

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

3a. Area Code & Phone No.

505/622-3770

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

1730' FNL & 1980' FWL

unit F

At proposed prod. zone

Same

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

33 miles southwest of Hobbs, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1730'

16. NO. OF ACRES IN LEASE

480

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.

150'

19. PROPOSED DEPTH

6600'

20. ROTARY OR CABLE TOOLS

Rotary

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

GR: 3637'

3640'

22. APPROX. DATE WORK WILL START*

October 1, 1991

PROPOSED CASING AND CEMENTING PROGRAM

Secretary's Potash

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	47#	J-55	STC	1600'	Circ 950 sx C
*7 7/8"	5 1/2"	15.5#	J-55	STC	6600'	Tieback 200sx
						H + 1000sx HL
						SEE SLIPS.

Mud Program:

0' - 1600': Fresh water spud mud:
1600' - 5400': Brine mud:
5400' - 6600': Brine mud:

Mud Wt.

8.4 ppg

10 ppg

10 ppg

Vis.

28-32

28-32

28-32

W/L Control

No W/L cont.

No W/L cont.

W/L cont. 15cc

BOP Program:

A 10" 3000 psi wp Shaffer Series 900 BOP will be installed on the 13 3/8" casing. Casing and BOP will be tested before drilling out with 7 7/8". BOP will be used as a 2000 psi wp system and will be tested daily. See exhibit "E".

* If drilling conditions dictate: will ream out to 11" for 35-4500' 8 5/8" (24 & 32#) casing, and run Two Stage DV tool cementing: Stage 1: 200 sx HL + 200 sx "C"

Stage 2: 625 sx HL + 300 sx "C" to circulate

To be witnessed by BLM representative.

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 blowout preventer program, if any.

24.

SIGNED

Agent for:

TITLE Read & Stevens, Inc.

Sept. 16, 1991

DATE

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL TO:

GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

ATTACHED

*See Instructions On Reverse Side

OIL CONSERVATION DIVISION

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

TRACT I
O. Box 1980, Hobbs, NM 88240

TRACT II
O. Drawer DD, Artesia, NM 86210

TRACT III
100 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 North Lea Federal		Well No. 5
Init Letter F	Section 10	Township 20 South	Range 34 East	County Lea	
Actual Footage Location of Well: 1730 feet from the North line and 1980 feet from the West line Ground level Elev. 3637 Producing Formation Delaware Pool Quail Ridge Delaware Undesignated Dedicated Acreage: 40 Acres					

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

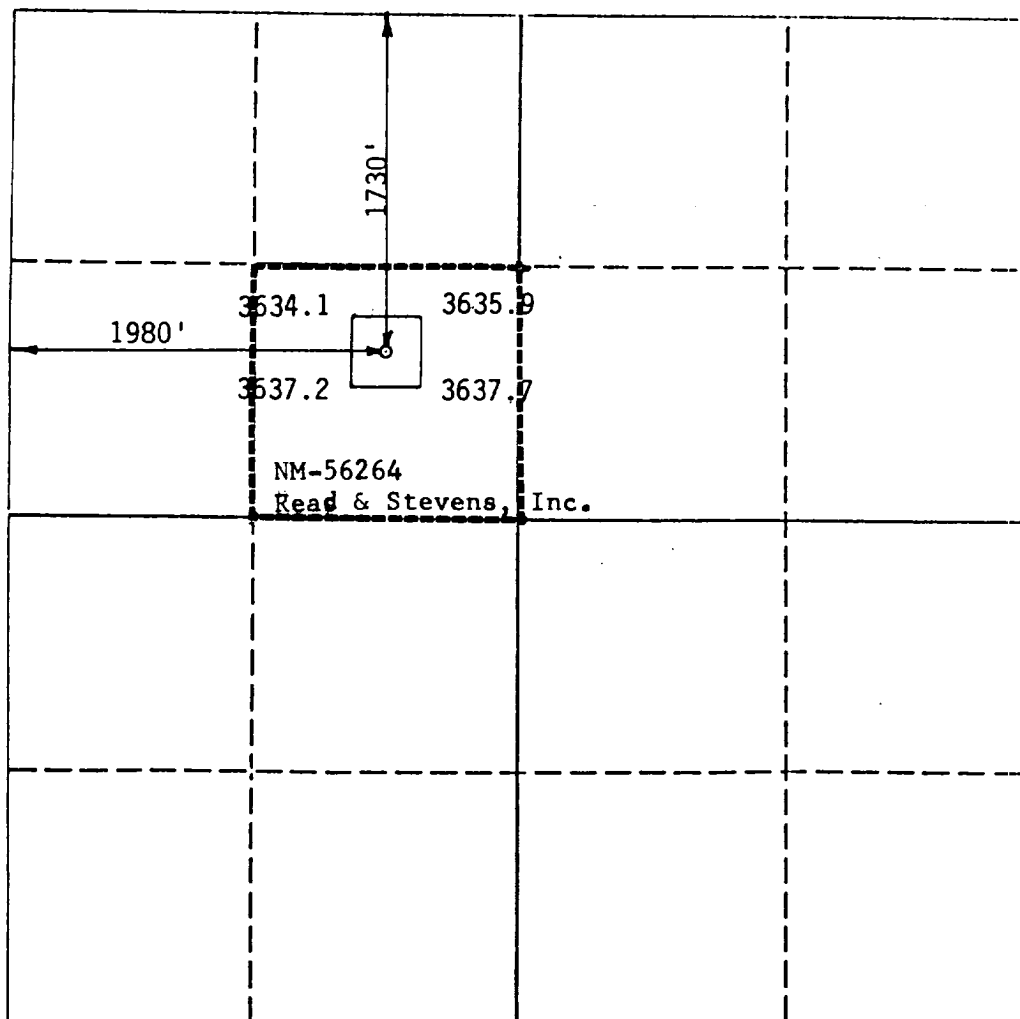
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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

Printed Name

George R. Smith

Position

Agent for:

Company

Read & Stevens, Inc.

Date

Sept. 22, 1991

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.

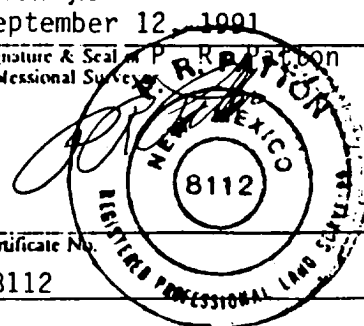
Date Surveyed

September 12, 1991

Signature & Seal of Professional Surveyor

Certificate No.

8112



APPLICATION FOR DRILLING

READ & STEVENS, INC.
North Lea Federal, Well No. 5
1730' FNL & 1980' FWL, Sec. 10-T20S-R34E
Lea County, New Mexico
Lease No.: NM-56264
(Exploratory 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	1600'	Seven Rivers	3900'
Top of Salt	1820'	Delaware	5650'
Base of Salt	3200'	T.D.	6600'
Yates	3445'		
Queen	3720'		

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

Water: Surface water in the Triassic between 80' - 230'.

Oil: Possible in the Delaware below 5650'

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: T.D. to surface casing:

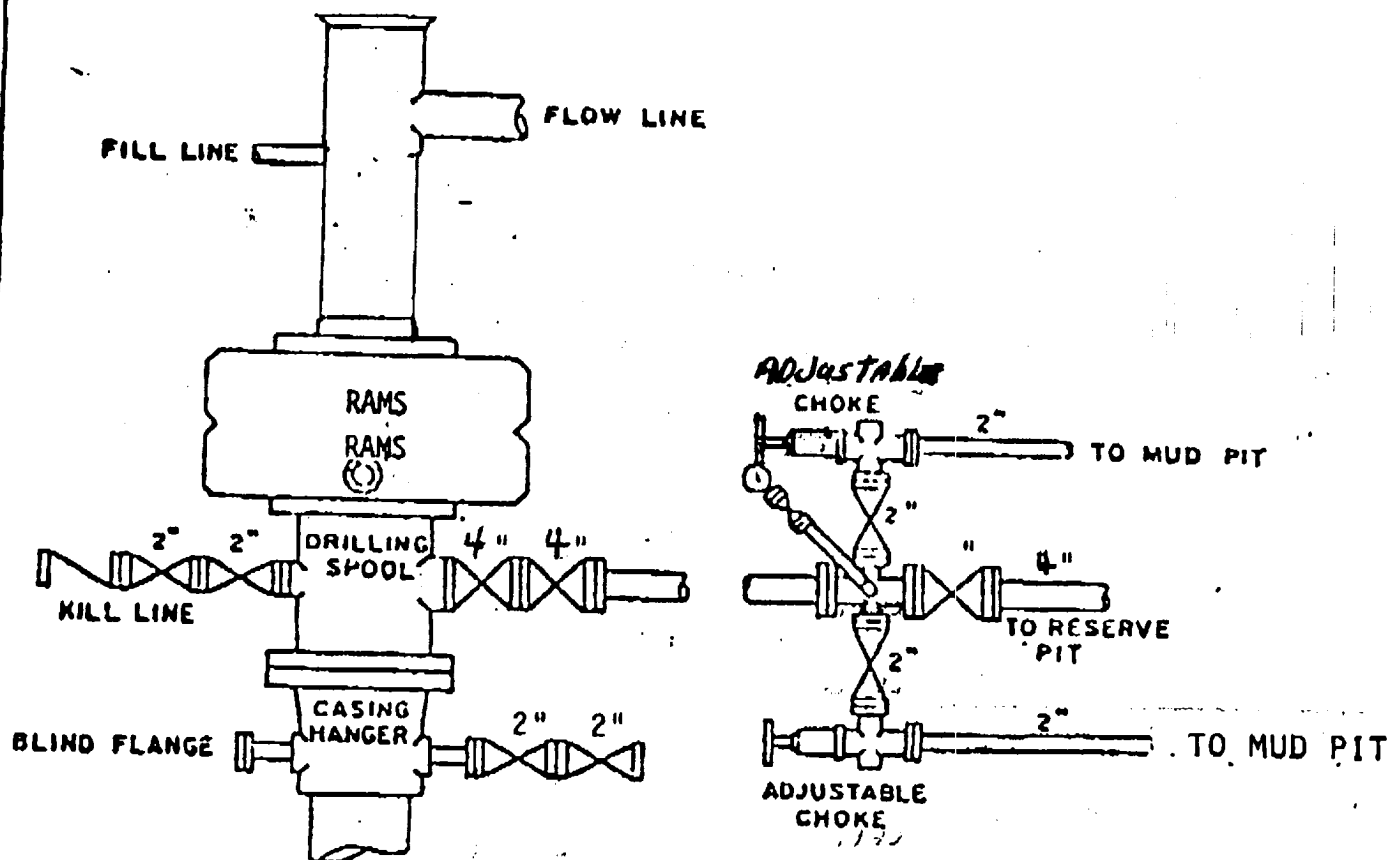
G/R, CNL-FDC, DLL, MLL

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: October 1, 1991.

Anticipated completion of drilling operations: Approx. 3 weeks.

**BOP STACK****3000 PSI WORKING PRESSURE**

Will be used as a 2000 psi wp system.

EXHIBIT "E"
READ & STEVENS, INC.
North Lea Federal, Well No. 5
BOP Specifications

RIG # 4
JSM Drilling Co.
BOP ARRANGEMENT