

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL  
WELL ☒

GAS  
WELL ☐

OTHER

SINGLE  
ZONE ☐

MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

Read & Stevens, Inc.

3. ADDRESS OF OPERATOR

P. O. Box 1518 Roswell, NM 88202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

660' FNL & 1980' FWL

At proposed prod. zone

same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

12.5 miles SE of Loco Hills, NM

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

360

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

3960'

19. PROPOSED DEPTH

9,200'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3720 GL

22. APPROX. DATE WORK WILL START\*

Feb. 6, 1989

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54#	400'	600 sx "C" circulate to surface
<del>12 3/4"</del>	8 5/8"	24#	2400'	1050 sx "C" " " "
7 7/8"	5 1/2"	17#	9200'	1800 sx "H" Tie back

Changed as per telecon w/John Maxey.

Mud Program:

0' - 400' Fresh water, native, spud mud  
400' - 2400' Saturated brine water  
2400' - 9200' Cut brine water

Weight	Visc.	W/L Cont.
8.5 - 9.0	40	N/C
10.0 - 10.2	30 - 32	N/C
9.0 - 9.2	32 - 34	W/L 10 cc

BOP Program: A 3000 psi wp 900 series Shaffer double hydraulic operated BOP will be used and tested daily. See Exhibit "E".

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

Post ID-1  
NL & API  
2-10-89

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

Agent for:

SIGNED

*George Smith*

TITLE

Read & Stevens, Inc.

DATE

January 16, 1989

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Orig. Signed by Richard L. Manua

AREA MANAGER

CARLSBAD RESOURCE AREA

APPROVED BY

TITLE

DATE

2.3.89

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

Operator <b>Read &amp; Stevens Inc.</b>			Lease <b>Jamie Federal</b>			Well No. <b>1</b>
Unit Letter <b>C</b>	Section <b>14</b>	Township <b>18 South</b>	Range <b>31 East</b>	County <b>Eddy</b>		

Actual Postage Location of Well:  
 660 feet from the North line and 1980 feet from the West line

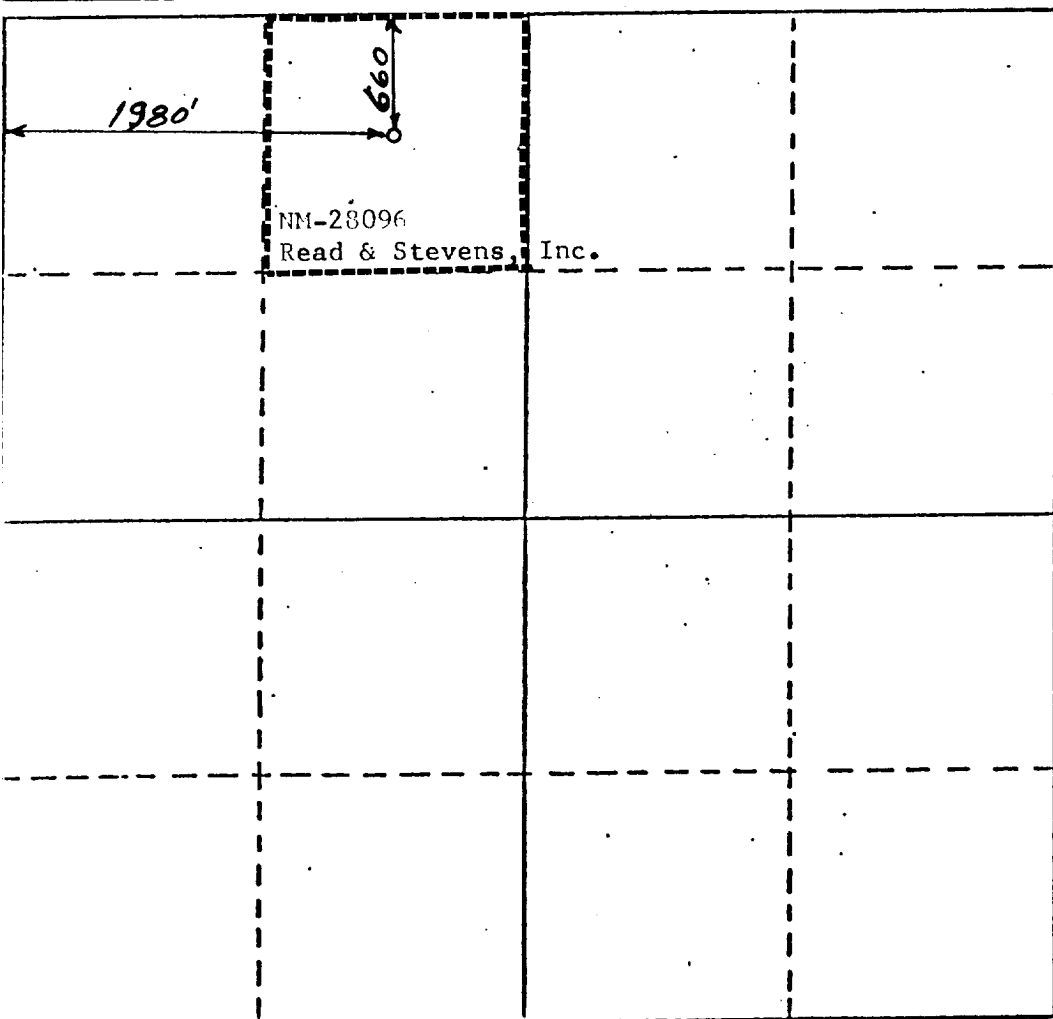
Ground Level Elev. <b>3720</b>	Producing Formation <b>Bone Spring</b>	Pool <b>Tamano Bone Spring</b>	Dedicated Acreage: <b>40</b> Acres
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1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If 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 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 16, 1989**

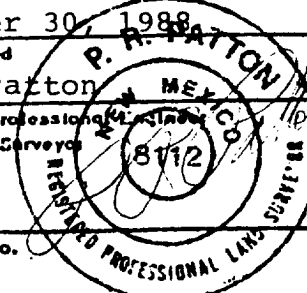
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

**December 30, 1988**

Date Surveyed  
**P. R. Patton**

Registered Professional Land Surveyor  
and/or Land Surveyor  
**8112**

Certificate No.



APPLICATION FOR DRILLING

READ & STEVENS, INC.  
Jameie Federal, Well No. 1  
660' FNL & 1980' FWL, Sec. 14-T18S-R31E  
Eddy County, New Mexico  
Lease No.: NM-28096  
(Development Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Read & Stevens, Inc. submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is recent Permian with quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Yates	2315'	Delaware	4900'
Queen	3400'	Bone Spring	6238'
San Andres	4328'	T.D.	9200'
3. The estimated depth at which anticipated water, oil or gas formations are expected to be encountered:

Water: Random fresh water sands from surface to 300'+/-.

Gas: None expected.

Oil: Possible in Queen, San Andres, and Delaware, main objective is Bone Spring below 7600'.
4. Proposed Casing Program: See Form 3160-3.
5. Pressure Control Equipment: See Form 3160-3 and Exhibit "E".
6. Mud Program: See Form 3160-3.
7. Auxiliary Equipment: Blowout Preventer, gas detector, kelly cock, pit level monitor, flow sensors and stabbing valve.
8. Testing, Logging and Coring Program:

Logging: From surface to T. D: Gamma Ray/Neutron.  
From int. casing to T. D: CNL-LDT, DLL-MSFL.

Drill Stem Tests: As warranted.

Coring: None planned.
9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified.
10. Anticipated starting date: As soon as possible after BLM approval.  
Anticipated completion of drilling operations: Approximately 30 days.

## MULTI-POINT SURFACE USE AND OPERATIONS PLAN

READ & STEVENS, INC  
Jamie Federal , Well No. 1  
660' FNL & 1980' FWL, Sec. 14-T18S-R31E  
Eddy County, New Mexico  
Lease No.: NM-32408  
(Development Well)

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operations.

### 1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a BLM Topo map showing the location of the well as staked. The well site location is approximately 37 miles east of Artesia, NM and 12.5 miles southeast of Loco Hills, NM. Traveling east from Artesia there will be 34 miles of paved federal and county roads, plus 2.5 miles of gravel oilfield roads.
- B. Directions: Travel east from Artesia on U. S. Highway 82 for approximately 30 miles to the paved County Road 222 turnoff. Turn south on Eddy County Road 222 for approximately 4.2 miles to the County Road No. 249 turnoff. Turn southeast on road 249 for approximately 1.1 mile, then turn left (northeast) on a caliche oilfield road for 1.5 miles. Turn right (south) for 300 feet to the start of the proposed access road on the east side. The proposed access road will fall within the staked 400 foot area and is colored in red on Exhibits "A" and "B".

### 2. PLANNED ACCESS ROAD:

- A. Length and Width: The proposed access road will be 12 feet wide (24' Max.) and will not exceed 100 feet in length from the existing oilfield/ranch access road, to the SW corner of the proposed location. See Exhibit "B" for access road as staked.
- B. Construction: The new road will be constructed by grading and topping with compacted caliche. The surface will be properly drained.
- C. Turnouts: None required.
- D. Culverts: None.
- E. Cuts and Fills: None required.
- F. Gates and Cattleguards: None required.

### 3. LOCATION OF EXISTING WELLS:

- A. Existing wells within a two mile radius are shown on Exhibit "C".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. Read & Stevens, Inc. has no oil production facilities on the lease at the present time. The lease is held by a producing oil well in SW4 of S. 14 operated by Atlantic Richfield Co.
- B. If the well proves to be commercial, the necessary production facilities, gas or water separation-process equipment and tank battery will be installed on the drilling pad.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with fresh and brine water which will be obtained from commercial sources. The water will be transported over existing access roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Caliche for surfacing the proposed access road and wellsite pad will be obtained from an existing approved Federal pit in the NE4NW4 of Sec. 15-T18S-R31E. The topsoil from the location will be stockpiled near the location for future rehabilitation use. No surface materials will be disturbed except for those necessary for actual grading and surfacing the proposed drill site and access road.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.
- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or a separate disposal application will be submitted to BLM for approval.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. Oil produced during operations will be stored in tanks until sold.
- G. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.
- H. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILIARY FACILITIES:

- A. None required.

9. WELLSITE LAYOUT:

- A. Exhibit "D" shows the dimensions of the well pad and reserve pits. The pad and pit area has been staked and flagged (400' x 400'). The pad and pits will probably oriented northwest to parallel the pipeline.
- B. Mat Size: 270' X 210' max. size, plus 100' X 100' pit area max.
- C. Cut and Fill: Approximately a 1 to 2 foot cut will be required on the east and south with fill to the west and north.
- D. The surface will be topped with compacted caliche and the reserve pits will be plastic lined.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations all equipment and other materials not needed for operations will be removed. Pits will be filled and location cleaned of all trash and junk to leave the wellsite in an aesthetically pleasing a condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION:

- A. Topography: The proposed location and road are in the low sand dunes of the Querecho Plains with a gentle slope to the southwest of 1':100' from an elevation of 3720 ft. The location is 15' southeast of a low area, 150' X 50', previously filled with water from a water line break 100' northeast.
- B. Soil: The topsoil at the proposed drillsite and access road is primarily light sandy loam.
- C. Flora and Fauna: The vegetative cover consists of a very poor cover of grass, mainly threeawn, grama, blue stem and dropseed along with shinnery oak brush, yucca, cacti and miscellaneous wildflowers. Wildlife in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, dove and quail.
- D. Ponds and Streams: None on the area.

11. OTHER INFORMATION: Cont.....

- E. Residences and Other Structures: Production facilities are within 2800 feet to the southwest and a 4" fresh water pipeline runs NW-SE 100 feet east of location.
- F. Land Use: Cattle grazing.
- G. Surface Ownership: The location and access road are on Federal surface and minerals.
- H. There is no visible evidence of any archaeological, historical or cultural sites in the area. An archaeological survey has been conducted by Archaeological Survey Consultants, P.O. Box D, Roswell, New Mexico 88201, and their report has been submitted to the appropriate government agencies.

12. OPERATOR'S REPRESENTATIVE:

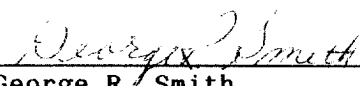
- A. The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

Carl Little  
Read & Stevens, Inc.  
4129 N. Grimes  
Hobbs, New Mexico 88240  
Office Phone: (505) 622-3770  
Home Phone: (505) 392-8777

13. CERTIFICATION:

I hereby certify that I have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the the statements made in the plan are, to the best of my knowledge true and correct; and, that the work associated with the operations proposed herein will be performed by Read & Stevens, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

January 13, 1989

  
\_\_\_\_\_  
George R. Smith  
Agent for Read & Stevens, Inc.

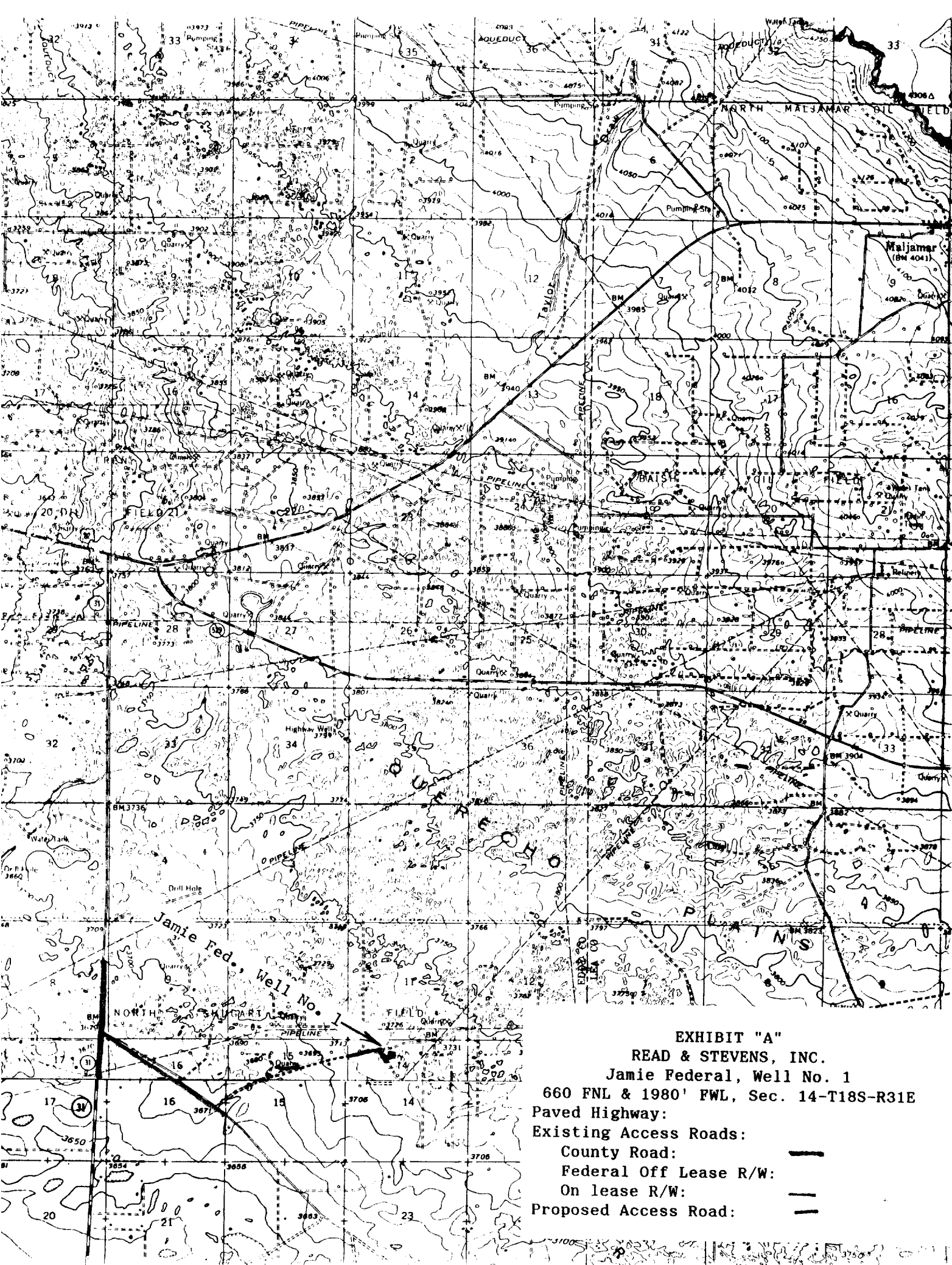
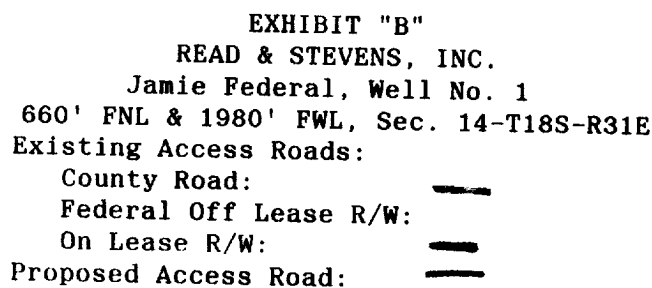


EXHIBIT "A"  
READ & STEVENS, INC.  
Jamie Federal, Well No. 1  
660 FNL & 1980' FWL, Sec. 14-T18S-R31E  
Paved Highway:  
Existing Access Roads:  
County Road: ———  
Federal Off Lease R/W: ———  
On lease R/W: ———  
Proposed Access Road: ———





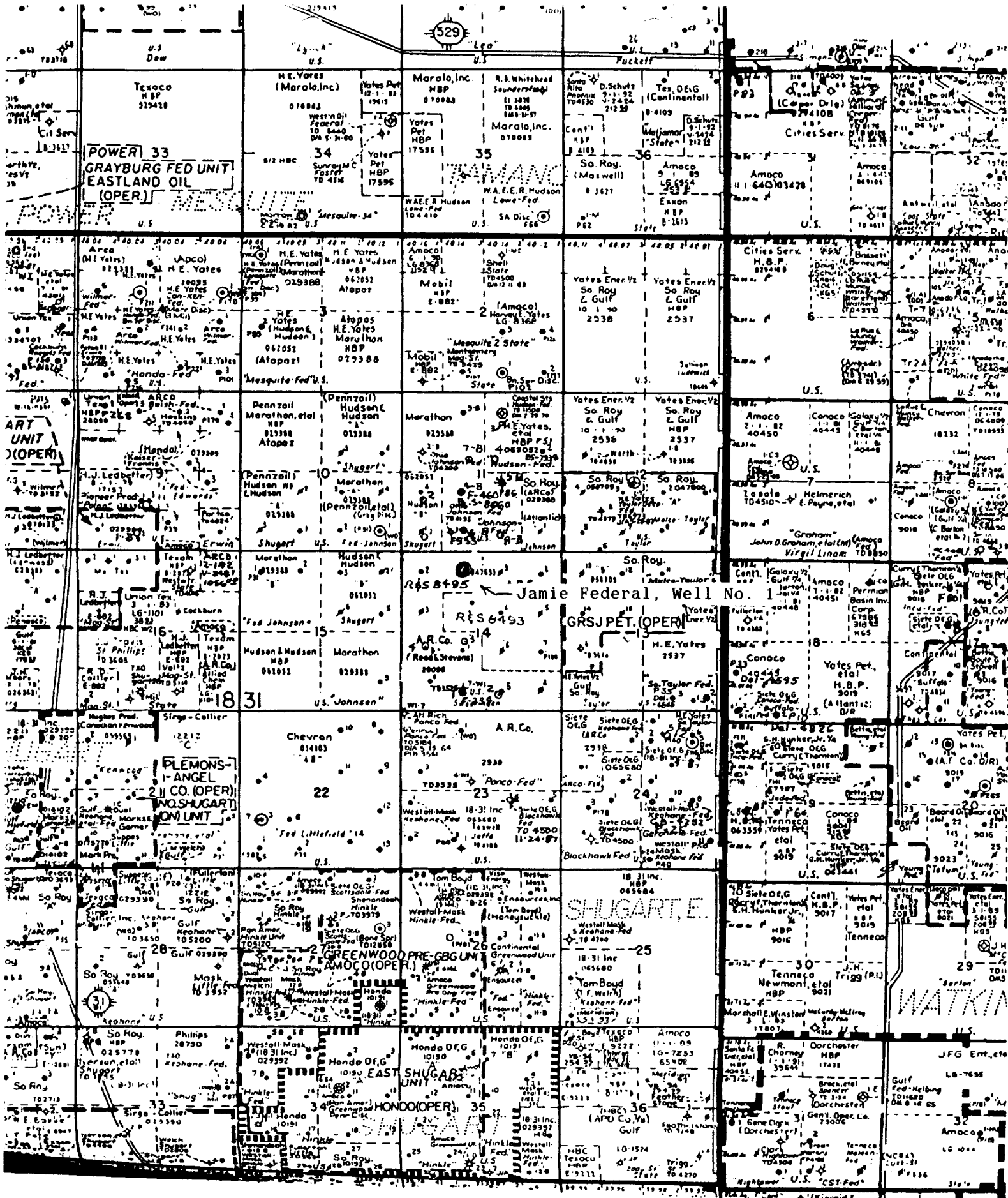


EXHIBIT "C"  
READ & STEVENS, INC.  
Jamie Federal, Well No. 1  
Existing Wells

# PLOT LAYOUT - RIG 6

WELL DRILLING

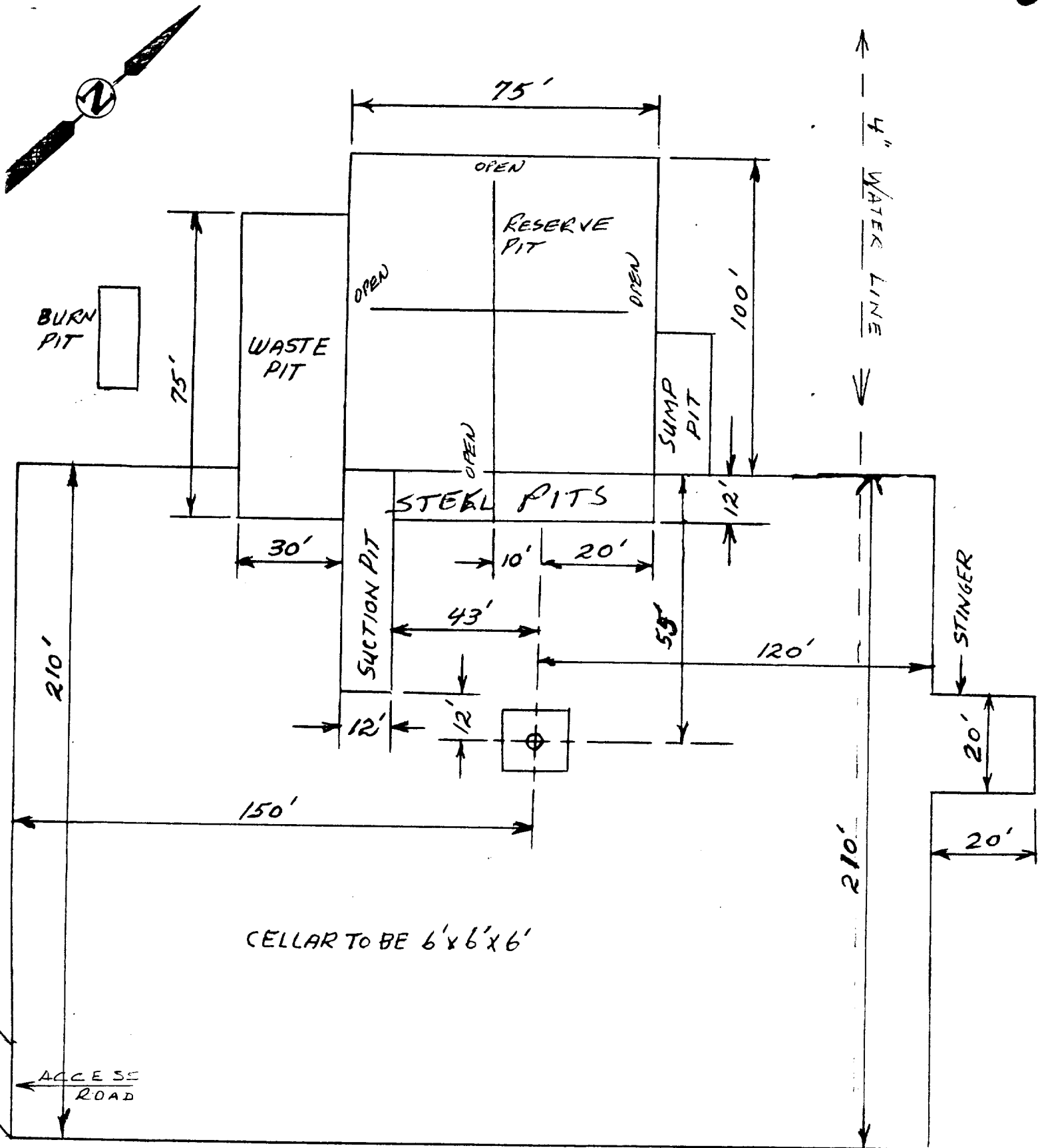
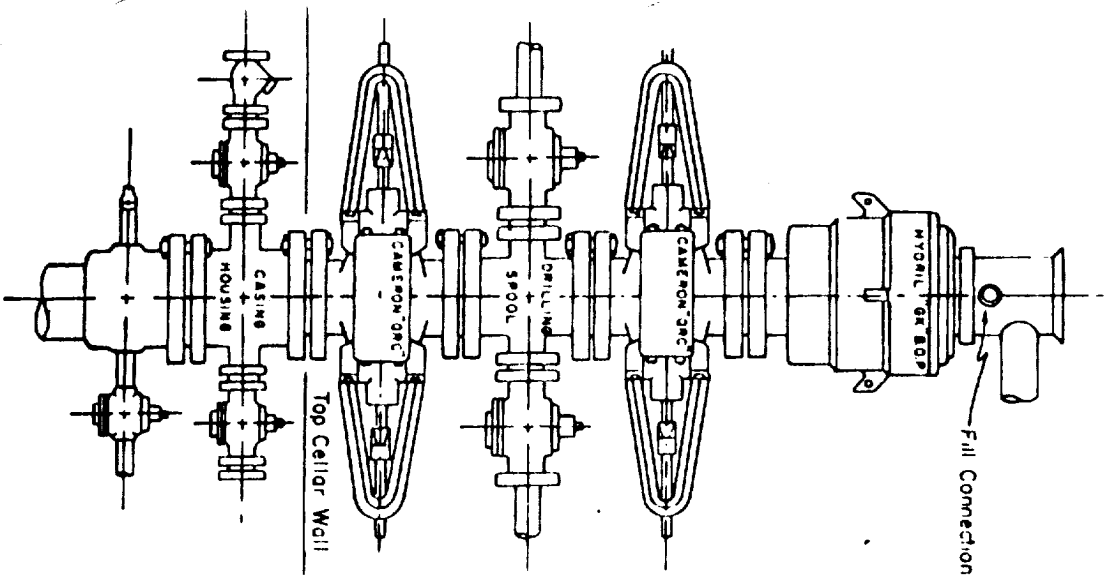


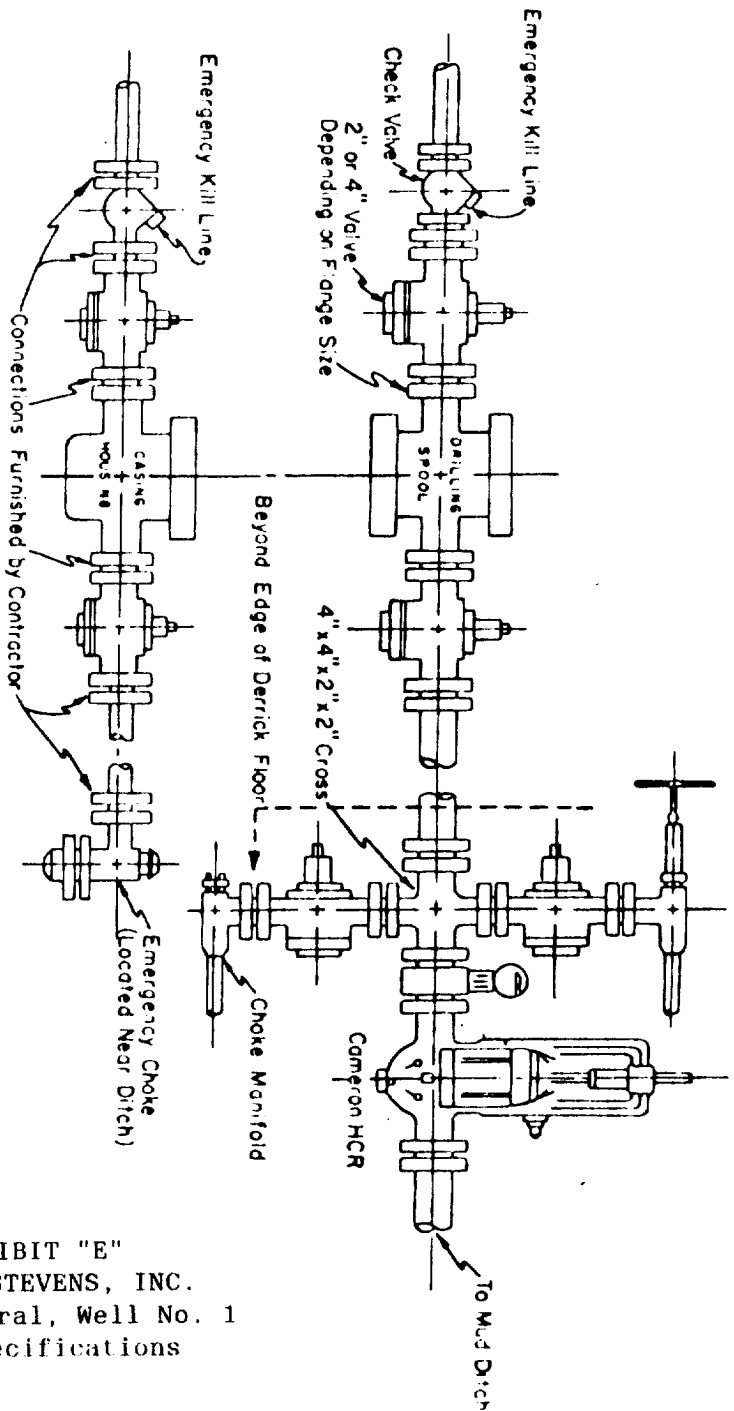
EXHIBIT "D"  
 READ & STEVENS, INC.  
 Jamie Federal, Well No.1  
 Rig Layout

# Blow-out Preventers hydril and choke manifold are all 900 Series



3000 PSI WORKING PRESSURE  
BLOW-OUT PREVENTER HOOK-UP

See Detail of 4" Flow Line  
and Choke Assembly



3000 PSI WORKING PRESSURE  
KILL, CHOKE, AND FILL CONNECTIONS

DETAIL OF 4" FLOW LINE CHOKE ASSEMBLY

Minimum assembly for 3000 PSI working pressure will consist of three preventers.

EXHIBIT "E"  
READ & STEVENS, INC.  
Jamie Federal, Well No. 1  
BOP Specifications