

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OIL CONSERVATION DIV
811 S. 1st ST.
ARTESIA, NM 88210-2834

c/sf

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.

RECEIVED

SUBMIT IN TRIPLICATE

SEP 09 1995

OIL CON. DIV.
DIST. 2

5. Lease Designation and Serial No.

NM-0486

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Nix Federal, Well No. 7

9. API Well No.

30-015-28934

10. Field and Pool, or Exploratory Area

11. County or Parish, State

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Read & Stevens, Inc.

3. Address and Telephone No.

P.O. Box 1518 Roswell, NM 88202 (505) 622-3770

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2310' FNL & 330' FEL, Sec. 28-T21S-R28E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other <u>Move location</u>
	<input checked="" type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Read & Stevens, Inc. is moving the location of the Nix Federal, Well No. 7, which was previously approved, from 1980' FNL & 660' FEL to 2310' FNL & 330' FEL, Sec. 28-T21S-R28E. The previous APD was proposed to top the Bone Springs in order to test all of the Delaware to 6,100 feet. This well will be drilled to a T.D. of 2,900 feet. See attached A.P.D. The rig and location will be oriented with the pits to the northwest.

RECEIVED
OCT 11 1995
OCT 11 1995

14. I hereby certify that the foregoing is true and correct

Agent for:

Signed Richard L. Manus

Title Read & Stevens, Inc.

Date 8/9/96

(This space for Federal or State office use)

Approved by (ORIG. SGD.) RICHARD L. MANUS

Title

Case # 95-00000000

Date SEP 6 1996

Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Read & Stevens, Inc. 505/622-3770

3. ADDRESS AND TELEPHONE NO.
 P. O. Box 1518 Roswell, NM 88202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface 2310' FNL & 330' FEL
 At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 9 miles east of Carlsbad, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 2310'
 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1044'

16. NO. OF ACRES IN LEASE 2.360
 17. NO. OF ACRES ASSIGNED TO THIS WELL 40

19. PROPOSED DEPTH 2,900'
 20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3189' GL
 22. APPROX. DATE WORK WILL START* September 3, 1996

5. LEASE DESIGNATION AND SERIAL NO. NM-0486
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 7. UNIT AGREEMENT NAME
 8. FARM OR LEASE NAME, WELL NO. Nix Federal #7
 9. API WELL NO. 30-015-28934
 10. FIELD AND POOL, OR WILDCAT Fenton Delaware 24320
 11. SEC., T., Q., M., OR BLK. AND SURVEY OR AREA Sec. 28-T21S-R28E
 12. COUNTY OR PARISH Eddy
 13. STATE New Mexico

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8" J-55	24.0#	400'	Circ. 250 sx "C" to surf.
7 7/8"	5 1/2" J-55	15.5#	2900'	Circ. 600 sx "C" to surf.

MUD PROGRAM:

0' - 400': Fresh Water Spud mud:	MUD WT. 8.7-8.9 ppg	VIS. 34-36	W/L Control No W/L control.
500' - 2900': Brine mud:	MUD WT. 9.5-10.2 ppg	VIS. 28-30	W/L Control W/L cont. 10 cc

BOP PROGRAM:
 A 10" 3000 psi wp Schaffer Type E double hydraulic BOP will be installed on the 8 5/8" casing. Casing and BOP will be tested before drilling out with 7 7/8". The BOP will be used as a 2000 psi wp system and will be tested daily.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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. SIGNED _____ TITLE Agent for: Read & Stevens, Inc. DATE August 9, 1996

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
 CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-28934		Pool Code 24370	Pool Name Fenton Delaware
Property Code NIX FEDERAL	Property Name		Well Number 7
OCRID No.	Operator Name READ & STEVENS, INC.		Elevation 3189.

10 Surface Location

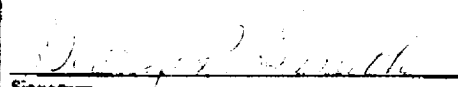
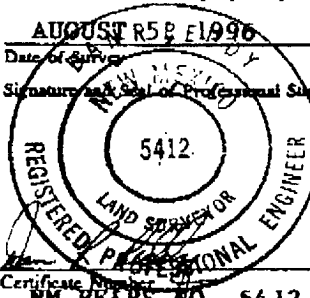
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	28	21-S	28-E		2310	NORTH	330	EAST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	NM-0486 Bass, Inc. et al		17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature George R. Smith, agent for: Printed Name Read & Stevens, Inc. Title August 9, 1996 Date
	18 SURVEYOR CERTIFICATION <i>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 belief.</i> AUGUST 5 1996 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number NM REG'S NO. 5412		
	2310' 330'		

APPLICATION FOR DRILLING
READ & STEVENS, INC.
Nix Federal, Well No. 7
2310' FNL & 330' FEL, Sec. 28-T21S-R28E
Eddy County, New Mexico
Lease No.: NM-0486
(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:

Top of salt	600'	Delaware	2,524'
Base of salt	948'	T.D.	2,900'
Capitan Reef	1,027'		
3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Surface water in the Triassic between 80' - 230'.

Oil: Possible in the Delaware below 2500'.

Gas: None expected.
4. Proposed Casing Program: See Form 3160-3.
5. Proposed 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:

Drill Stem Tests: None unless warranted.

Logging: T.D. to 2500': G/R, CNL-FDC, DLL, MSFL
T.D. to surface: G/R, neutron

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 to increase the mud weight. Estimated BHP = 1450 psi (evac. hole) with temperature of 90ø.
10. H2S: A Drilling Operations Plan, Exhibit "F", was previously submitted to cover this this contingency.
11. Anticipated starting date: September 3, 1996.
Anticipated completion of drilling operations: Approx. 3 weeks.

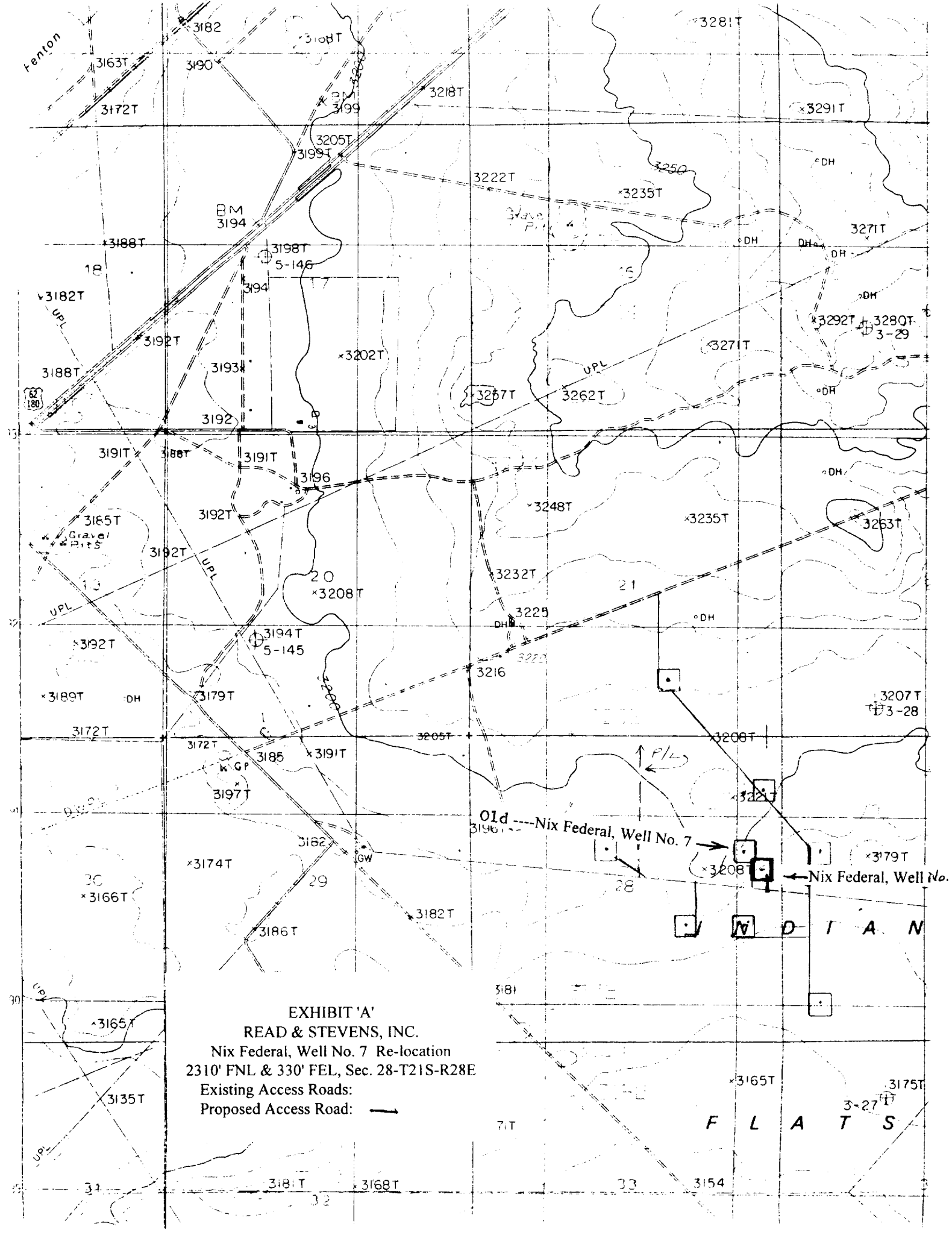


EXHIBIT 'A'
READ & STEVENS, INC.
 Nix Federal, Well No. 7 Re-location
 2310' FNL & 330' FEL, Sec. 28-T21S-R28E
 Existing Access Roads: ———
 Proposed Access Road: ———

Old Nix Federal, Well No. 7
 Nix Federal, Well No. 7
FLATS