

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

SEP 03 2004

Submit to appropriate District Office

☐ AMENDED REPORT

OCD-ARTESIA

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Read & Stevens, Inc. P.O. Box 1518 Roswell, NM 88202		² OGRID Number 018917
³ Property Code	⁵ Property Name Bandit State SWD	⁴ API Number 30-015-21071
⁹ Proposed Pool 1 SWD		⁶ Well No. 1
⁷ Surface Location		

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	10	23S	26E		1980	North	2021	West	Eddy

⁸ Proposed 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

Additional Well Information

¹¹ Work Type Code E	¹² Well Type Code S	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3,313'
¹⁶ Multiple No	¹⁷ Proposed Depth 5,287'	¹⁸ Formation Delaware	¹⁹ Contractor	²⁰ Spud Date 9-15-04
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> _____mils thick Clay <input type="checkbox"/> Pit Volume: _____bbls Drilling Method: _____				
Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5"	11"	47#	478'	600	0
10.625"	8.625"	32#	5,441'	800	0
7.875"	5.5"	17#	11,850'	830	1,000'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Read & Stevens proposed to reenter the subject well and drill out cmt plugs to a PBTD of 5,287'. The well will be completed as a SWD well per approved OCD order SWD-930. Cmt plugs will be drilled with fresh water, and a 6" 900 series double ram BOP will be utilized. No pit will be needed.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

Printed name: John C. Maxey, Jr.		OIL CONSERVATION DIVISION	
Title: Operations Manager		Approved by: TIM W. GUM	
E-mail Address:		Title: DISTRICT II SUPERVISOR	
Date: 8-30-04		Approval Date: SEP 07 2004 Expiration Date: SEP 07 2005	
Phone: 505/622-3770		Conditions of Approval Attached <input type="checkbox"/> Submit H2S	

Contingency plan / or Letter of Statement
That plan is not needed per Rule 118.
Whichever applies.

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

' API Number		' Pool Code		' Pool Name SWD		
' Property Code		' Property Name Bandit State SWD			' Well Number 1	
' OGRID No. 018917		' Operator Name Read & Stevens, Inc.			' Elevation 3,313'	

¹⁰ Surface Location

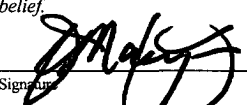
UL or lot no. F	Section 10	Township 23S	Range 26E	Lot Idn	Feet from the 1980'	North/South line North	Feet from the 2021'	East/West line West	County Eddy
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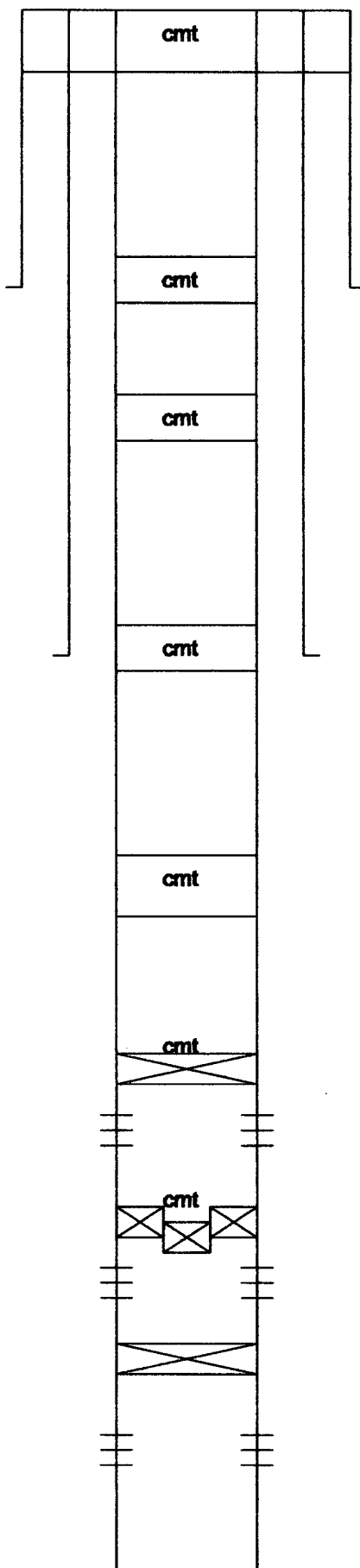
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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	<input type="checkbox"/>	RECEIVED SEP 03 2004 OCD-ARTESIA	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 John D. Maxey, Jr. Printed Name Operations Manager Title and E-mail Address Date 8-30-04
			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> 12-22-1973 Date of Survey Signature and Seal of Professional Surveyor: John West 676 Certificate Number



Bandit St. #1
May 6, 2004
Currently P&A

Plug #8 10 sx @ surf
 in 11 3/4" csg

11 3/4" 47# csg set @ 478 w/ 600 sx

25 sx cmt plug from 589 - 349

25 sx cmt plug from 3,007 - 2,767

8 5/8" 24# & 32# csg set @ 5,441' cmt w/ 800 sx. Shot off
 Cmt circ to surf.

25 sx cmt plug from 5,487 - 5,287

25 sx cmt plug from 8,029 - 7,789.

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ORR-ARTESIA

CIBP @ 10,500' w/ 40 sx cmt on top.

Perfs 10,696 — 10,574, total 37 holes. Acidize w/ 2,000 gal 15% NEFe.

Otis permanent pkr w/ 2 3/8" x 6' tbg sub below and a 1.875" profile nipple on bottom of sub, then 1 jt of 2 3/8" below profile. Pkr set @ 10,848'. Tbg CIBP is set in 2 3/8" tbg below pkr @ 10,886. Dump 5sx cmt on Otis pkr.

Perfs 10,965 — 11,156, 31 holes. Acidize w/ 5,000 gal 15% NEFe.

CIBP @ 11,500' w/ 2 sx cmt on top.

Perfs 11,536 — 11,729, total 44 holes. Acidize w/ 1,200 gal 7.5% NEFe. Frac w/ 32,000# 20/40 interprop.

Run 5 1/2" 17# csg, top; 23 jts S95, 216 jts L80, 34 jts S95. Set at 11,841', FC 11,797, ECP/DV 8,014, DV 5,442. Cmt w/ 1,450 sx. Circ cmt to surf on first two stages. TOC last stage above 1,000' by CBL.

Bandit St. #1
May 6, 2004
Proposed SWD

Plug #8 10 sx @ surf
 in 11 3/4" csg

11 3/4" 47# csg set @ 478 w/ 600 sx

25 sx cmt plug from 589 - 349

5 1/2" Nickel plated double set pkr w/ 1.875" profile set at 3,040'. 2 3/8" fiberglass tubing with a minimum 1,500 psi working pressure latched to pkr with on-off tool.

Delaware perfs 3,140 - 3590, 350 holes. Frac with 60,000# 16/30 sand.

8 5/8" 24# & 32# csg set @ 5,441' cmt w/ 800 sx. Shot off
 Cmt circ to surf.

25 sx cmt plug from 5,487 - 5,287

25 sx cmt plug from 8,029 - 7,789.

CIBP @ 10,500' w/ 40 sx cmt on top.

Perfs 10,696 — 10,574, total 37 holes. Acidize w/ 2,000 gal 15% NEFe.

Otis permanent pkr w/ 2 3/8" x 6' tbg sub below and a 1.875" profile nipple on bottom of sub, then 1 jt of 2 3/8" below profile. Pkr set @ 10,848'. Tbg CIBP is set in 2 3/8" tbg below pkr @ 10,886. Dump 5sx cmt on Otis pkr.

Perfs 10,965 — 11,156, 31 holes. Acidize w/ 5,000 gal 15% NEFe.

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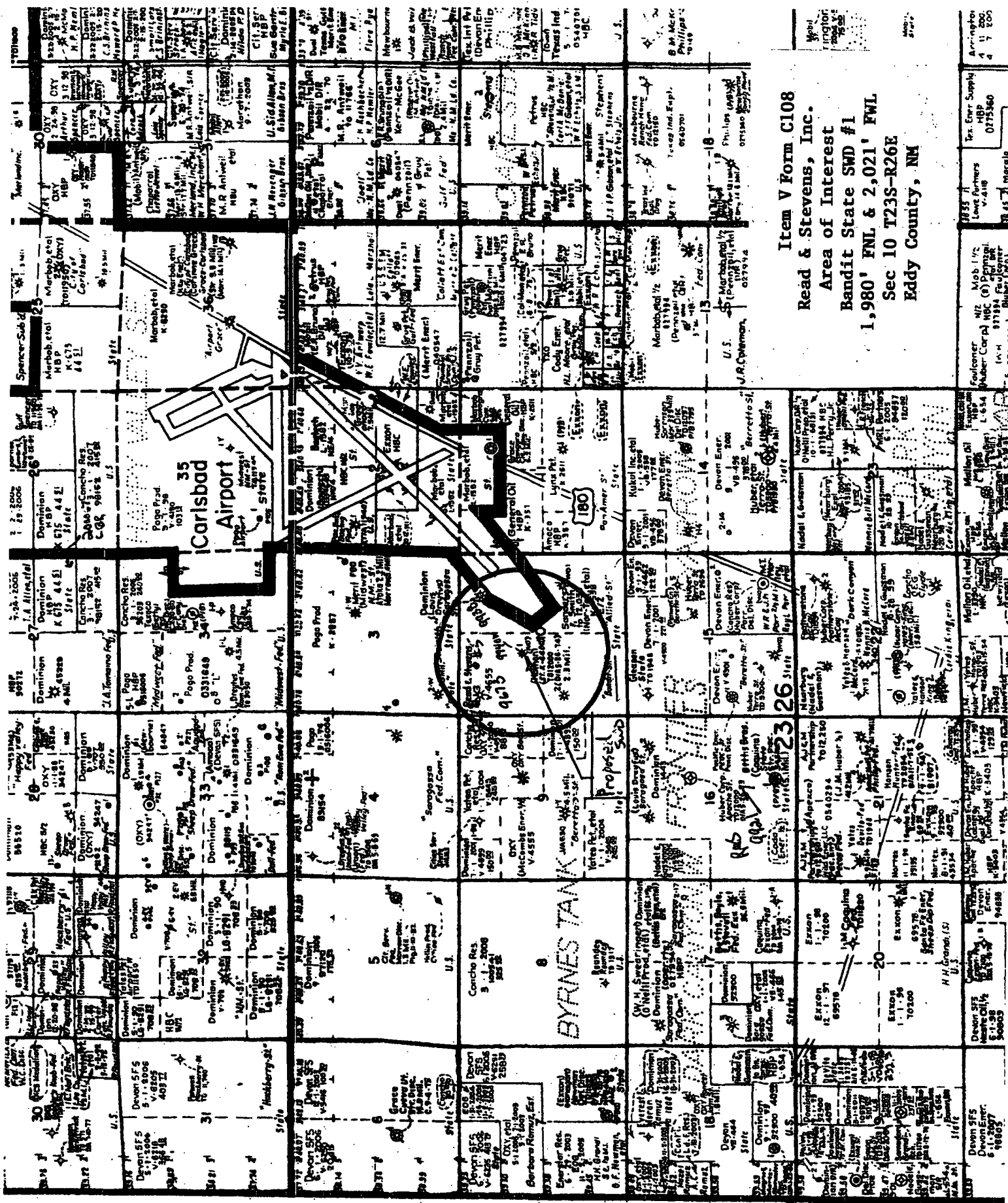
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QDD-ARTESIA



Item V Form C108
Read & Stevens, Inc.
Area of Interest
Bandit State SMD #1
1,980' FNL & 2,021' FWL
Sec 10 T23S-R26E
Eddy County, NM

T 23 S

Eddy, West

ITEM VII of NEW MEXICO OCD Form C-108

DATA on PROPOSED OPERATIONS

BANDIT STATE SWD #1

1. The proposed average and maximum daily injection rate is expected to be 1000 BWPD and 1800 BWPD, respectively.
2. The injection system will be operated as a closed system. With tank level monitoring to prevent over flow of tanks.
3. The average injection pressure is expected to be 1200 psi. The maximum injection pressure should not be over 1600 psi.
4. The source for the disposal water will be all wells that Read & Stevens, Inc. operates or owns an interest in:
Section 10 of T23S-R26E, Eddy County, New Mexico. Water analysis for the Delaware water in the Bandit State #4 is attached as Exhibit VII 4a.
5. See Item 4 above. Upper Delaware produced water from the #4 is being disposed of in the lower Delaware.

ITEM VIII of NEW MEXICO OCD Form C-108

Geologic Data of the Injection Zone & Underground Drinking Water

Bandit State SWD #1

The proposed interval for salt water disposal is the Delaware between the depth of 3,140' and 3,590' in the Bandit State SWD #1. The Delaware is a sequence of well consolidated sandstone, siltstone and shale strata of Permian age.

Based on information from the New Mexico State Engineers office in Roswell, the nearest fresh water well is just over a ½ mile from the proposed saltwater disposal well. This water well has a total depth of 290' and is located in the E/2 SW SE/4 of Section 3 T23S-R26E. The fresh water zone in this well is the Alluvium found at a depth of 80' to 250' from surface.

There are no known fresh water strata underlying the Delaware formation.

Bandit State SWD #1
1,980' FNL & 2,021' FWL
Sec 10 23S 28E
Eddy Co., NM
Reenter for SWD
September 1, 2004

Wellbore Details: See attached schematics

Per the OCD order, the Artesia district director must be notified of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed. The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

1. MIRUPU and RU, rack 2 7/8" tbg. Dig out csg stubs, and install WH. NU BOPE.
2. PU 4 3/4" bit and DOC cmt plugs as shown on schematic to top of cmt plug located at 5,441'. Close BOP and pressure test csg to 500 psi for 30 minutes. Report results. POH and LD DC.
3. PU 5 1/2" scraper with bit and RIH to PBTD. Rev circ hole clean and POH, LD scraper.
4. RUWL and set 5 1/2" CIBP at 3,790' capping with 10' of cmt *per OCD administrative order*. POH.
5. PU and RIH w/ csg gun. Correlate depth and perf 3430 - 60, 3480 - 3510, and 3545 - 70 w/ 4 spf, 343 holes. RDWL.
6. PU 5 1/2" pkr and RBP (rig for lots of balls on top). *Set pkr to swab test all perforated intervals together for test per OCD administrative order. Record a static fluid level after overnight buildup. RD Swab. RU CheapAcid.Com and selectively acidize the above 3 intervals at 3 - 5 BPM w/ 1,000 gal of 7 1/2% NEFE each. Use 1.3 SG RCN ball sealers for diversion, and utilize 1.3 balls/hole. No ISIP's or 5 minute pressure readings are necessary.*
7. After all zones are acidized, POH with tools and prep to frac down casing per BJ Services procedure. Frac well, SI for breaker activity and frac closure. Flow back well until dead. RD BJ.
8. RIH OE w/ tbg and rev circ hole clean w/ fresh water. POH.
9. PU 5 1/2" double set nickel plated pkr w/ 1.78" stainless steel profile and plastic coated on-off tool on work string and RIH. Set pkr no more than 100' above top perf. *Test csg and annulus to 500 psi for 30 min.* Rls on-off tool and POH w/ tbg, LD work string.
10. RU to run 2 3/8" integral joint fiberglass tbg (2.42"OD, 1.88" ID, 2,500 psi burst, 3,400 psi collapse). Offload tbg w/ forklift. Need to have slip type elevators dressed and ready to go on location. Use teflon base thd compound and slip wrenches to insure running correctly. If using pipe wrenches, use 18" wrenches and no more than 140 ft-# torque. Check w/ fiberglass service man if elevators are to be dressed for 2 7/8" or 2 3/8". Fiberglass tubing is from Tubular Fiberglass Corp. and the service man is Bob (cell: 432-559-6972, office 432-699-1974)

11. PU on-off tool and 2 3/8" stainless steel tbg sub, RIH on 2 3/8" fiberglass tbg. Engage on-off tool and space out tbg using fiberglass subs. Rls on-off tool and displace annular fluid w/ fresh water containing Baker Chemical MD 2719 (or equivalent) dispersed throughout fresh water. Engage on-off tool.
12. Strip off BOP, install wellhead and land tubing. RDMOPU and set well up for injection.

Post-It® Fax Note	7671	Date	9-7-04	# of pages	2
To	BRYAN ARRENT	From	JOHN MAXEY		
Co./Dept.	OCD-ARIESIA	Co.	READ+STEVENS		
Phone #	748-9720	Phone #	505-622-3720		
Fax #		Fax #	EXT 224		

Arrant, Bryan

From: read@lookingglass.net
Sent: Tuesday, September 07, 2004 3:45 PM
To: Bryan Arrant
Cc: Susie Rodrigue
Subject: Bandit State SWD #1

Bryan,

Per the condition of approval on the APD for the subject well, the injection interval that will be completed for disposal of produced water contains negligible amounts of hydrogen sulfide, and as such, a contingency plan per rule 118 is not warranted. If you need anything else, please let me know.

--

John C. Maxey, Jr.
Read & Steven's, Inc.
Off: 505-622-3770 x224
Fax: 505-622-8643

Susie, please attach a copy of this email to the approved APD for our files.

This email has been scanned by the MessageLabs Email Security System.
For more information please visit <http://www.messagelabs.com/email>
