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NEW MEXICO OIL CONSERVATION COMMISSION

RECEIVED

MAR 12 1981

O. C. D.

30-015-23700

Form C-101
Revised 1-1-65

| |
|--|
| 5A. Indicate Type of Lease |
| STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 5. State Oil & Gas Lease No. |
| E-4199 |
| 7. Unit Agreement Name |
| - |
| 8. Form or Lease Name |
| Gulf West Mesa |
| 9. Well No. |
| 3 |
| 10. Field and Loc., or Wildcat |
| Bunker Hill Penrose |
| 11. County |
| Eddy |
| 12. Proposed Depth |
| 4250' |
| 13A. Formation |
| Penrose |
| 20. Is dry or C.T. |
| Rotary |
| 21A. Kind & Status Plug. Bond |
| State Wide |
| 21B. Drilling Contractor |
| Collier Drilling Corp |
| 22. Approx. Date Work will start |
| March 10, 1981 |

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | |
|---|---|
| a. Type of Work | DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> |
| b. Type of Well | OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> |
| c. Name of Operator | Read & Stevens, Inc. |
| d. Address of Operator | P.O. Box 1518, Roswell, New Mexico 88201 |
| e. Location of Well | UNIT LETTER N LOCATED 1980 FEET FROM THE West LINE |
| | AND 660 FEET FROM THE South LINE OF SEC. 13 TWP. 16S RGE. 31E NE PM |
| f. Deviations (Show whether DF, RT, etc.) | 4493.1' |
| 21A. Kind & Status Plug. Bond | State Wide |
| 21B. Drilling Contractor | Collier Drilling Corp |
| 22. Approx. Date Work will start | March 10, 1981 |

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP |
|--------------|----------------|-----------------|---------------|-----------------|----------|
| 11" | 8 5/8" | 24# | 1300' | 500 sx | circ. |
| 7 7/8" | 4 1/2" | 10.5# | 4250' | 600 sx | 3000' |

We propose to drill and test the Penrose sand formation. Approximately 1300' of 8 5/8" surface casing will be set to protect fresh water sands. Cement will be circulated. If the well is commercial, 4 1/2" production casing will be run and cemented to cover the pay zone with at least 600' of cement.

Mud program - Native mud to 1300', brine 1300' to 3500', brine & drispak 3500' to TD.

ROP program - Regan Hydrill type series 900, 6000# Test.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 9-13-81
UNLESS DRILLING UNDERWAY

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

By Bruce Stobbs Title Drilling & Production Mgr. Date 3-4-81

(This space for State Use)

APPROVED BY W. A. Gressett TITLE SUPERVISOR, DISTRICT II DATE MAR 13 1981

REASONS OF APPROVAL, IF ANY:

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

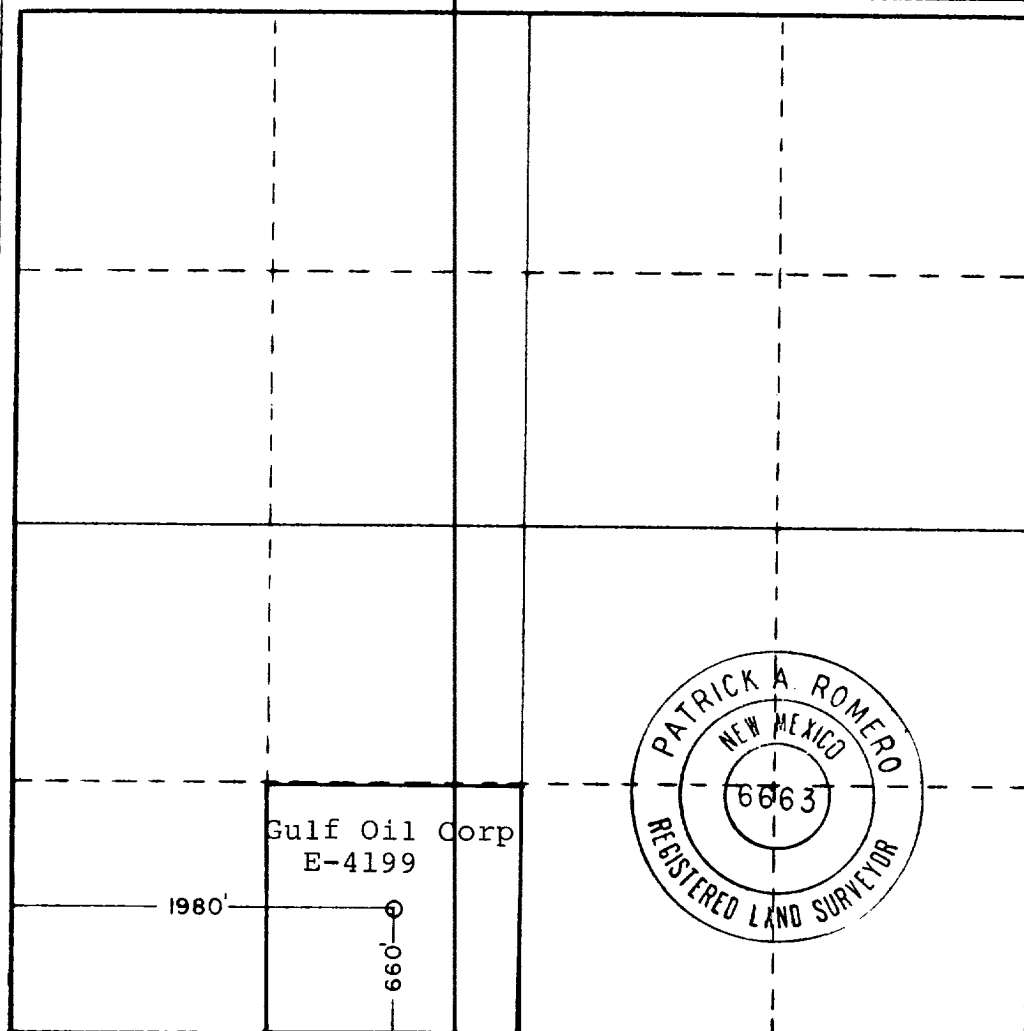
| | | | | | |
|---|--|--------------------------------|--|---------------------------------------|--|
| Operator Read and Stevens, Inc. | | Lease Gulf West Mesa | | Well No. 3 | |
| Unit Letter N | Section 13 | Township 16South | Range 31East | County Eddy | |
| Actual Footage Location of Well: 660 feet from the South line and 1980 feet from the West line | | | | | |
| Ground Level Elev. 4493.1' | Producing Formation Penrose sand | | Pool Undesignated BunkerHill Penrose | Dedicated Acreage: 40 Acres | |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 Commission.



CERTIFICATION

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

Susie Russell

Name

Susie Russell

Position

Authorized Agent

Company

Read & Stevens, Inc.

Date

March 9, 1981

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

Mar. 4, 1981

Registered Professional Engineer and/or Land Surveyor

Patrick A. Romero

Certificate No. **JOHN W. WEST 876**
PATRICK A. ROMERO 6663
Ronald J. Eidson 3239

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600