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UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

SECTION Form approved. Budget Bureau No. 42-R1424. 5. LEASE DESIGNATION AND SERIAL NO. NM-18970

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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" for such proposals.)

RECEIVED

1. OIL WELL [] GAS WELL [X] OTHER [] 2. NAME OF OPERATOR Read & Stevens, Inc. 3. ADDRESS OF OPERATOR P. O. Box 1518 Roswell, NM 88201 4. LOCATION OF WELL 860' FSL and 660' FWL 7. UNIT AGREEMENT NAME 8. FARM OR LEASE NAME West Haystack Federal 9. WELL NO. 2 10. FIELD AND POOL, OR WILDCAT Wildcat 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 20-T6S-R27E 12. COUNTY OR PARISH Chaves 13. STATE New Mexico

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data. NOTICE OF INTENTION TO: TEST WATER SHUT-OFF [] FRACTURE TREAT [] SHOOT OR ACIDIZE [] REPAIR WELL [] (Other) Change appli. from oil to gas [X] PULL OR ALTER CASING [] MULTIPLE COMPLETE [] ABANDON* [] CHANGE PLANS [X] SUBSEQUENT REPORT OF: WATER SHUT-OFF [] FRACTURE TREATMENT [] SHOOTING OR ACIDIZING [] (Other) [] REPAIRING WELL [] ALTERING CASING [] ABANDONMENT* []

17. 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.) *

The original approved application was for drilling a Montoya oil well with the standard 40 acre spacing. Since the well could not be economic as a Montoya completion the well was plugged back to the Cisco and completed as a gas well, which will require a 320 acre spacing. The west half of section 20 will be dedicated for this. This will be an unorthodox location as to the State requirements. Approval has been requested from the State for this unorthodox location.

RECEIVED SEP 17 1982 OIL & GAS MINERALS MGMT. SERVICE ROSWELL, NEW MEXICO

18. I hereby certify that the foregoing is true and correct. SIGNED [Signature] TITLE Read & Stevens, Inc. DATE 9/17/82

(This space for Federal or State office use.) APPROVED BY [Signature] TITLE DATE OCT 6 1982 For JAMES A. ... DISTRICT SUPERVISOR *See Instructions on Reverse Side

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2008
SANTA FE, NEW MEXICO 875

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

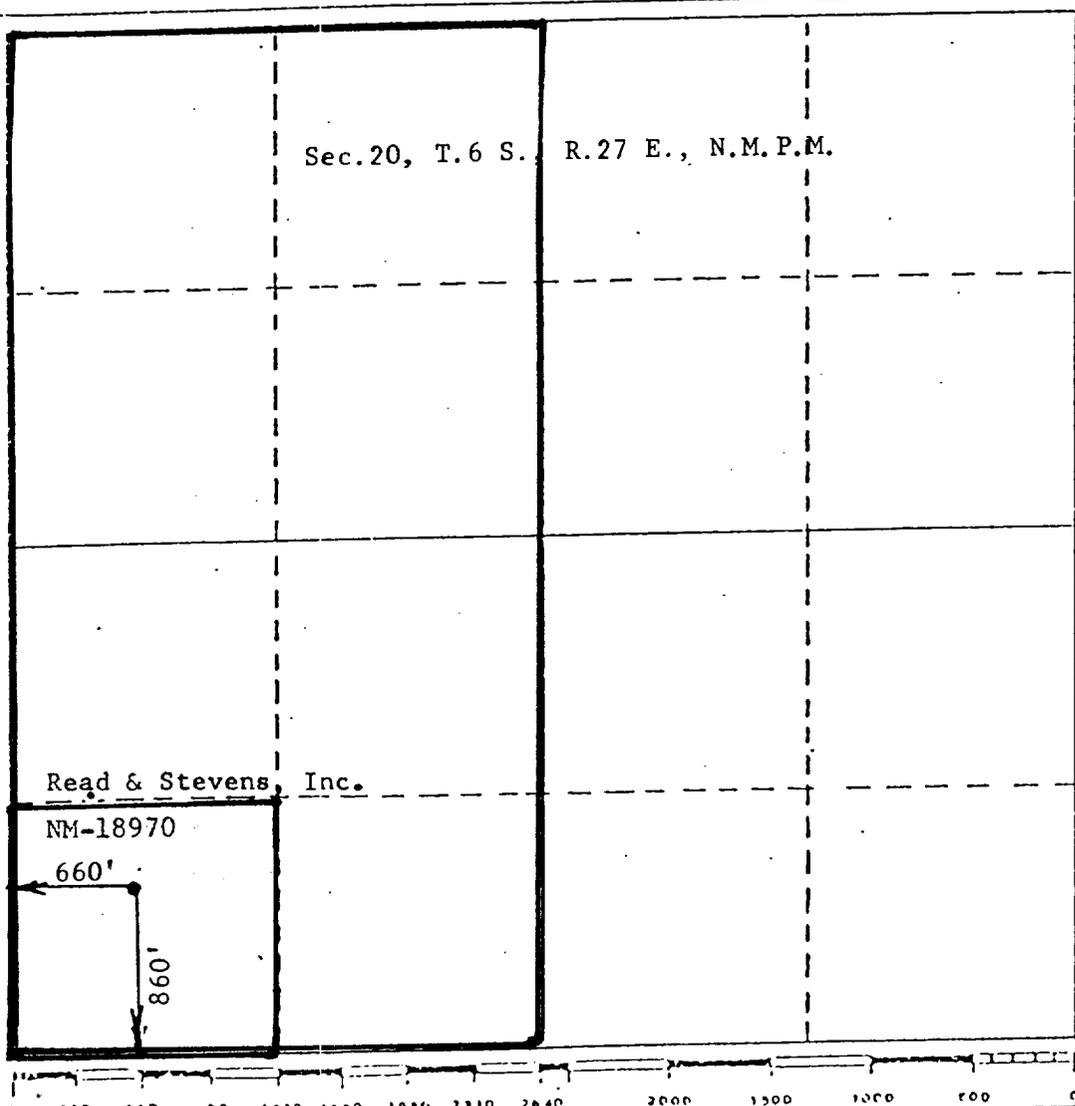
Operator Read & Stevens, Inc.		Lease West Haystack Federal		Well No. #2
Unit Letter M	Section 20	Township 6 South	Range 27 East	County chaves
Actual Postage Location of Well: 660 feet from the West line and 860 feet from the South line				
Ground Level Elev. 3907	Producing Formation Cisco	Pool Undesignated Wildcat		Dedicated Acreage: 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 Division.



CERTIFICATION

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

George R. Smith

Name
George R. Smith
Position
Agent for
Company
Read & Stevens, Inc.
Date
January 15, 1982

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 knowledge and belief.

Date Surveyed
December 15, 1982
Registered Professional Engineer and/or Land Surveyor
6298
John D. Jaques
John D. Jaques, P.E., L.S.
Certificate No. **6290**