

NM OIL CONSERVATION
ARTESIA DISTRICT

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

AUG 15 2017

Form C-103
 Revised July 18, 2013

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.)		WELL API NO. 30-015-23586 RECEIVED 33586
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Read & Stevens, Inc.		6. State Oil & Gas Lease No. K-4538
3. Address of Operator PO Box 1518, Roswell, NM 88202		7. Lease Name or Unit Agreement Name Saragossa 10 State
4. Well Location Unit Letter B : 330 feet from the North line and 2310 feet from the East line Section 10 Township 23S Range 26E NMPM County Eddy		8. Well Number 002
		9. OGRID Number 18917
		10. Pool name or Wildcat Happy Valley, Delaware #29665
		11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3297' GL

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: Pay Add <input checked="" type="checkbox"/>	
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

7/25/17: MIRU.
 7/26/17: TIH. LD 107 rods. NDWH NUBOP. LD 89 jnts 2 7/8" tbg, SN, perf sub, mud jnt and bull plug. HIT 25 jnts above SN TIH w/4 3/4" bit. csg scrapper and workstring to 2,802' LD 6 jnts. TOH.
 7/27/17: TIH, leave cmt retainer at 2,643'.
 7/28/17: Pump 200 sxs Class C Neat cmt at 14.8 ppg. Displace w/14.5 bbls H2O. Walk into squeeze w/850 psi. Sting out cmt retainer and PU 5' Reverse out w/60 bbls H2O. Circ 2 bbls cmt to pit. TOH.
 7/29/17: RUWL Tag at 2,632'. Ran CBL-VDL-GR-CCL log from 2,631'-265'. FL @ 265'. TOC is above 265'. Perf from 2,538'-2,554' (2) JSPF, 0.39 holes. RDWL. TIH w/Arrow Set I pkr, unloader. SN and workstring. Set pkr at 2,453' w/10 points of tension. Pressure backside to 350 psi and leave pressure on csg.
 7/31/17: RU. Pump 27 bbls 2% KCL followed w/3,000 gals 15% HCL. Dropped 10 balls after first 1000 gals of acid, dropped 40 balls in 10 ball intervals. Good ball action. Flushed w/23 bbls 2% KCL.

Spud Date: 10/10/2004

Rig Release Date: 10/21/2004

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

SIGNATURE *K. Barajas* TITLE Production/Regulatory DATE 08/15/2017

Type or print name Kelly Barajas E-mail address: kbarajas@read-stevens.com PHONE: 575-624-3760

For State Use Only

APPROVED BY: *[Signature]* TITLE Staff Mgr DATE 8-16-17
 Conditions of Approval (if any):

Saragossa 10 State #2
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7/31/17 continued.

ISIP 440 psi, 5 min SI 399 psi, 10 min SI 381 psi, 15 min SI 369 psi. Max press 1700 psi, min press 1301 psi, average press 949 psi, max rate 7.0 BPM, average rate 4.6 BPM. RD.

8/01/17: Swab well.

8/02/17: Swab well. W/O frac company.

8/07/17: RU Cudd. (Frac Cherry Canyon-Two Fingers Sand) 20 psi on csg. Pressure up csg to 300 psi w/reverse pump. Pressure test lines to 3774 psi and reset kills to 1500 psi. Open wellhead. Pump 191 bbls 20# XL Borate pad. Frac well w/28,278# 20/40 Cool Set Resin Coated sand. Proppant concentration ranged from 1.0 lbs/gal to 5.5 lbs/gal. Placed all sand with 348 bbls of 20# Borate gel pad. Displaced w/16 bbls of 20# Borate gel. Max rate 12.6 BPM, average rate 12.0 BPM, Max Press 1040 psi, average press 904 psi, ISIP SI 585 psi, 5 min SI 479 psi, 10 min SI 450 psi, 15 min SI 429 psi. RD Cudd. Left well SI overnight to allow resin coated sand to set up.

8/08/17: Swab well.

8/09/17: Swab well. Release pkr and TOH. LD SN, unloader, pkr. TIH w/4 3/4" bit, sub and workstring. Tag sand at 2596'. PU power swivel and clean out sand to PBTD (2632'). Circ wellbore clean, LD swivel. LD 15 jnts workstring.

8/10/17: Tbg press 0 psi. TIH w/bull plug, mud jnt, 4' perf sub, SN, 5 jnts tbg, TAC, 74 jnts tbg. TAC at 2,397.36', SN at 2,562.4'. Bottom of tbg at 2,605.10'. ND and remove BOP.

NUWH. TIH w/6' gas anchor, (1) 2 1/2" x 1 3/4" x 20' rod insert pump, (101) 3-4" D rods w/spray metal couplings, (1) 4' pony sub and (1) 2' x 3/4" pony sub. Repack stuffing box. PU polish rod, stuffing box. Space out pump. Good pump action. Pressure tested pump and tbg to 400 psi. RD PU. Clean location.

8/11/17: Hang well on.

8/14/17: Well is pumping.