

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAR 12 2010

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

IEC

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

HOBBSOCD

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM101115
2. Name of Operator READ & STEVENS		6. If Indian, Allottee or Tribe Name
Contact: DAVID LUNA E-Mail: rluna@read-stevens.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address P. O. BOX 1518 ROSWELL, NM 88202	3b. Phone No. (include area code) Ph: 575-622-3770 Ext: 213	8. Well Name and No. HIGHWAY 5 FEDERAL COM 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 5 T20S R34E NW1/4 660FNL 660FWL		9. API Well No. 30-025-39120
		10. Field and Pool, or Exploratory QUAIL RIDGE
		11. County or Parish, and State LEA COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) 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"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Read & Stevens, Inc. respectfully request Water Disposal approval for the Highway 5 Federal Com #1 well.

The Highway 5 Federal Com #1 well is producing water from the Morrow formation at a rate of 1 BPD. The water is stored on the lease in a 210 BBL fiberglass tank. Water is moved by truck to the disposal facility. The facility is the New Mexico Saltwater Disposal Company. The well is the Whitten SWD #1 (WDW). Location is Section 14, T20S, R34E, 1980' FSL & 660' FEL.

NAOCD order # SWD-525

RECEIVED

MAR 12 2010

HOBBSOCD

14. I hereby certify that the foregoing is true and correct. Electronic Submission #82205 verified by the BLM Well Information System For READ & STEVENS, sent to the Hobbs	
Name (Printed/Typed) DAVID LUNA	Title PETROLEUM ENGINEER
Signature (Electronic Submission)	Date 03/03/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>J. D. W. Hobbs</u> <u>EGT</u> <u>3/15/10</u>	Title <u>LRET</u>	Date <u>3/8/2010</u>
Conditions of approval, if any, are attached. Approval of this notice 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.		
Office <u>CFO</u>		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

FILED CAP 5/13/93



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ADMINISTRATIVE ORDER SWD-525

APPLICATION OF READ & STEVENS, INC. FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Rule 701(B), Read & Stevens, Inc. made application to the New Mexico Oil Conservation Division on June 22, 1993, for permission to complete for salt water disposal its Whitten Federal Well No. 1 located 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 14, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

The applicant herein, Read & Stevens, Inc., is hereby authorized to complete its Whitten Federal Well No. 1 located 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 14, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Seven Rivers formation at approximately 3900 feet to 4200 through 2 3/8-inch fiberglass or plastic-lined tubing set in a packer located at approximately 3800 feet.

cc
150L
1000

Administrative Order SWD-525
Read & Stevens, Inc.

1 The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 780 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Seven Rivers formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test so that the same may be inspected and witnessed.


The operator shall immediately notify the supervisor of the Hobbs 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.

PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

7+?7+?7+?~~777~~¹¹⁻⁸⁻¹⁹⁹³8 .8 .8 .8 .8 .8 1; 1; 1; 1; 1; 1;"4">"4">"4">"4">"4">"4">"4">"4">"4">"4"

well, provided however, the Division, upon written request of _____,
extension thereof for good cause shown.


WILLIAM J. LEMAY, Director

xc: Oil Conservation Division - Hobbs
US Bureau of Land Management - Carlsbad