Form 3160-3 (November 1983) (formerly 9-331C)	DEPARTMEN	TED STATE	NTERIOR	SUBMIT IN (Other instr reverse	.PLICATE• ructions on side)	- one approve	ed. au No. 1004-0136 ast 31, 1985
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DR b. TYPE OF WELL		DEEPEN		PLUG	K 🖸 🖸 c	7. UNIT AGREEMENT	NAME
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Read & St	evens, Inc.			FEB 06	'89	9. WELL NO.	
3. ADDRESS OF OPERATOR						1	
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	s SE of Loco Hil						
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21. ELEVATIONS (Show wh	ether DF, RT, GR, etc.)					22. APPROX. DATE	WORL WILL START*
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23.		PROPOSED CASI	NG AND CEME	NTING PROGRA	AM		·······
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(This space for Feder	al or State office use)						
PERMIT NO.			APPROVA	L DATE			
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0ng. 53			AREA #	ANALLA	í.	DATE 2.	8-89

*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 us jurisdiction.

OIL COLLENVATION DIVISION

P. O. 00X 2088 SANTA FE, NEW MEXICO 87501 form C-102 Revised 10-1-78

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			All dist	lances must be f	rom the ou	ler høundørle	s of the Sec	tion.	
Uperator					Lease			•	Well No.
Read & Stevens Inc.			Jamie Federal				<u> </u>		
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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'	Τ. 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".

Read & Stevens, Inc. Jamie Federal, Well No. 1 Page 2

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 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.

Read & Stevens, Inc. Jamie Federal, Well No. 1 Page 3

- 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.

Read & Stevens, Inc. Jamie Federal, Well No. 1 Page 4

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.





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



See Detail of 4"Flow Line and Choke Assembly