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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease	
STATE <input checked="" type="checkbox"/>	FEE <input type="checkbox"/>
5. State Oil & Gas Lease No.	
K-745	

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Sun 16 State	
2. Name of Operator Read & Stevens, Inc.		9. Well No. 1	
3. Address of Operator P. O. Box 2126, Roswell, New Mexico 88201		10. Field and Pool, or Wildcat Siete San Andres	
4. Location of Well UNIT LETTER <u>L</u> LOCATED <u>1980</u> FEET FROM THE <u>South</u> LINE AND <u>660</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>16</u> TWP. <u>8-S</u> RGE. <u>31-E</u> NMPM		12. County Chaves	
19. Proposed Depth 4000'		19A. Formation San Andres	
20. Rotary or C.T. Rotary		21. Elevations (Show whether DF, RT, etc.) 4220.5' GR - 4230' RKB	
21A. Kind & Status Plug. Bond Statewide		21B. Drilling Contractor MFG Drilling Co.	
22. Approx. Date Work will start 11-4-75			

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP Circulated
11"	8 5/8"	24#	350'	450	
7 7/8"	4 1/2"	9.5#	4000'	350	2800'

See attached well prognosis and blow out preventer schematic.

APPROVAL VALID
UNLESS
1-24-76

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed John L. Anderson Title Agent Date 10-14-75
(This space for State Use)

APPROVED BY Jerry Sklar TITLE Agent DATE 10-14-75
CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-63

All distances must be from the outer boundaries of the Section.

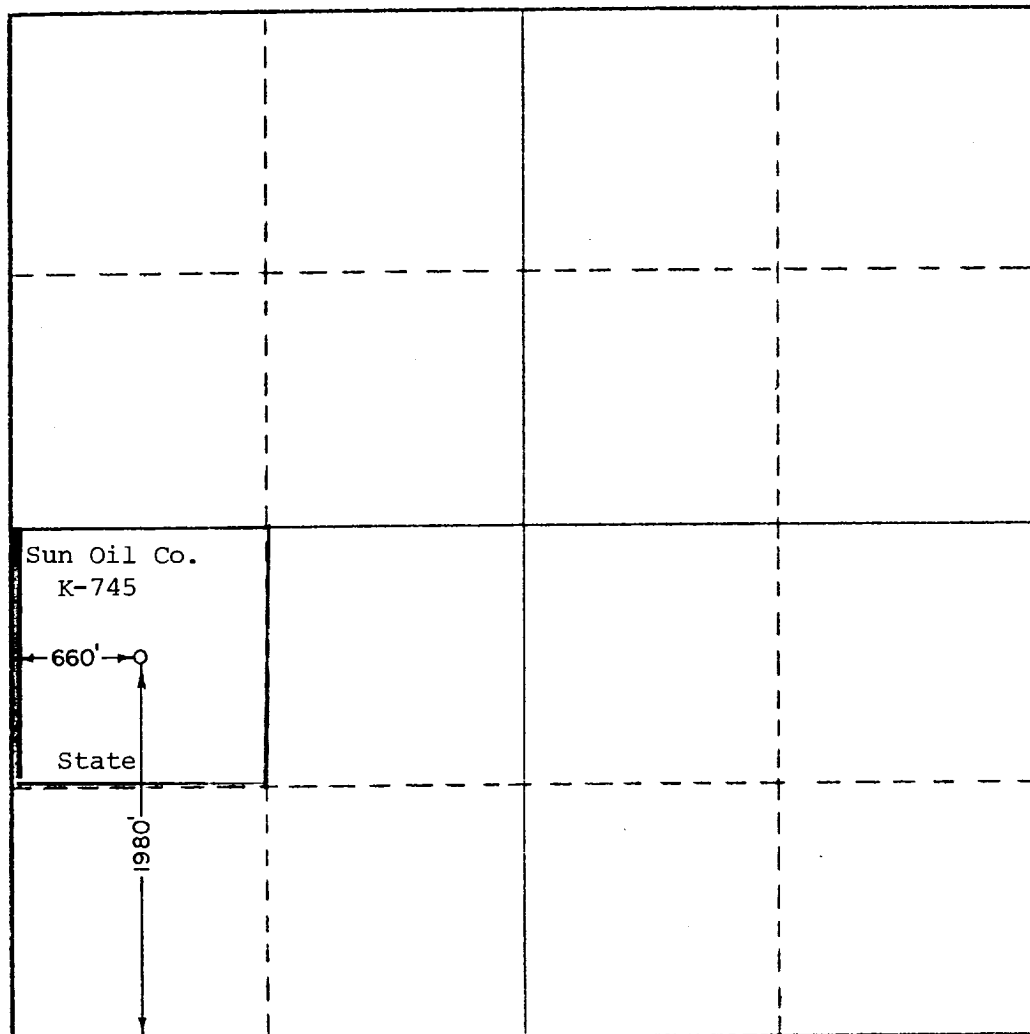
Operator Read & Stevens, Inc.			Lease Sun 16 State		Well No. 1
Unit Letter L	Section 16	Township 8 South	Range 31 East	County Chaves	
Actual Footage Location of Well: 1980 feet from the South line and 660 feet from the West line					
Ground Level Elev. 4220.5	Producing Formation San Andres		Pool Siete San Andres		Dedicated Acreage: 40.00 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 interests 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 interests, has been approved by the Commission.



CERTIFICATION

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

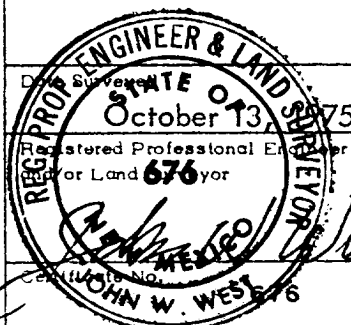
Name
John L. Anderson, Jr.

Position
Agent

Company
Read & Stevens, Inc.

Date
October 14, 1975

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.



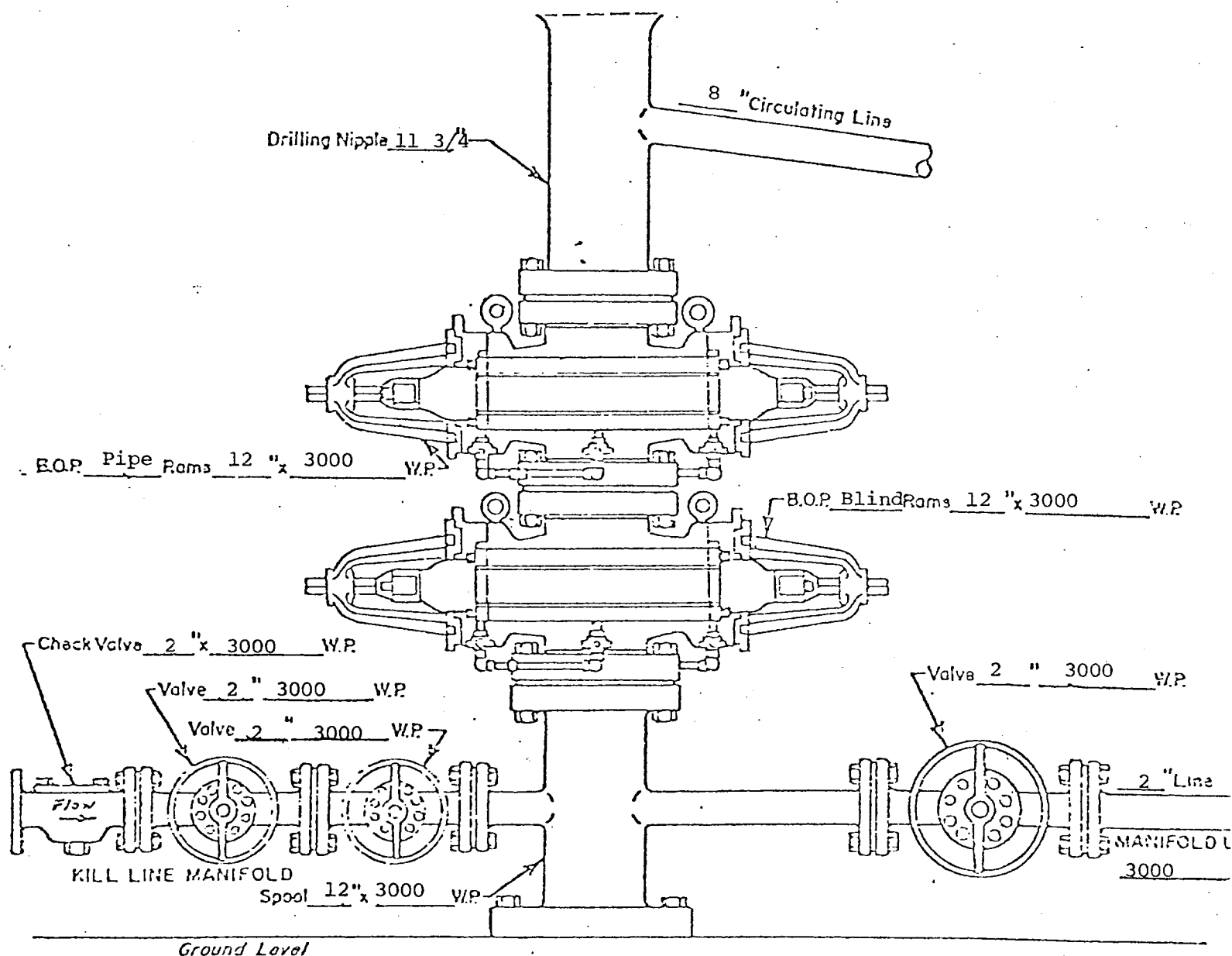
0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

WELL NAME: Read & Stevens #1 16 State

LOCATION: 1980' FSL & 660' FWL Sec. 16-8S-31E

Chaves County, New Mexico

Cameron 10", 900 Series, 5000# test, double gate, Space Saver BOP



SURFACE
WELL HEAD B.O.P.
3000 #W.P.

☐ Manual
☒ Hydraulic

WELL PROGNOSIS

OPERATOR: Read & Stevens, Inc.

WELL: #1 Sun 16 State

FIELD & DEPTH: Siete San Andres - 4000'

LOCATION: 1980' FSL & 660' FWL Sec. 16, T-8-S, R-31-E, Chaves Co., N.M.

CONTRACTOR: MGF Drilling Company

ELEVATION: 4220.5' GR, 4230' RKB

ESTIMATED FORMATION TOPS

T/Ruster	1320' (+2910)
T/Salt	1360' (+2870)
B/Salt	1730' (+2500)
T/Yates	1840' (+2390)
T/Queen	2500' (+1730)
T/San Andres	3005' (+1225)
T/Pi Marker	3550' (+680)
T/Pi Porosity	3755' (+475)

CASING PROGRAM

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt. Per Foot</u>	<u>Setting Depth</u>	<u>Cement</u>
11"	8 5/8"	24# J-55	350'	450 sx.
7 7/8"	4 1/2"	9.5# K-55	4000'	350 sx.

MUD PROGRAM

0'-2800' Clear water and native mud.

2800'-4000' Salt chemical mud system. Mud wt. 10.0#, Vis. 34-38, WL 10-30, 5% oil.

LOGGING PROGRAM

Run Schlumberger Simultaneous Gamma Ray-Caliper, Compensated Neutron Formation Density as porosity tool with Dual Laterolog as Resistivity tool. Detail from 1750' to total depth.

DRILLING PROGRAM

1. Drill 11" hole to 350' and set 8 5/8", 24#, J-55, S.T. & C. casing, cemented with 450 sx. Class "C" cement with 2% CaCl_2 and 1/4# floreal per sx. Cement will be circulated.
2. Drill 7 7/8" hole from 350' to 4000'. Use clear water for drilling fluid to 2800'. Use salt chemical mud system from 2800' to 4000' with mud wt. 10.0#, Vis 34-38 and WL 10-30. Run 4000' of 4 1/2", 9.5#, K-55 casing, cemented with 350 sx. Class "C" cement with 3/4 of 1% CFR-2 with 8# salt per sx., preceded by 500 gallons of mud flush ahead of cement, if completion attempt is warranted.

WELL SUPERVISION

Well site supervision will be maintained from surface to total depth. Samples will be caught, washed and sacked from below surface string at 350' to total depth at 10 foot intervals. All significant shows of oil and/or gas will be drill stem tested. Mechanically recorded drilling time will be maintained from surface to total depth. A daily check of the blowout preventor system will be made from 3000' to total depth.

