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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

<p>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.)</p>		<p>5a. Indicate Type of Lease State <input type="checkbox"/> Fee <input checked="" type="checkbox"/></p>
<p>6. State Oil & Gas Lease No. -----</p>		<p>7. Unit Agreement Name -----</p> <p>8. Farm or Lease Name Scharb Com</p> <p>9. Well No. 1</p> <p>10. Field and Pool, or Wildcat Scharb Bone Spring</p>
<p>11. Operator Read & Stevens, Inc.</p> <p>12. Address of Well P.O. Box 2126, Roswell, New Mexico 88201</p>		
<p>13. Unit Letter J, 1980 FEET FROM THE South LINE AND 1980 FEET FROM THE East LINE, SECTION 7 TOWNSHIP 19-South RANGE 35-East NMPM.</p>		
<p>14. Elevation (Show whether DF, RT, GR, etc.) 3866.2' GR-3879' RKB</p>		
<p>15. County Lea</p>		

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

<p>PERFORM REMEDIAL WORK <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/></p> <p>ALTER OR ALTER CASING <input type="checkbox"/></p> <p>OTHER <input type="checkbox"/></p>	<p>PLUG AND ABANDON <input type="checkbox"/></p> <p>CHANGE PLANS <input type="checkbox"/></p>	<p>REMEDIAL WORK <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/></p> <p>CASING TEST AND CEMENT JOB <input type="checkbox"/></p> <p>OTHER <input checked="" type="checkbox"/> Perforate and Treat</p>	<p>ALTERING CASING <input type="checkbox"/></p> <p>PLUG AND ABANDONMENT <input type="checkbox"/></p>
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16. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

TD 10,223'. On 3-10-78, perf. 10,138'-10,152' w/ 2 jet shots per ft., total of 28 holes. On 3-11-78, ran 2 3/8" tubg. w/ RTTS pkr. and spotted acid across perfs. Acidized w/ 2000 gals. 15% MEA acid. Formation broke @ 5000#. Max. treat. press. 5000#, min. treat. press. 4500#, aver. treat. press. 4750#, aver. inj. rate 2.8 BPM. ISDP 3200#, 5 min. SIP 2600#, 10 min. SIP 1800#. Total load 86.8 bbls. Swabbed & rec. est. 5 bbls. load w/ show of oil. On 3-16-78, perf. 10,153'-10,162' w/ 2 jet shots per ft., total of 20 holes. Acidized perfs 10,138'-10,162' w/ 5000 gals. Mod 202 acid in two stages of 2500 gals. each w/500# blocking material between stages. Max. treat. press. 4600#, min. treat. press. 1200#, aver. treat. press. 3500#, aver. inj. rate 5 BPM. ISDP 1800#, 1 min. SIP vacuum. Total load 159 bbls. Swabbed back all load. On 3-20-78, pulled RTTS pkr. and ran 321 joints 2 3/8", EUE, 8 rd., 4.7#, J-55 & N-80 tubg., total of 10,183.63', set @ 10,148.63' RKB w/ seating shoe @ 10,134' & TM anchor catcher @ 10,006' RKB. Set pumping unit.

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

SIGNED *John L. Anderson Jr* TITLE Agent DATE 4-7-78

APPROVED BY Jerry Sexton TITLE Dist. 1, Supv. DATE APR 10 1978

CONDITIONS OF APPROVAL