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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease	
STATE <input type="checkbox"/>	FEE <input checked="" type="checkbox"/>

5. State Oil & Gas Lease No.
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APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		
DRILL <input checked="" type="checkbox"/>	DEEPEN <input type="checkbox"/>	PLUG BACK <input type="checkbox"/>

b. Type of Well		
OIL WELL <input checked="" type="checkbox"/>	GAS WELL <input type="checkbox"/>	OTHER <input type="checkbox"/>
SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		

2. Name of Operator		
Read & Stevens, Inc		

3. Address of Operator		
P.O. Box 1518, Roswell, NM 88201		

4. Location of Well		
UNIT LETTER <u>P</u>	LOCATED <u>330</u>	FEET FROM THE <u>East</u> LINE

AND <u>330</u> FEET FROM THE <u>South</u> LINE OF SEC. <u>7</u> TWP. <u>17S</u> R. <u>37E</u> N.M.M.		
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7. Unit Agreement Name	
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8. Firm or Lease Name	
Midway "7"	

9. Well No.	
1	

10. Field and Pool, or Without	
Midway Abo	

11. Field and Pool, or Without	
Midway Abo	

12. County	
Lea	

13. Elevation (Show whether DE, RL, etc.)		
3791.6' GL		

14. Kind & Status Plug, Bond		
Statewide		

15. Drilling Contractor		
Sierra Drlg Co. #2		

16. Approx. Date Work will start		
Dec. 1, 1981		

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	54.5#	300'	300 sx	Circ.
11"	8 5/8"	24# & 32#	3500'	2000 sx	Circ.
7 7/8"	5 1/2"	17#	9200'	750 sx	3500'

We propose to drill and test the Abo and Intermediate formations. Approximately 300' of surface casing will be set to protect freshwater sands with cement circulated. Intermediate casing will be set at approximately 3500' with cement circulated. If commercial pay is encountered, we will run 5 1/2" casing, with a minimum of 600' of cement above the upper potential producing zone, perforate and stimulate as needed for production.

Mud Program: Spud mud to 300'
300' to 3500' Brine & LCM
3500' to 9200' KCL brine w/ drispak, gel & flosal

BOP Program: 11" 5000psi WP Shaffer annular BOP, 11" 5000psi WP Shaffer type "LWS". Hydraulic operated double BOP. 90-115 Melco closing unit w/ 90 gal capacity.

IF ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTION ZONE AND PROPOSED NEW PRODUCTION 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 Bruce Shultz Title Drilling & Production Mgr Date 11-3-81

(This space for State Use)

Orig. Signed By

APPROVED BY Jerry Sexton TITLE State Engineer DATE 11-10-81

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 5/13/82
UNLESS DRILLING COMMENCES