

Submit 1 Copy To Appropriate District
Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-34831
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. K-4538
7. Lease Name or Unit Agreement Name Saragossa 10 State
8. Well Number 003
9. OGRID Number 18917
10. Pool name or Wildcat Happy Valley; Delaware #29665

4. Well Location Unit Letter A : 330 feet from the North line and 990 feet from the East line Section 10 Township 23S Range 26E NMPM County Eddy
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3292' GR

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
Read & Stevens, Inc.

3. Address of Operator
PO Box 1518, Roswell, NM 88202

4. Well Location
Unit Letter **A** : **330** feet from the **North** line and **990** feet from the **East** line
Section **10** Township **23S** Range **26E** NMPM County **Eddy**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3292' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: Add Pay Delaware <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6/30/17: RU. TIH. TOH w/rods, pump. NUBOP. TOH w/tbg, perf'd sub.

7/5/17: TIH w/4 3/4" bit and scraper. Tag at 3080'. TIH w/cmt retainer and pump 20 bbls H2O. Set retainer at 2607'. Pressure test csg and BOP to 500 psi for 30 min. Test okay.

7/07/17: Pump 200 sxs Class C Neat cmt at 14.8 ppg, wash to pit. Pump 100 sxs Class C w/2% CaCL and 100 sxs Class C Neat cmt at 14.8 ppg. Sting out of cmt retainer and PU 5'. Reverse out 2 bbls of cmt to steel pit. Max rate 2.5 bpm, minimum rate 0.5 bpm, max pressure 725 psi, minimum pressure 10 psi. SI well. WOC.

7/10/17: TIH. Tag cmt at 2601'. Drill cmt, retainer from 2601'-2693'. Drop through cmt. Circ clean, pressure test cmt squeeze to 550 psi for 30 min w/no drop in pressure. Continue TIH to 3080'. PU 2' and circ wellbore clean.

NM OIL CONSERVATION
ARTESIA DISTRICT
JUL 21 2017

Spud Date:

6/14/2006

Rig Release Date:

6/17/2006

RECEIVED

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE K Barajas TITLE Production/Regulatory DATE 07/19/17

Type or print name Kelly Barajas E-mail address: kbarajas@read-stevens.com PHONE: 575-624-3760

For State Use Only

APPROVED BY: [Signature] TITLE Staff Mgr DATE 7-21-17
Conditions of Approval (if any):

Saragossa 10 State #3

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July 19, 2017

07/11/17: RU WL. Tag at 3078' (WL). Correlate w/GR and CCL. Perf from 2720' – 2726', 14 0.41 holes at 2 JSPF. RD WL. TIH w/Arrow Set I pkr, unloader, SN. Set pkr in blank pipe at 2643'. Pressure test csg to 475 psi w/no drop in pressure over 5 min. Re-set pkr at 2697'. Pressure test csg to 425 psi. Pressure fell to 260 psi over 5 min. Repeated testing process w/12, 15, 18 and 25 pts w/same results. Discussed with management and mutually agreed to proceed w/job. MI Elite Acid Fleet. Pumped 73.1 bbls 2% KCL pad followed w/300 gals of 15.33 HCL. Flushed w/17 bbls 2% KCL. ISIP 547 psi, 5 min SI 442 psi, 10 min SI 415 psi. Max pressure 2940 psi, min pressure 1311 psi, average pressure 2400 psi. Max rate 6.3 bpm and min rate 1.1 bpm. RD Elite. Swab well.

07/12/17: Swab well. Release pkr. MI WL. Set CIBP at 2675' w/CCL. Tag CIBP. Load csg w/2% KCL. Dump bail 2 sxs (30') of cmt on top of CIBP. TOC at 2645'. Perf from 2548' – 2560' 26 - 0.39" holes, 2 JSPF. RD WL. SDFN.

07/13/17: TIH w/Arrow Set I pkr, unloader, SN and work string. Set pkr at 2447.4. Pressure test backside to 400 psi w/no drop. Left pressure on csg. RU Elite Acid Fleet. Pressure test hardlines to 4500 psi. Reset pump kills to 3500 psi. Establish rate w/2% KCL. Pump 27 bbls 2% KCL followed w/3000 gals 15.31% HCL. After first 100 gals acid, dropped 10 balls then 30 more balls in 10 ball intervals every 500 gals. Observed ball action. ISIP 500 psi, 5 min SI 473 psi, 10 min SI 470 psi, 15 min SI 463 psi. Max pressure 1740 psi, min pressure 1301 psi, Max rate 6.6 bpm, average rate 6.0 bpm. RD Elite. Left well SI 45 min. Swab.

07/14/17: Swab. Release pkr, re-space. Wait on frac.

07/18/17: RU Elite Frac Fleet. 400 psi on csg. Pressure test lines to 5099 psi and reset kills to 3500 psi. Pump 40 bbls 2% KCL followed w/270 bbls 20# XL Borate pad. Frac well w/28,040 lbs 20/40 Cool Set resin coated sand. Placed all sand w/486 bbls of 20# Borate gel pad. Displaced w/16.5 bbls of 20# Borate gel. Max rate 12.2 bpm, average rate 12 bpm, max pressure 1425 psim, average pressure 1001 psi, ISIP 61 psi, 5 min SI 545 psi, 10 min SI 524 psi, 15 min SI 511 psi. RD Elite. 120 min SI 425 psi, 150 min SI 415 psi. Left well SI overnight to allow resin coated sand to set up.