

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE
(Other instructions on reverse side)

30-015-26093
Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

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.

RECEIVED

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

600' FNL & 2100' FEL

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)

460'

16. NO. OF ACRES IN LEASE

280

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.

134' (P&A)

19. PROPOSED DEPTH

9,200'

20. ROTARY OR CABLE TOOLS

Rotary

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

3724' GL

22. APPROX. DATE WORK WILL START*

March 28, 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
12 1/4"	8 5/8"	24#	2,400'	1050 sx "C" " " "
7 7/8"	5 1/2"	17#	9,200'	1800 sx "H" Tie back

Mud Program:

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

Weight

8.5 - 9.0
10.0 - 10.2
9.0 - 9.2

Visc.

40
30 - 32
32 - 34

W/L Contr.

N/C
N/C
W/L 10 cc

BOP Program: A 3,000 psi wp 900 series Shaffer double hydraulic operated BOP will be installed on the surface and intermediate casing and will be tested daily.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

POST ID-1
N&API
3-31-89

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 R. Smith

TITLE

Read & Stevens, Inc.

DATE

March 6, 1989

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

Jesse Jones

AREA MANAGER

TITLE

CARLETON RESOURCE AREA

DATE

3-28-89

*See Instructions On Reverse Side

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

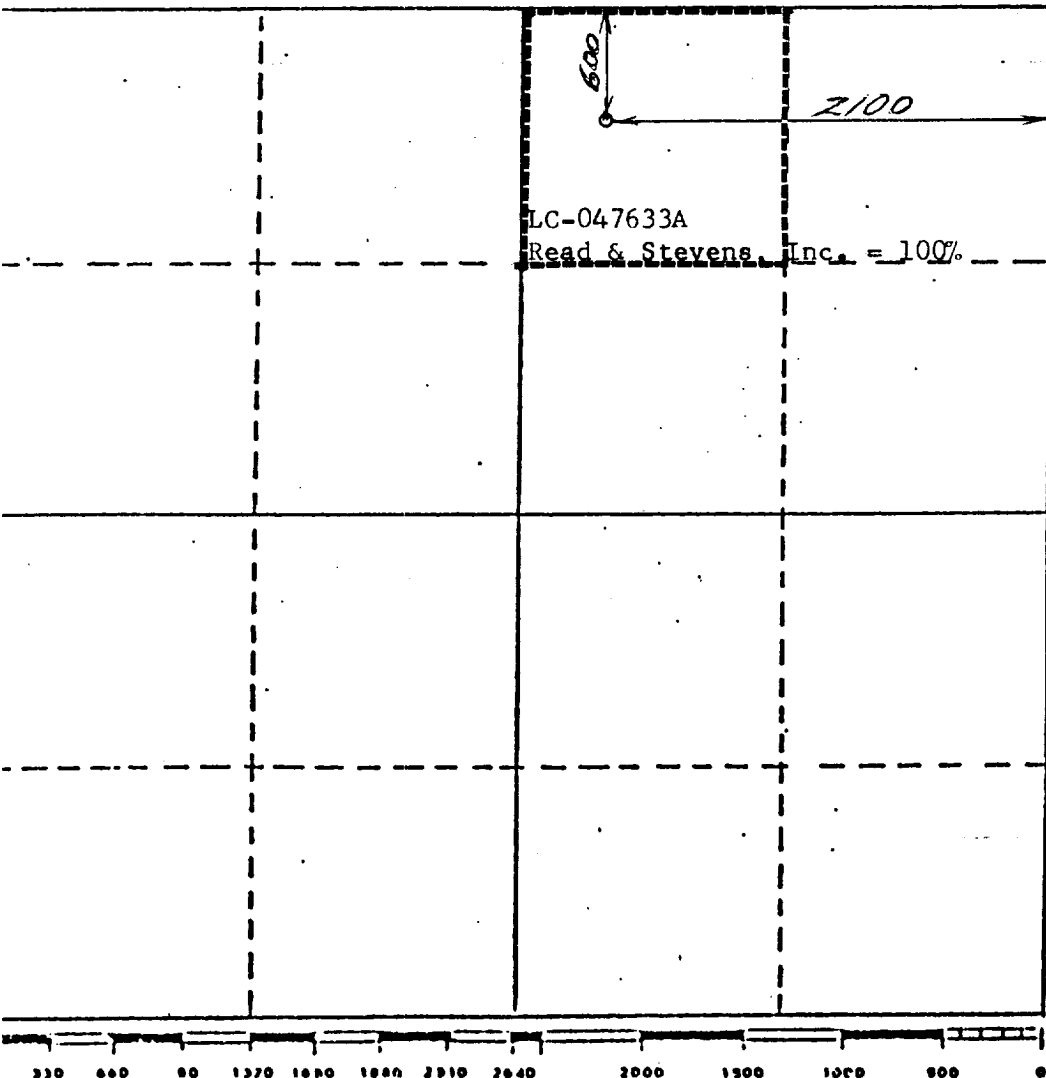
Operator Read & Stevens Inc.		Lease Marion Federal		Well No. 1
Unit Letter B	Section 14	Township 18 South	Range 31 East	County Eddy
Actual Footage Location of Well:				
600 feet from the North		line and	2100 feet from the East	line
Ground Level Elev. 3724	Producing Formation Bone Spring	Pool Tamano Bone Spring	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 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
March 7, 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.

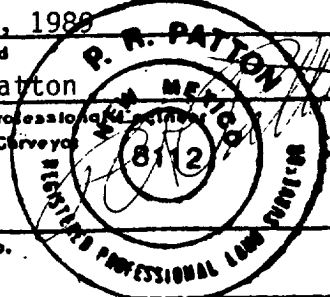
March 1, 1989

Date Surveyed
P. R. Patton

Registered Professional Land Surveyor
and/or Land Surveyor

8112

Certificate No.



WEK DRILLING CO., INC. - Rig 2 BLOWOUT PREVENTER SPECIFICATION

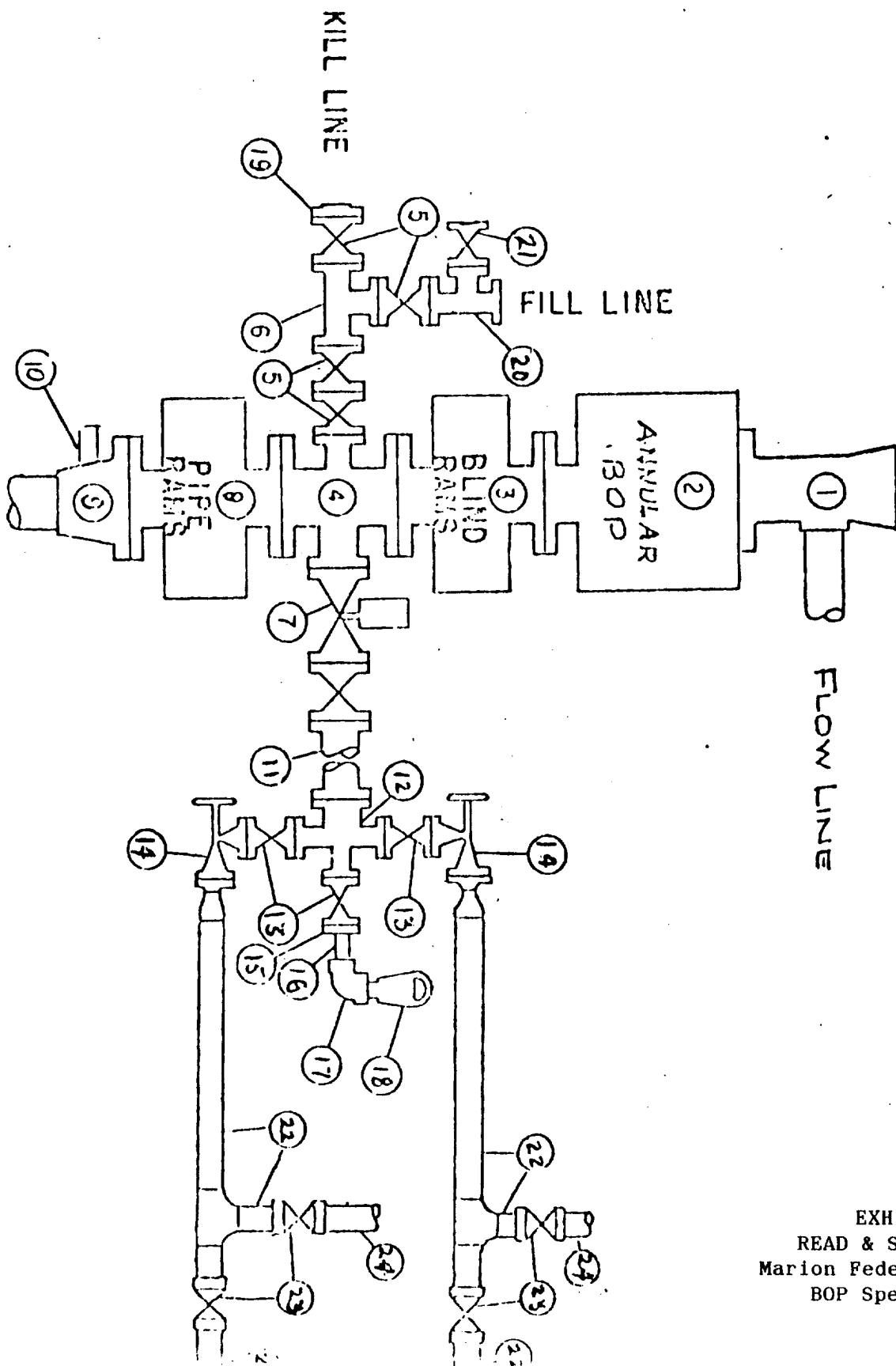


EXHIBIT "E"
 READ & STEVENS, INC.
 Marion Federal, Well No. 1
 BOP Specifications

APPLICATION FOR DRILLING

READ & STEVENS, INC.
Marion Federal, Well No. 1
600' FNL & 2100' FEL, Sec. 14-T18S-R31E
Eddy County, New Mexico
Lease No.: LC-047633A
(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.

PLOT LAYOUT RIG 2

WEN DRILLING

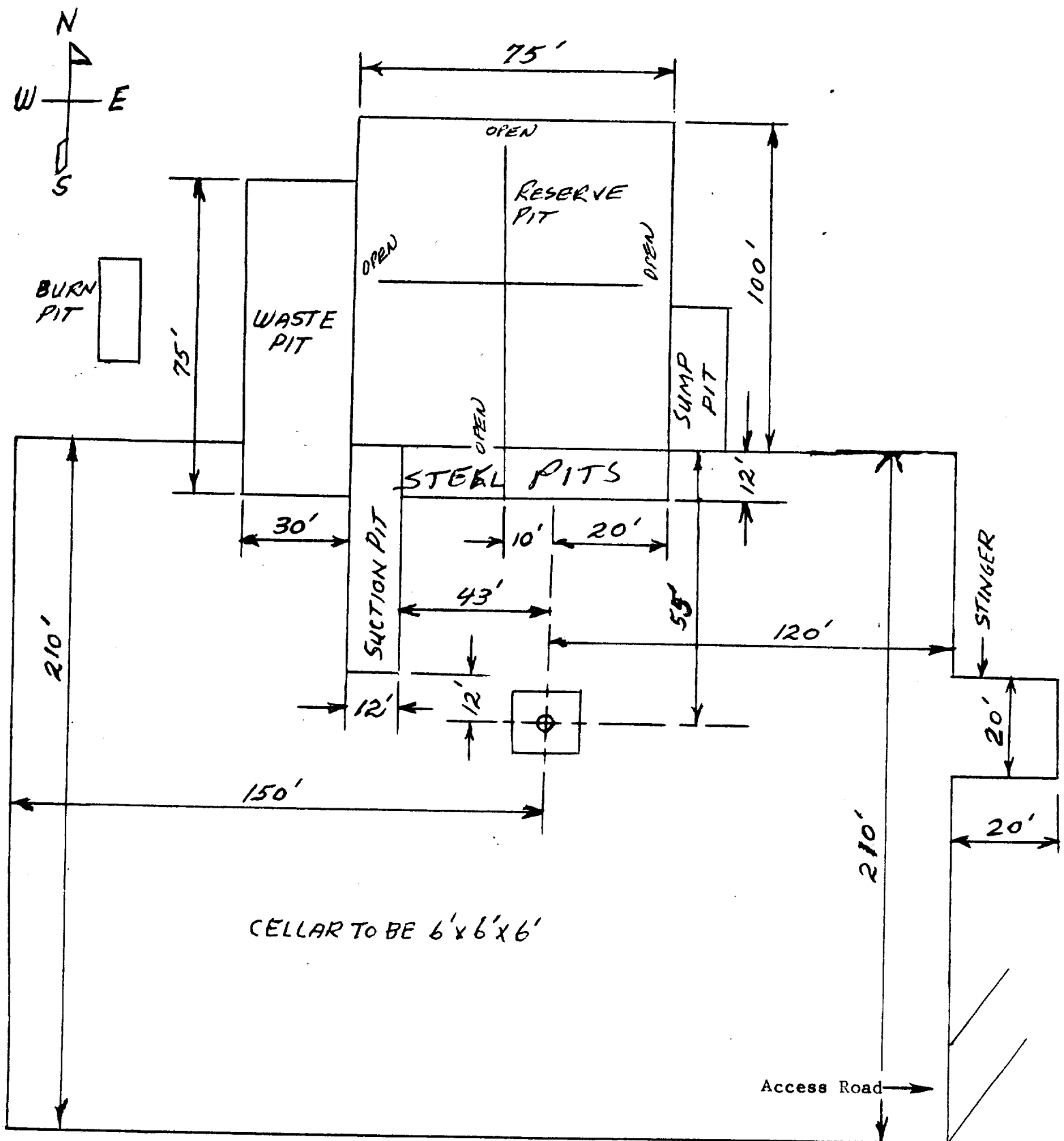


EXHIBIT "D"
 READ & STEVENS, INC.
 Marion Federal, Well No.1
 Rig Layout