

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

5. LEASE DESIGNATION AND SERIAL NO.
NM-28096

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Jamie Federal

9. WELL NO.
2

10. FIELD AND POOL, OR WILDCAT
Shugart Y, SR, Q, G

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA
Sec. 14-T18S-R31E

12. COUNTY OR PARISH
Eddy

13. STATE
New Mexico

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.

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

660' FNL & 810' FWL

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

12 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)

660'

16. NO. OF ACRES IN LEASE

360

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.

1216'

19. PROPOSED DEPTH

4600'

20. ROTARY OR CABLE TOOLS

Rotary

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

3714 GL

22. APPROX. DATE WORK WILL START*

August 1, 1990

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24.0#	825' 400'	300 sx "C" circulated
7 7/8"	5 1/2"	15.5#	4600'	500 sx "C" cover formation (see slips)

MUD PROGRAM: 400'

0' - 825' Fresh water, native, spud mud

825' - 4600' Saturated brine water, w/salt gel

400'

Weight

8.5-9.0

9.5-10.2

Visc.

35-40

30-34

W/L Cont.

N/C

W/L 10cc

last 200'

BOP PROGRAM: A 3000 psi wp 900 series Shaffer double hydraulic operated BOP will
be used and tested daily. See Exhibit "E".

RECEIVED

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

Post ID-1
7-30-90
New Loc & API

JUL 16 '90

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 offset preventer program, if any.

24.

SIGNED

George R. Smith

TITLE

Agent for:

Read & Stevens, Inc.

DATE

June 20, 1990

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

Dir. Bureau of Land Management

TITLE

AREA MANAGER

CARLSBAD RESOURCE AREA

DATE

7-13-90

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

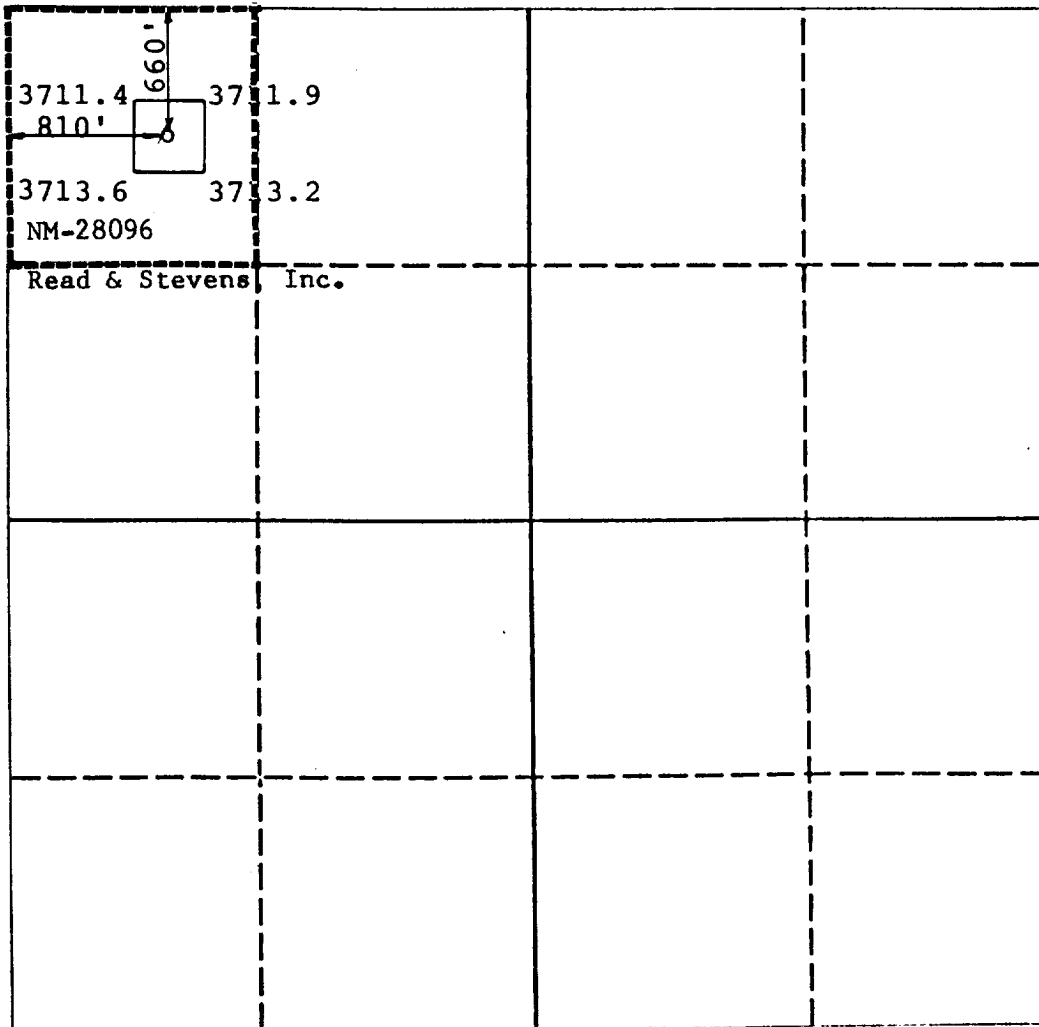
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Read & Stevens, Inc.			Lease Jamie Federal		Well No. 2
Unit Letter D	Section 14	Township 18 South	Range 31 East	County NMPM Eddy	
Actual Footage Location of Well: 660 feet from the North line and 810 feet from the West line					
Ground level Elev. 3714	Producing Formation Grayburg		Pool Shugart Y, SR, Q, G		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 interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

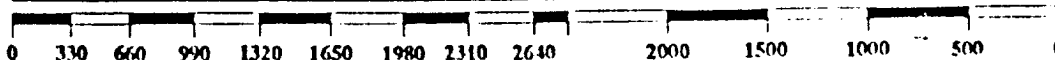
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
George R. Smith
Printed Name
George R. Smith
Position
Agent for:
Company
Read & Stevens, Inc.
Date
June 20, 1990

SURVEYOR CERTIFICATION

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.

Date Surveyed
June 15, 1990
Signature & Seal of Professional Surveyor
P. R. Patton
P. R. Patton
Certificate No.
8112



APPLICATION FOR DRILLING

READ & STEVENS, INC.
Jamie Federal, Well No. 2
660' FNL & 810' FWL, Sec. 14-T18S-R31E
Eddy County, New Mexico
Lease No.: NM-28096
(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:

Rustler	780'	Penrose	3620'
Yates	2250'	Grayburg	3920'
Queen	3374'	T.D.	4600'

3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Surface water between 100' - 350'.

Oil: Possible in the Grayburg below 3920'

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: Gamma Ray:
DLL, CNL-LTD

Surf. Csg. to T.D.
Below 8 5/8" to T.D.

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.

10. Anticipated starting date: August 1, 1990.
Anticipated completion of drilling operations: Approx. 3 weeks.

MULTI POINT SURFACE USE AND OPERATIONS PLAN

READ & STEVENS, INC.
Jamie Federal, Well No. 2
660' FNL & 810' FWL, Sec. 14-T18S-R31E
Eddy County, New Mexico
(Development Well)

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, to be followed in rehabilitating the surface environmental effects associated with the operations.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a BLM Topo map showing the location of the proposed well as staked. The well site location is approximately 37 road miles east of Artesia, New Mexico or 11.8 miles southeast of Loco Hills, NM. Traveling east of Loco Hills there will be approximately 9.3 miles of paved Federal & county highway and 2.5 miles of gravel county and oilfield roads.
- B. Directions: Travel east from Loco Hills, NM on U.S. Highway 82 for approximately 5.2 miles, then turn south onto paved County Rd. 222. Continue south for 4.1 miles. Turn southeast onto the gravel County Rd. #249 for approximately 1.1 mile, then turn left (northeast) on a caliche oilfield road for 1.4 miles to a junction of a road to the north and east. The location is staked in the middle of the road at this point with markers on each side of the existing road and a location marker in the middle of the road.

2. PLANNED ACCESS ROAD:

- A. Length and Width: The proposed access road will consist primarily of a road bypass around the location and will be constructed to a width of 12 feet (24' Max.) and approximately 500 feet long from the existing access road on the north to the access road east of the proposed location. See Exhibit "B".
- B. Construction: The proposed access road will be constructed by grading and topping with compacted caliche and will be properly drained.
- C. Turnouts: None will be required.
- D. Culverts: None.
- E. Cuts and Fills: None.
- F. Gates, Cattleguards: None required.
- G. Off Lease R/W: There is an existing off lease right of way.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells within a two mile radius are shown on Exhibit "C".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES;

- A. There are production facilities on the lease at this time.
- B. If the well proves to be commercial, the necessary production facilities, gas separation-process equipment and flow lines will be installed on the drilling pad. The flow lines will be installed on the north side of the existing access road to the Jamie Fed. #1 well pad and tank battery.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with fresh water that will be obtained from private or commercial sources and will be transported over the existing access roads or fast line beside the access road.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Caliche for surfacing the proposed access road and well site pad will be obtained from an approved Federal pit in the NE¼NW¼ of Section 15-T18S-R31E. The topsoil from the location will be stockpiled near the location for future rehabilitation use. No surface materials will be disturbed except those necessary for actual grading and leveling of the drill site and access road.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.
- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or a separate disposal application will be submitted to the BLM for approval.
- E. Oil produced during operations will be stored in tanks until sold.
- F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- G. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.
- H. All trash and debris will be buried or removed from the well site within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

- A. None required.

9. WELL SITE LAYOUT:

- A. Exhibit "D" shows the relative location and dimensions of the well pad, reserve pits, and major rig components. The pad and pit area has been staked and flagged, 400' X 400'.
- B. Mat Size: 250' X 150', plus 85' X 75' reserve pits.
- C. Cut & Fill: None required, except leveling of small dunes.
- D. The surface will be topped with compacted caliche and the reserve pits will be plastic lined.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in an aesthetically pleasing a condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION:

- A. Topography: The well site and access road are located in the low sand dunes of the Querecho Plains with the proposed site on a gently undulating location with a 1.0% slope to the southwest from an elevation of 3713'.
- B. Soil: The topsoil at the well site is a yellowish-red fine sandy soil of the Berino complex Series, which make up part of the "Deep Sand Country" east of the Pecos River.
- C. Flora and Fauna: The vegetation cover is a poor grass cover of three-awn, dropseed, grama, bluestem and other misc. native grasses along with plants of shinnery oak brush, mesquite, snake broomweed, yucca, cacti and miscellaneous weeds and wildflowers. The wildlife consists of rabbits, coyotes, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.
- D. Ponds and Streams: None in area.
- E. Residences and Other Structures: None in immediate vicinity.
- F. Land Use: Cattle grazing.
- G. Surface Ownership: The proposed well site and access road is on Federal surface and minerals.
- H. There is no evidence of any archaeological, historical or cultural sites in the area. An archaeological survey will be conducted by Archaeological Survey Consultants, P. O. Box D, Roswell, NM 88202, and their report will be submitted to the appropriate government agencies.

Read & Stevens, Inc.
Jamie Federal, Well No. 2
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12. OPERATOR'S REPRESENTATIVE:

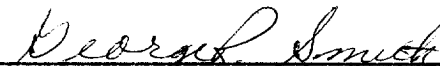
- A. The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

Carl Little
Read & Stevens, Inc.
4129 N. Grimes
Hobbs, NM 88240
Office Phone: (505) 622-3770
Home Phone: (505) 392-8777

13. CERTIFICATION:

I hereby certify that I have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Read & Stevens, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

June 20, 1990


George R. Smith
Agent for: Read & Stevens, Inc.

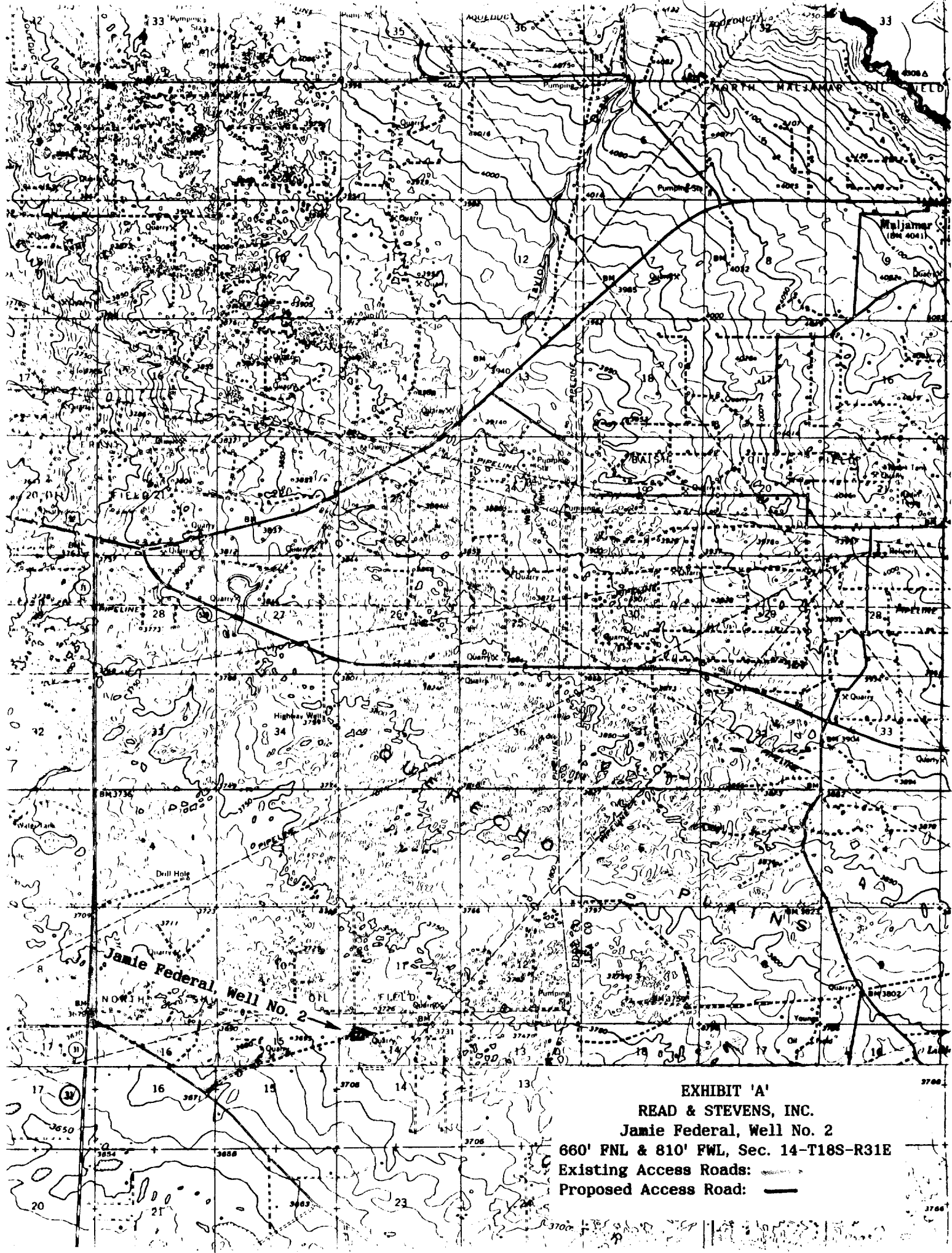


EXHIBIT 'A'

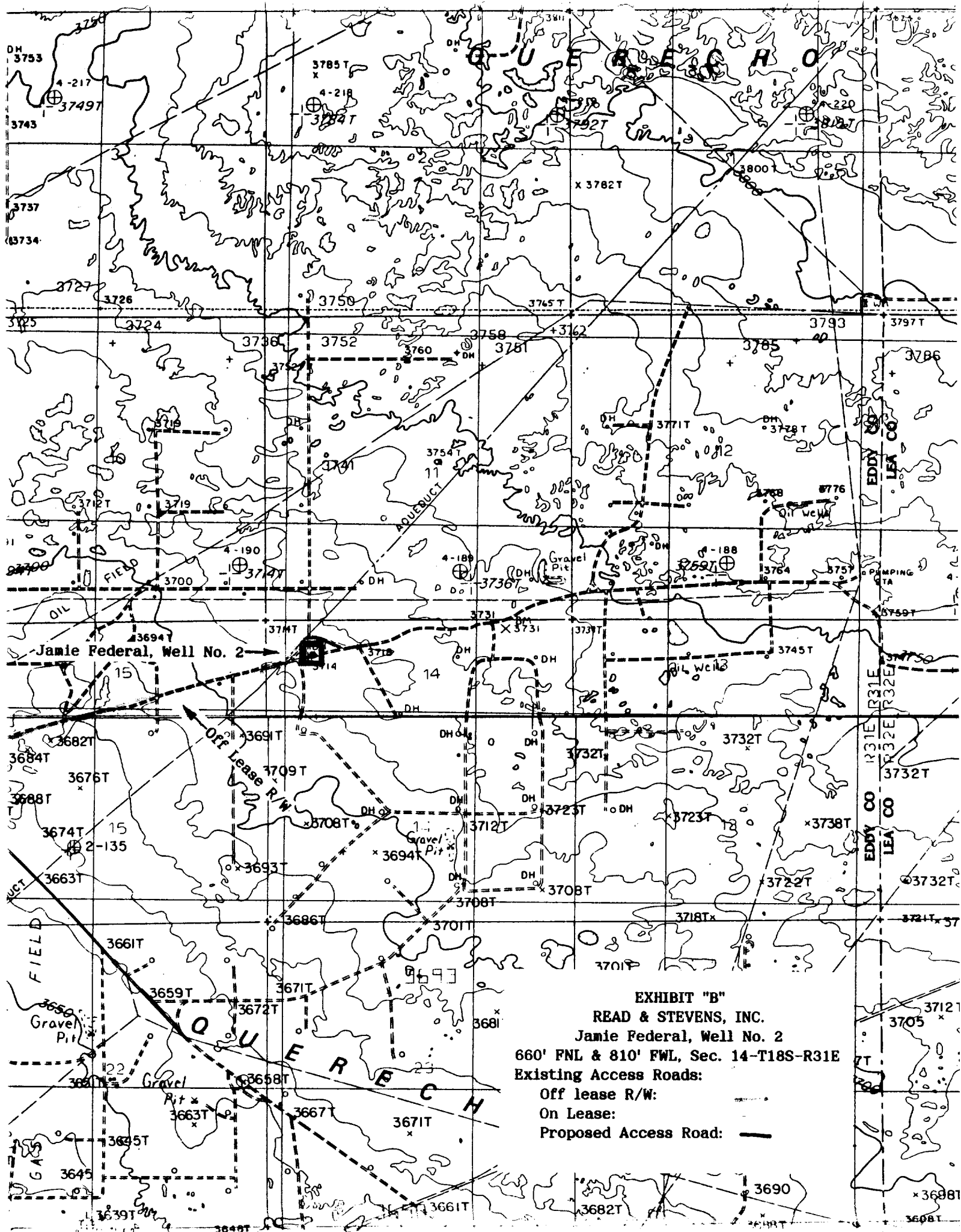
READ & STEVENS, INC.

Jamie Federal, Well No. 2

660' FNL & 810' FWL, Sec. 14-T18S-R31E

Existing Access Roads:

Proposed Access Road: —



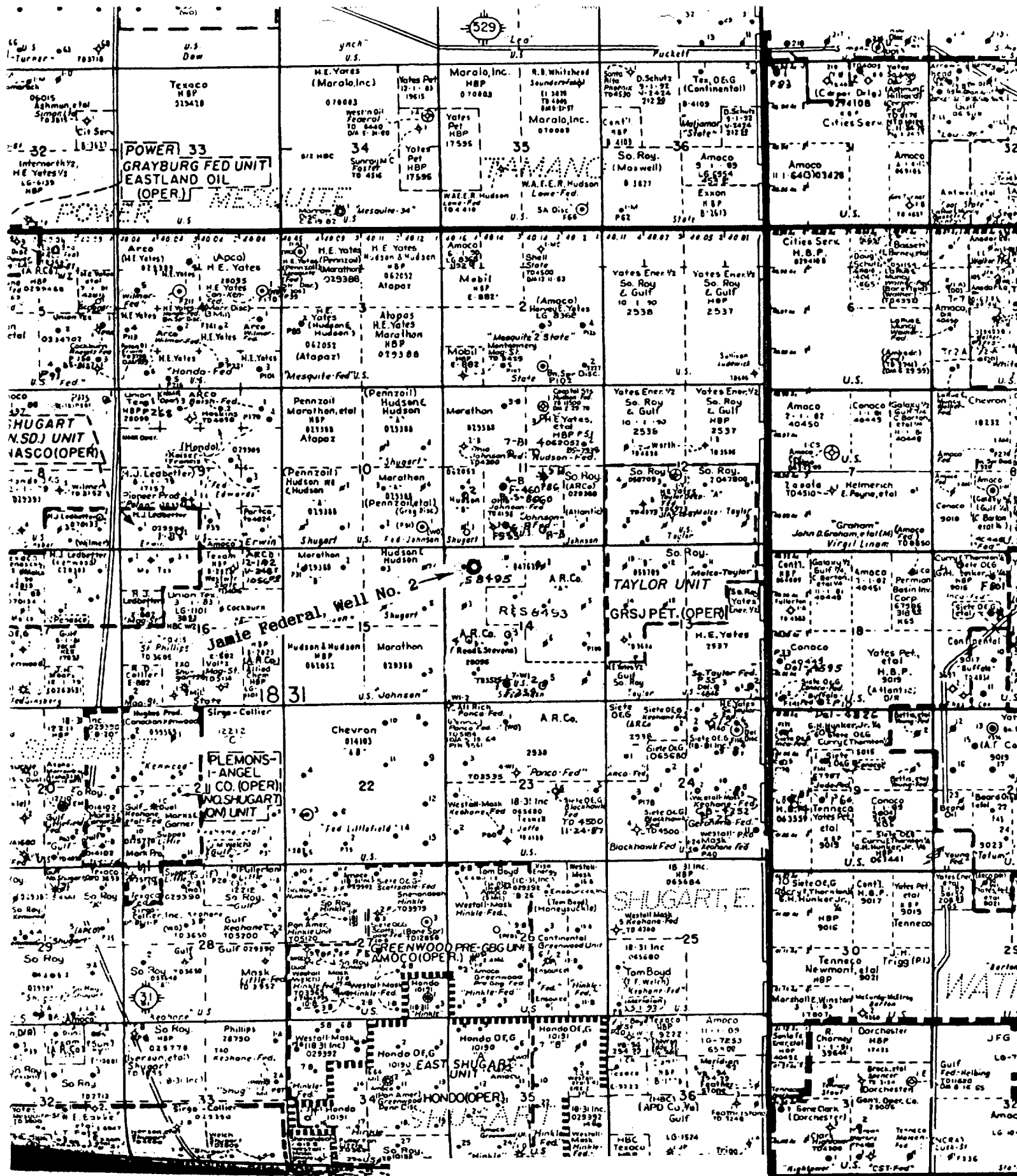
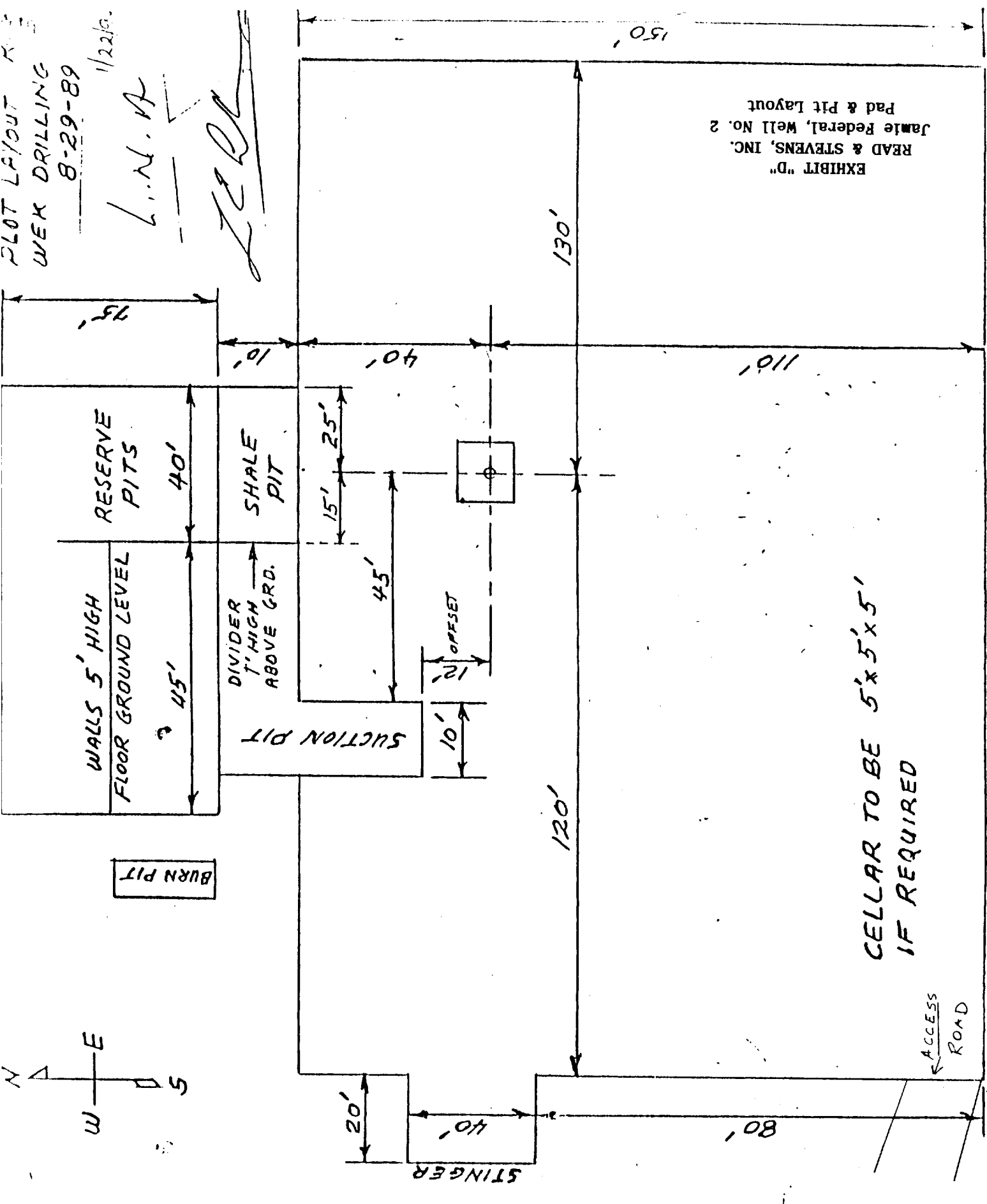


EXHIBIT "C"
READ & STEVENS, INC.
Jamie Federal, Well No. 2
660' FNL & 810' FWL, Sec. 14-T18S-R31E
Existing Wells

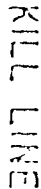
2022
L.N.A.

CELLAR TO BE 5'x5'x5'
IF REQUIRED



3

READ & STEVENS, INC.
Jamie Federal, Well No. 2
BOP Specifications



BOP's are 10" Series 900 Type "B" Shafted Double Hydraulic 6000 psi test, 3000 psi working pressure. All hydraulic valves & controlling are the same test & working pressure.