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OCT 1 4 1964

CHARLES B. READ DIL PROPERTIES P. D. BOX 1822 ROSWELL, NEW MEXICO

October 13, 1964

O. C. C.

Re: NE<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>, SW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>, NW<sup>1</sup>/<sub>5</sub>SW<sup>1</sup>/<sub>4</sub>,
NW<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub> of Sec. 13; NE<sup>1</sup>/<sub>4</sub>, NE<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>
of Sec. 14, Township 16 South, Range
31 East

Mr. Ray D. Graham State Land Office State Capitol Bldg. Santa Fe, New Mexico

Dear Mr. Graham:

This letter is to advise you that drilling operations were commenced on State Lease E-8560-1 on August 31, 1964, on the Charles B. Read #1 Bogle Farms located in the MALSTON of Section 13-165-312, Eddy County, New Mexico, of the subject lease. The well was drilled to a total depth of 4246' and drilling operations were completed on October 7, 1964. Stipulation amending said lease to conform to form prescribed by law of New Mexico, 1957, Chapter 148, Section 1, has been filed and approved by your office, and the lith year rental has been paid. The undersigned operator has taken a farmout from Southern Union Froduction Company on said land and it is our desire to avail in behalf of the lessee the provisions of paragraph 16 of Lease E-8560-1.

Electric logs have been run and  $4\frac{1}{2}$  casing was set at 3704' with 250 ex of cement. The casing was perforated from 3605' to 3629', and the Fenrose formation was stimulated with 500 gal. acid and sand frac treatment of 40,000 gal. lease crude and 50,000# of sand. Swabbing operations were commenced on October 10, 1964, and during the last 3 days, we have recovered by swabbing 292 bbl. oil. Results of our testing indicate that this well is capable of producing oil and gas in commercial quantities. Fumping equipment will be installed on October 14, 1964, and the well put on production. This letter is v ritten in compliance with the request of your office and it is our understanding that it meets all requirements to validate the lease. This is the final report that will be made to your office.

Yours very truly,

Charles Brack

CHARLES B. READ

CBR:jw CC: Mr. B. Bjerke, Southern Union Froduction Co. VOII Conservation Commission, Artesia, N. M. Oil Conservation Commission, Santa Fe. N. M.