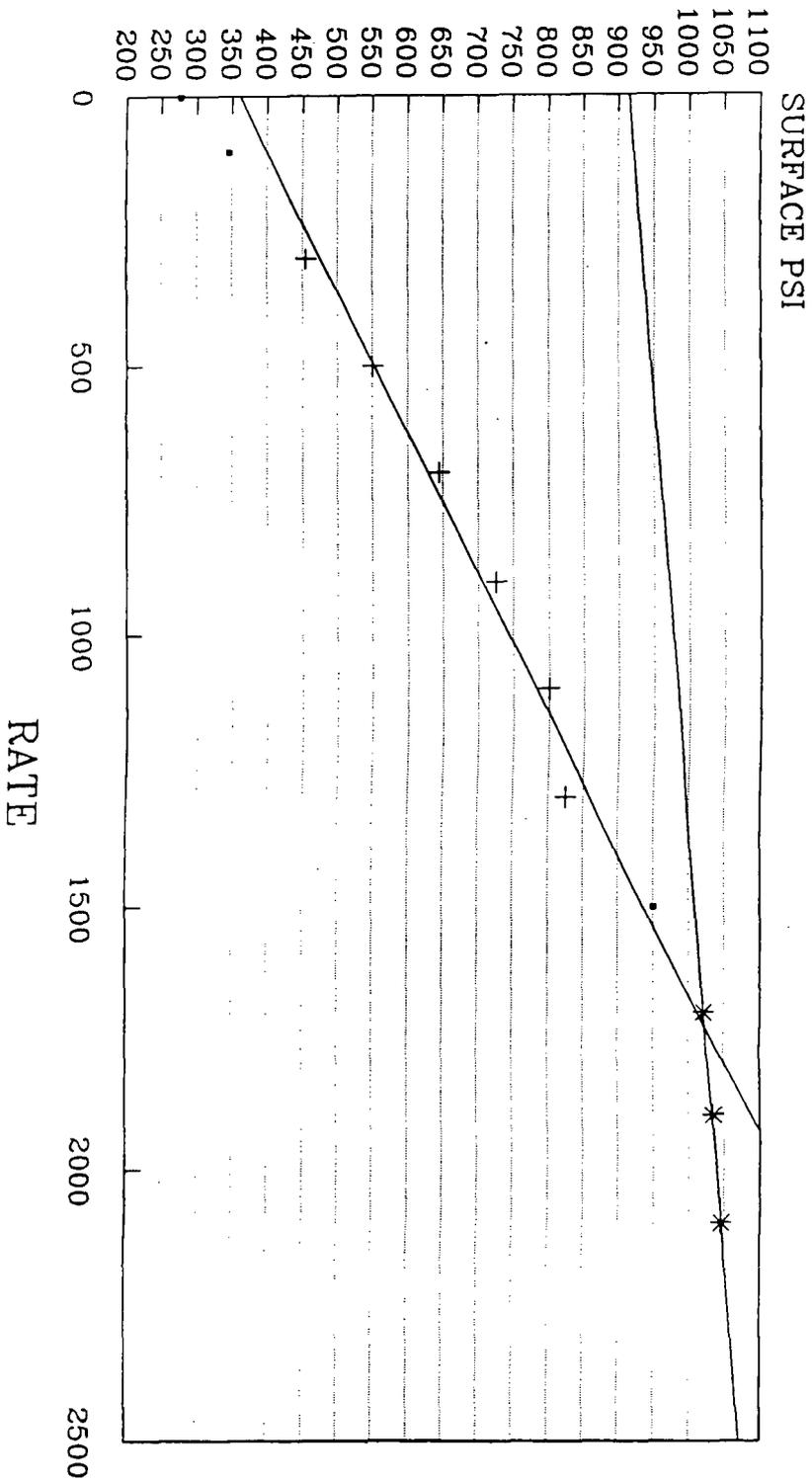
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 Energy, Minerals and Natural Resources

Form C-103
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OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

WELL API NO.
 30-015-29196

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 Order # SWD-752

7. Lease Name or Unit Agreement Name:
 Nix Federal SWD

SUNDRY NOTICES AND REPORTS ON WELLS
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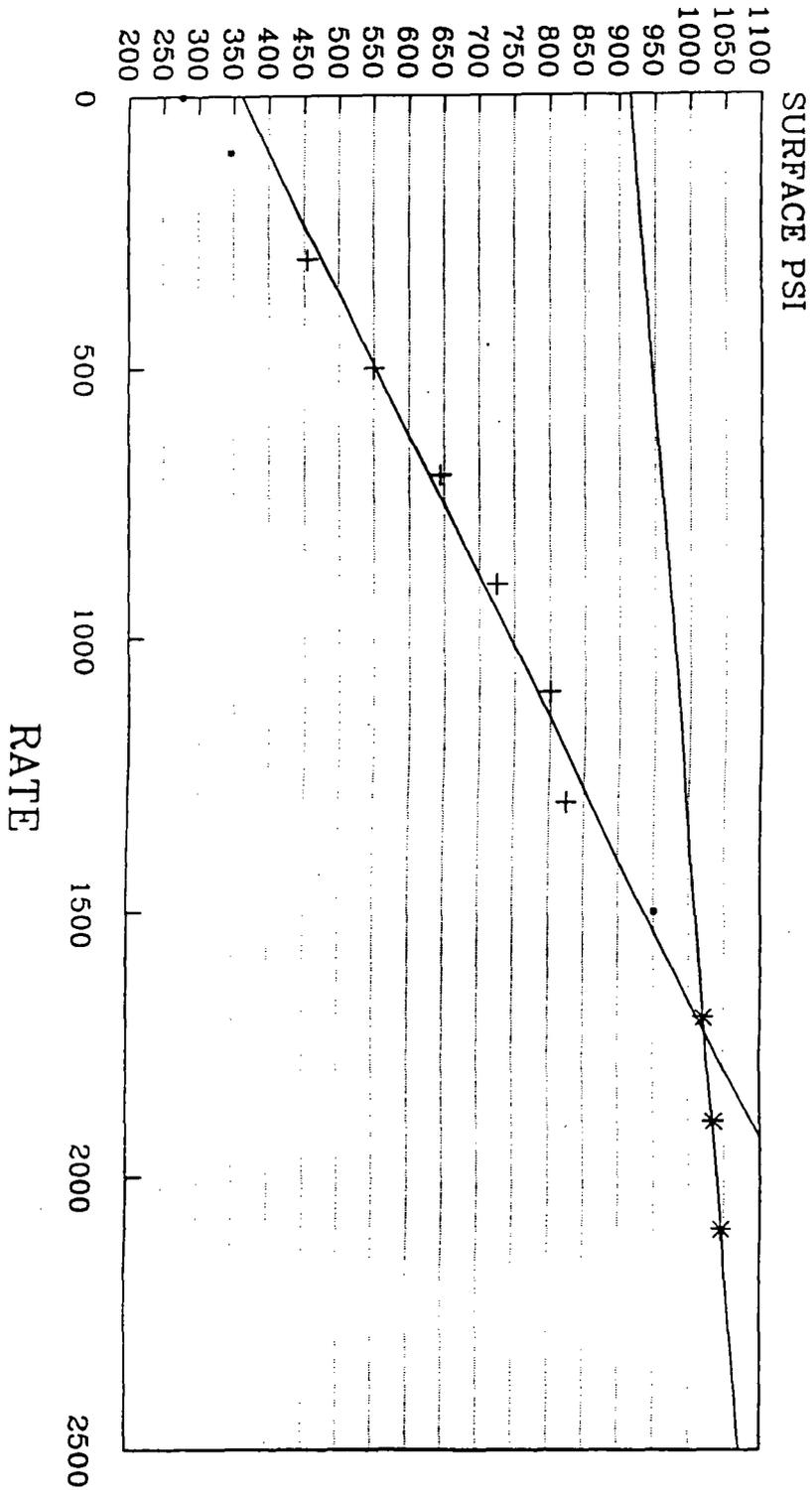
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State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

WELL API NO. 30-015-29196
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6. State Oil & Gas Lease No. Order # SWD-752
7. Lease Name or Unit Agreement Name: Nix Federal SWD
8. Well No. #5
9. Pool name or Wildcat Fenton Delaware

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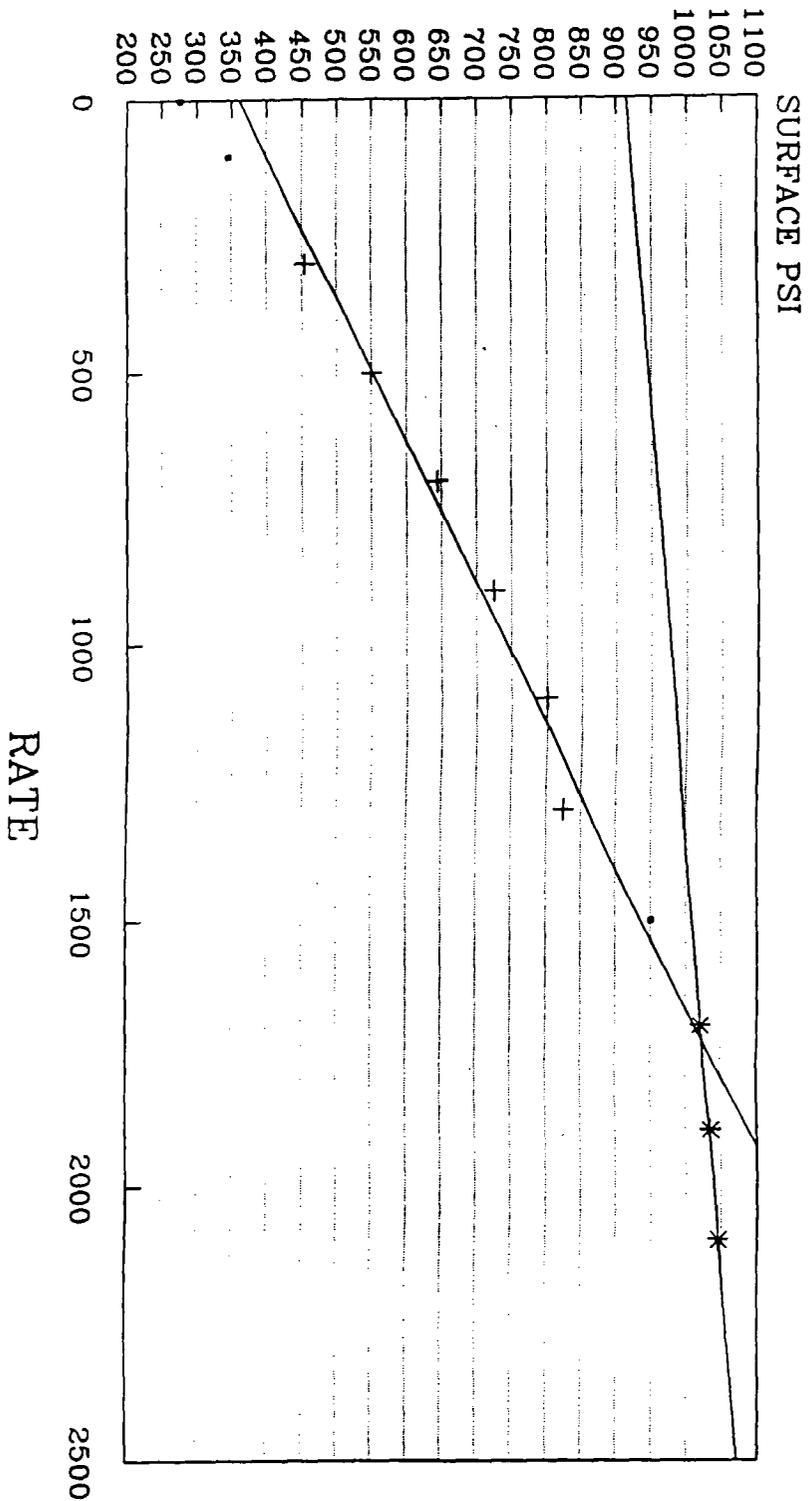
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HOLMES

WIRELINE

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