Submit 1 Copy To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
October 13, 2009

WELL API NO. 30-015-20950
5. Indicate Type of Lease STATE [X] FEE [ ]
6. State Oil & Gas Lease No. K-4538

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.)

7. Lease Name or Unit Agreement Name: Allied State
1. Type of Well: Oil Well [ ] Gas Well [ ] Other SWD-Administrative Order #SWD-1258
8. Well Number #1 SWD
2. Name of Operator: Read & Stevens, Inc.
9. OGRID Number: 018917
3. Address of Operator: P.O. Box 1518 Roswell, NM 88202
10. Pool name or Wildcat: SWD; Delaware # 96100

RECEIVED
FEB 01 2011
NMOCD ARTESIA

4. Well Location
Unit Letter I : 1980 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.)* 3315' RKB

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]	CHANGE PLANS [ ]	COMMENCE DRILLING OPNS. [ ]	P AND A [ ]
PULL OR ALTER CASING [ ]	MULTIPLE COMPL [ ]	CASING/CEMENT JOB [ ]	
DOWNHOLE COMMINGLE [ ]			
OTHER: Convert Producer into SWD [X]		OTHER: [ ]	

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.

1. Pull 2 3/8" tubing out. Set CIBP @10,150' w/ 35' of cement.
2. TIH & circulate w/ mud laden fluid. Set CIBP @ 7000' w/ 35' cement.
3. Load hole and test casing to 1000 psi. Run CBL and casing inspection from 6000 to surface. Run CNL from 4500' to 2000'.
5. Set CIBP @5000' w/35' cement. Perf squeeze holes around 4400'.
6. Set ~~Cement Retainer around~~ 4100' and circulate cement to the surface. PKR.
7. Perf 3300-3550 51 Total holes . Deep penetrating casing guns at 1 shot every 5'.
8. Acidize: 3000 gals 7 ½% NEFe HCl . Swab test.
9. Frac down 3 1/2" work string: 100,000# 16/30 (2,4, & 6 ppg in 30# x-linked gel).
10. Swab Test. Circulate casing / tubing annulus with packer fluid.
11. Install 5 ½" Nickle plated packer and fiberglass tubing and set within 100' of uppermost perforation.
13. Schedule a time with NMOCD to witness pressure test. Test must be witnessed before injection can commence.
14. Start Injection

Spud Date: 9-15-73 Rig Release Date:

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

SIGNATURE David Luna DATE 1/28/2011

David Luna
cn=David Luna, o=Read & Stevens, Inc., ou, email=dluna@read-stevens.com, c=US
2011.01.28 16:57:03 -07'00'

Type or print name PHONE: 622-3770 ext 305

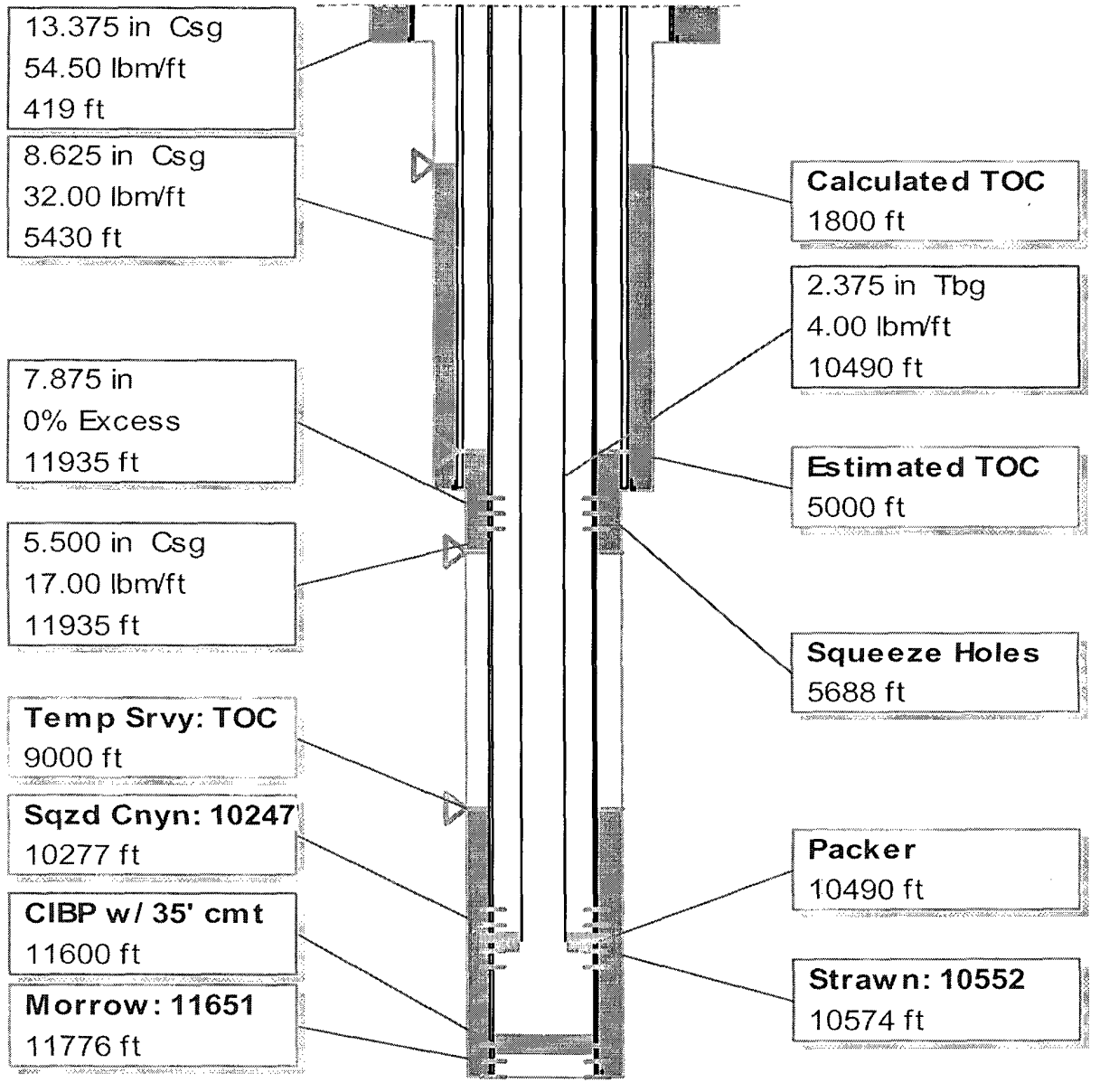
For State Use Only

APPROVED BY: David Brooks TITLE Field Supervisor DATE 2-7-11

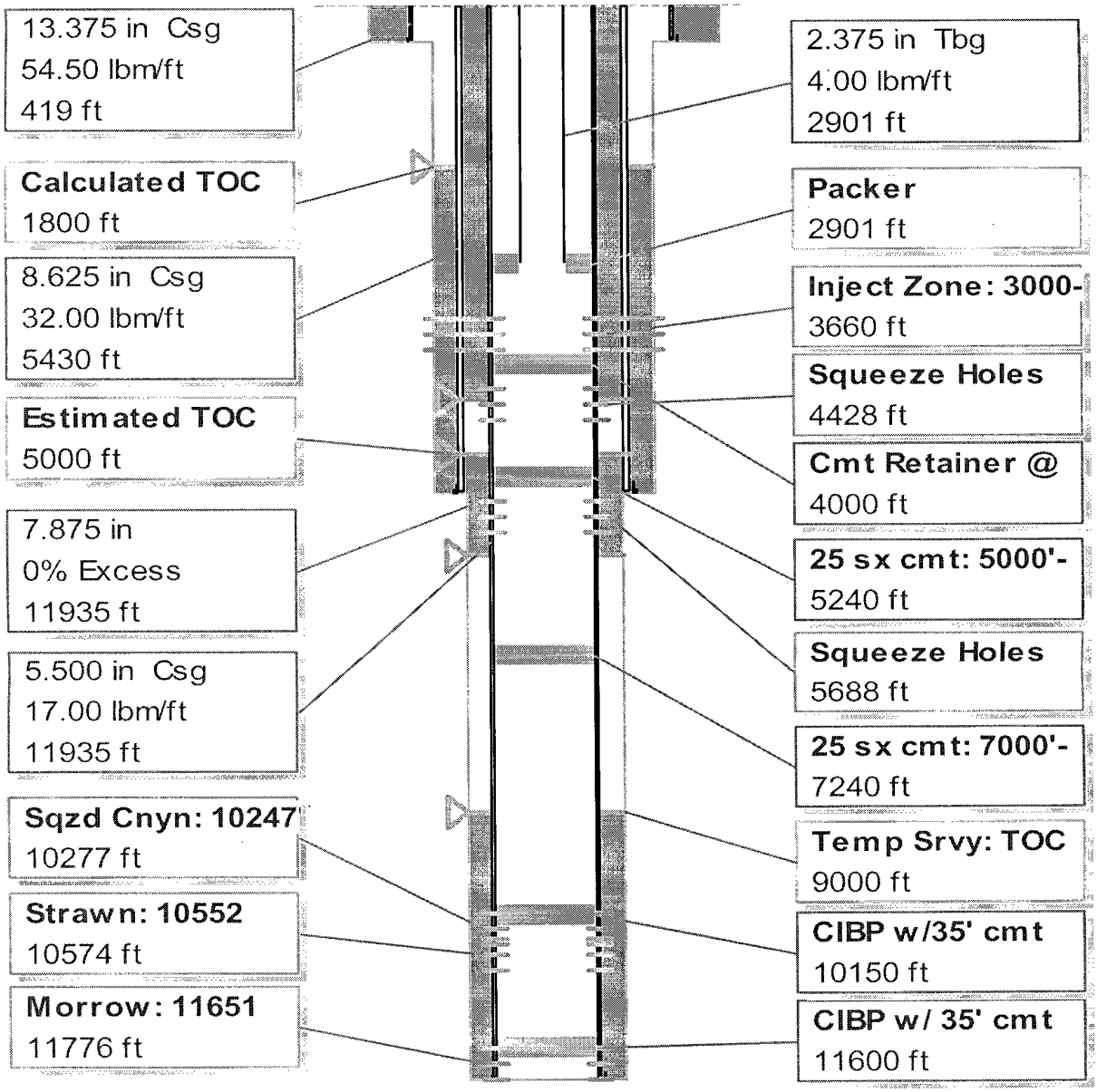
Conditions of Approval (if any):

#6 - Use packer to sqz. cmt to surf.

Allied St. #1
Read _Stevens, Inc.
10-23S-26E, 1980FLS 990FEL
API:30-015-20950, Lse: K-4538
KB:3315, GL: 3300
Exhibit A: Current Wellbore (Strawn completion)



Allied St. #1 SWD
Read _Stevens, Inc.
10-23S-26E, 1980FLS 990FEL
API:30-015-20950, Lse: K-4538
KB:3315, GL: 3300
Exhibit B: Proposed SWD



i-Handbook* - *a mark of Schlumberger

READ & STEVENS, INC – PROGNOSIS
Convert to SWD

API NUMBER:	30-015-20950
WELL NAME:	Allied St. #1 SWD
FIELD/POOL:	Happy Valley; Delaware
POOL CODE:	29665
LOCATION:	Eddy County, New Mexico T23S-R26E Section 10 , 1980 FSL & 990 FEL
TD:	11935' PBTD: 11600 +/-
ELEVATIONS:	GL 3300' KB 3315' (15')
CSG:	13 3/8" 54.5# @419', 8 5/8' 32, 28, & 24# J-55 STC@ 5430', 5 ½' 17 & 20# J-55 LTC@ 11935' (TOC around 9000' & 5000')
TBG:	2 3/8" tubing, Packer at 10490'

CONTACT LIST

Operator:	Read & Stevens, Inc.	575 622-3770 8-5 M-F Office
400 Penn Plaza, Suite 1000	Roswell, NM 88201	575 622-8643 fax
Engineer:	David Luna	575 626-9395 cellular
	dluna@read-stevens.com	Ext. 305 Office
Superintendent:	Will Palmer	575 390-2424
	Joe Tovar	575 390-2425

Directions to Well:
Southwest of Carlsbad on Hyw. 62/180 toward El Paso. Go past Airport. Right or west over cattlegaurd on Co. Road #765 (Gilock Rd) for 0.4 miles. Veer left for 0.5 miles. Left into well.

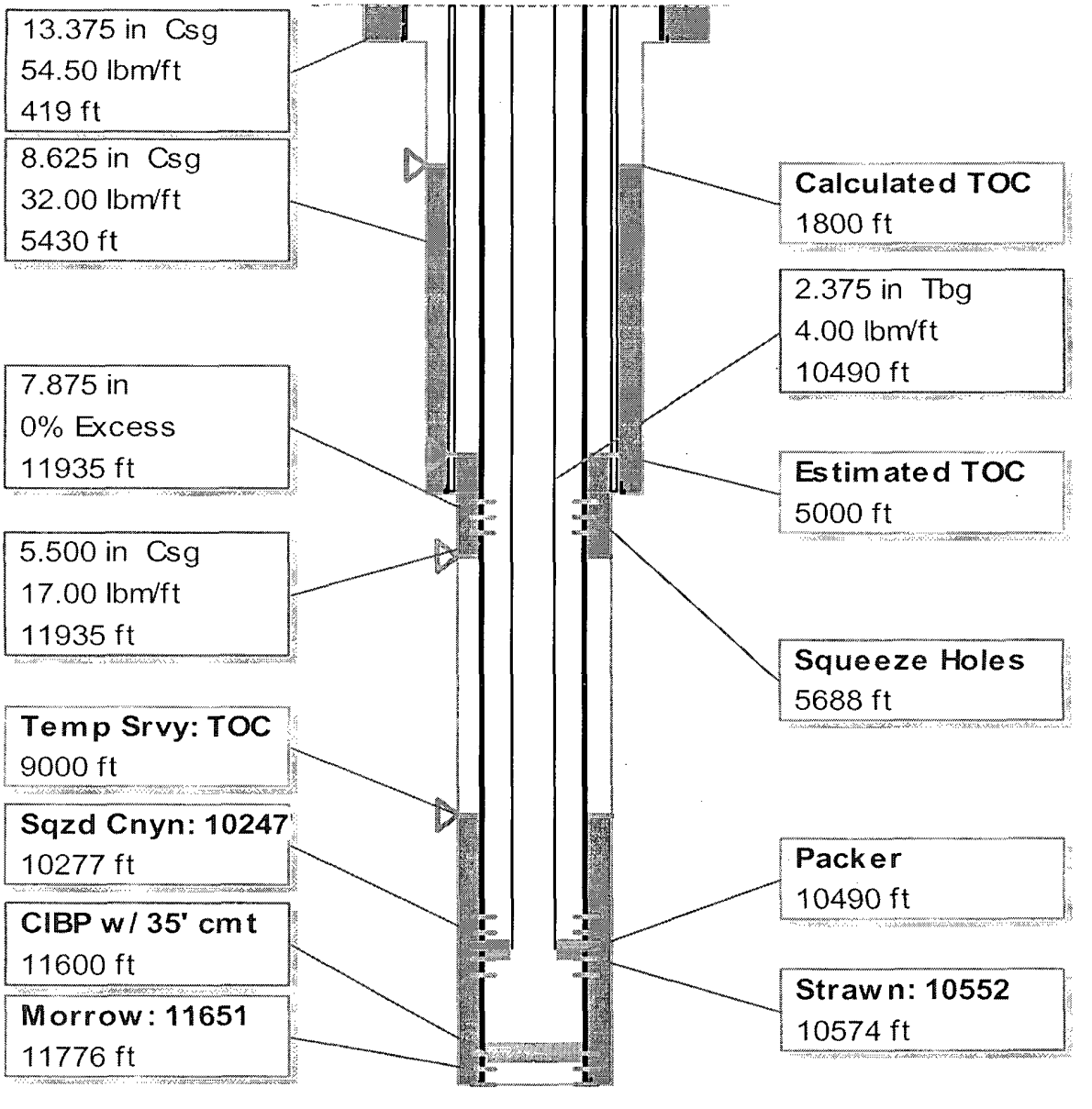
Completion Procedure:

1. Pull 2 3/8" tubing out. Set CIBP @10,150' w/ 35' of cement.
2. TIH & circulate w/ mud laden fluid. Set CIBP @ 7000' w/ 35' cement.
3. Load hole and test casing to 1000 psi. Run CBL and casing inspection from 6000 to surface. Run CNL from 4500' to 2000'.
4. Look at logs and determine to cut 5 ½ or leave 5 ½ .

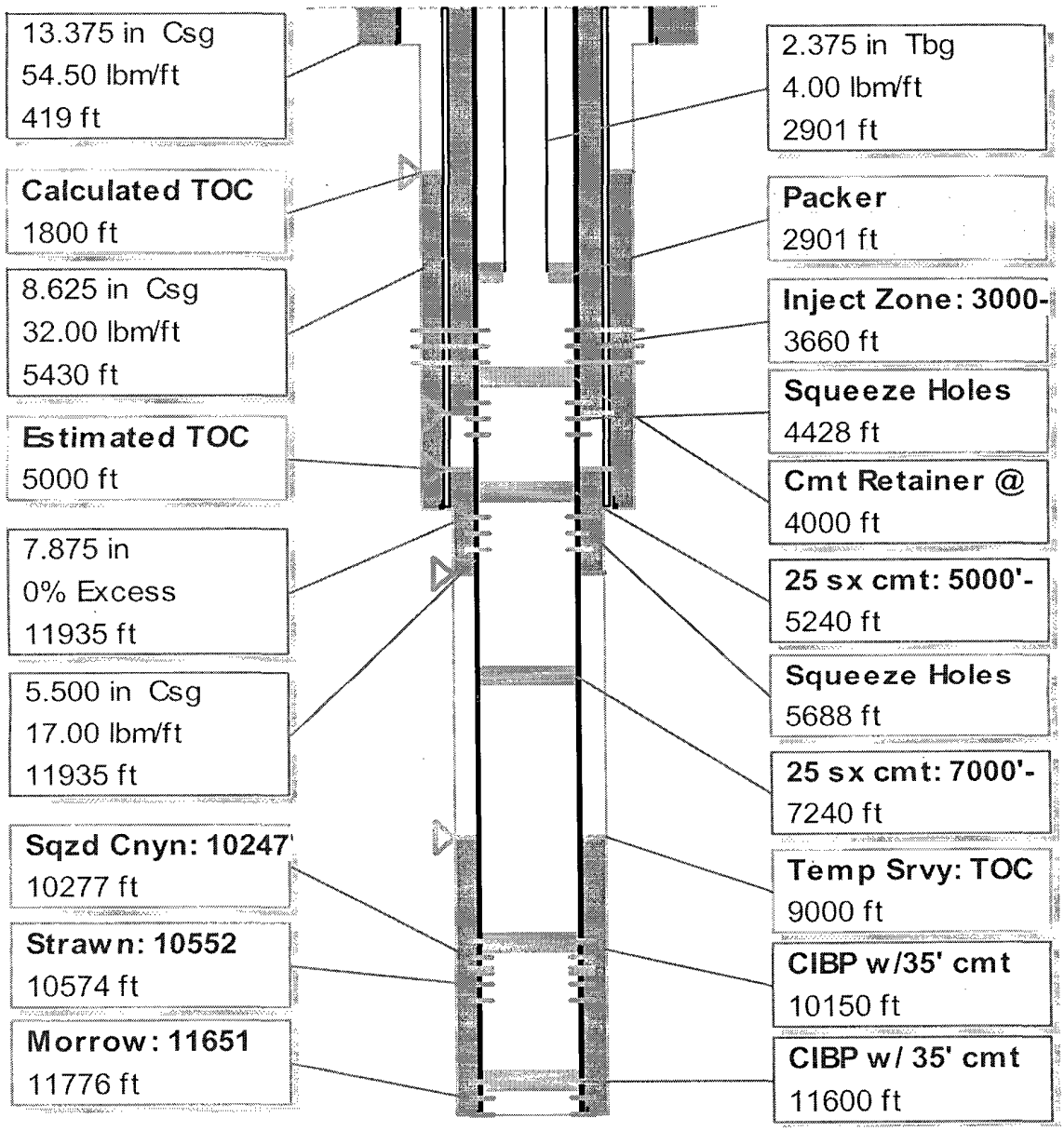
If we leave the 5 ½" :

5. Set CIBP @5000' w/35' cement. Perf squeeze holes around 4400'.
6. Set Cement Retainer around 4100' and circulate cement to the surface.
7. **Perf 3300-3550 51 Total holes . Deep penetrating casing guns at 1 shot every 5'.**
8. Acidize: 3000 gals 7 ½% NEFe HCl . Swab test.
9. Frac down 3 1/2" work string: 100,000# 16/30 (2,4, & 6 ppg in 30# x-linked gel).
10. Swab Test. Circulate casing / tubing annulus with packer fluid.
11. Install tank and pump on Allied location. Install 5 ½" Nickle plated packer and fiberglass tubing and set within 100' of uppermost perforation.
12. Install cartridge filter.
13. Schedule a time with NMOCD to witness pressure test. Test must be witnessed before injection can commence.
14. Start Injection

Allied St. #1
Read Stevens, Inc.
10-23S-26E, 1980FLS 990FEL
API:30-015-20950, Lse: K-4538
KB:3315, GL: 3300
Exhibit A: Current Wellbore (Strawn completion)



Allied St. #1 SWD
Read _Stevens, Inc.
10-23S-26E, 1980FLS 990FEL
API:30-015-20950, Lse: K-4538
KB:3315, GL: 3300
Exhibit B: Proposed SWD



i-Handbook* - *a mark of Schlumberger