

30-025-31719

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3160(067)
NM-56264

AUG 21, 1992

TJH 8-15-92
T.O'Brien 8-16-92
Rlm 8/16/92
A.L. Lopez 8/19/92

JmCone
8/19/92

CERTIFIED--RETURN RECEIPT REQUESTED
P 696 486 634

Read & Stevens, Inc.
Attention: George R. Smith
P. O. Box 1518
Roswell, NM 88202

RE: North Lea Federal Well No. 6
NM-56264
533' FNL & 2096' FEL, Sec. 10, T20S, R34E
Lea County, New Mexico

Dear Mr. Smith:

I am happy to approve your Application for Permit to Drill (APD) at the present location. Your copy of the APD, with attached stipulations, is enclosed.

As you may be aware, there has been a significant increase in APD's in the Secretary's Potash Area. Unfortunately, this has resulted in time delays, which I sincerely hope have not unduly burdened your company.

If you need any additional information please contact Tony Herrell at the Carlsbad Resource Area (505) 887-6544.

Sincerely,

Larry L. Woodard
Larry L. Woodard
State Director

1 Enclosure
1 - Application for Permit to Drill (APD)

bcc:
NM (910, L. Woodard)
NM (920, R. Smith)
NM (060, L. Cone)
NM (065, A. Lopez)
NM (067, T. Herrell)

067:JOlsen:nm:08/14/92:A:\nolea106.AL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

30-025-31719

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 ☐
2. NAME OF OPERATOR
Read & Stevens, Inc.
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 533' FNL & 2094' FEL Unit B
At proposed prod. zone Same
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
33 miles southwest of Hobbs, NM
10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 533'
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. 1212.7'
19. PROPOSED DEPTH 6600'
20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3643' GL Secretary's Potash
22. APPROX. DATE WORK WILL START* July 5, 1992

23. PROPOSED CASING AND CEMENTING PROGRAM Capitan Controlled Water Basin

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54.5#	J-55	STC	1600'	Circ 1200 sx
11"	8 5/8"	32.0#	N-80	STC	5000'	Circ 1100 sx*
7 7/8"	5 1/2"	15.5#	J-55	STC	6600' to 4800'	tie w/300 sx H

Mud Program:
0' - 1600': Fresh water native mud: mud wt. 8.4 ppg, Vis. 32, No W/L control.
1600' - 5000': Brine mud: mud wt. 10 ppg, Vis. 28-32, No W/L control.
5000' - 6600': Cut brine mud: mud wt. 8.8 ppg, Vis. 32-40, W/L control 15cc.

BOP Program:
A 10" 3000 psi wp Shaffer Series 900 BOP will installed on the 13 3/8" casing. Casing and BOP will be tested before drilling out with 11". BOP will used as a 2000 psi wp system and will be tested daily.

* Cement with DV tool @ 3800':
1st stage: Lead 200 sx lite, tail in w/200 sx C
2nd stage: Lead 500 sx lite cement, tail w/200 sx neat. Cement to surface.

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 George A. Smith TITLE Agent for: Read & Stevens, Inc. DATE June 16, 1992
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:
APPROVAL SUBJECT TO:
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

*See Instructions On Reverse Side

OIL CONSERVATION DIVISION

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

TRACT I
Box 1980, Hobbs, NM 88240

TRACT II
Drawer DD, Artesia, NM 88210

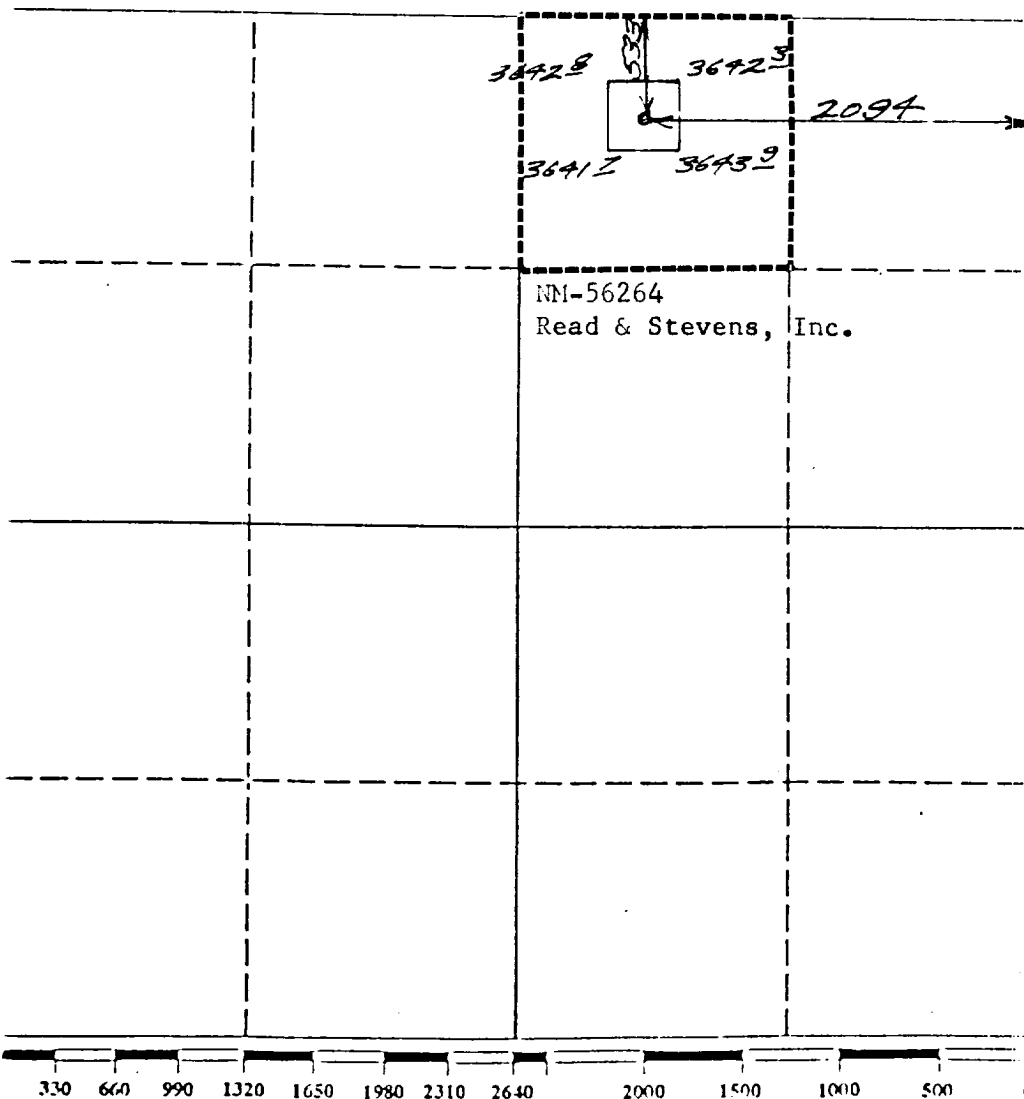
TRACT III
Rio Brazos Rd., Aztec, NM 87410

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. 6
Section Letter B	Section 10	Township 20 South	Range 34 East	County Lea	
Actual Footage Location of Well: 533 feet from the North line and 2094 feet from the East line					
Ground level Elev. 3643	Producing Formation Delaware		Pool Quail Ridge Delaware Undesignated		Dedicated Acreage: 40 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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

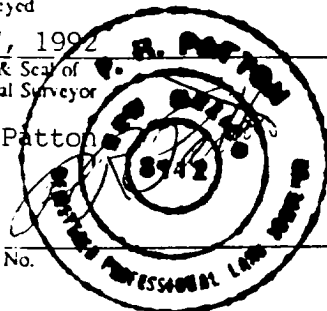
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
George R. Smith
Printed Name
George R. Smith
Position
Agent for:
Company
Read & Stevens, Inc.
Date
June 16, 1992

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
May 7, 1992
Signature & Seal of Professional Surveyor
P.R. Patton
Certificate No.
8112



APPLICATION FOR DRILLING

READ & STEVENS, INC.
North Lea Federal, Well 6
533' FNL & 2094' FEL, 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'	Queen	3720'
Top of Salt	1820'	Seven Rivers	3900'
Base of Salt	3200'	Delaware	5650'
Yates	3445'	T.D.	6600'

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

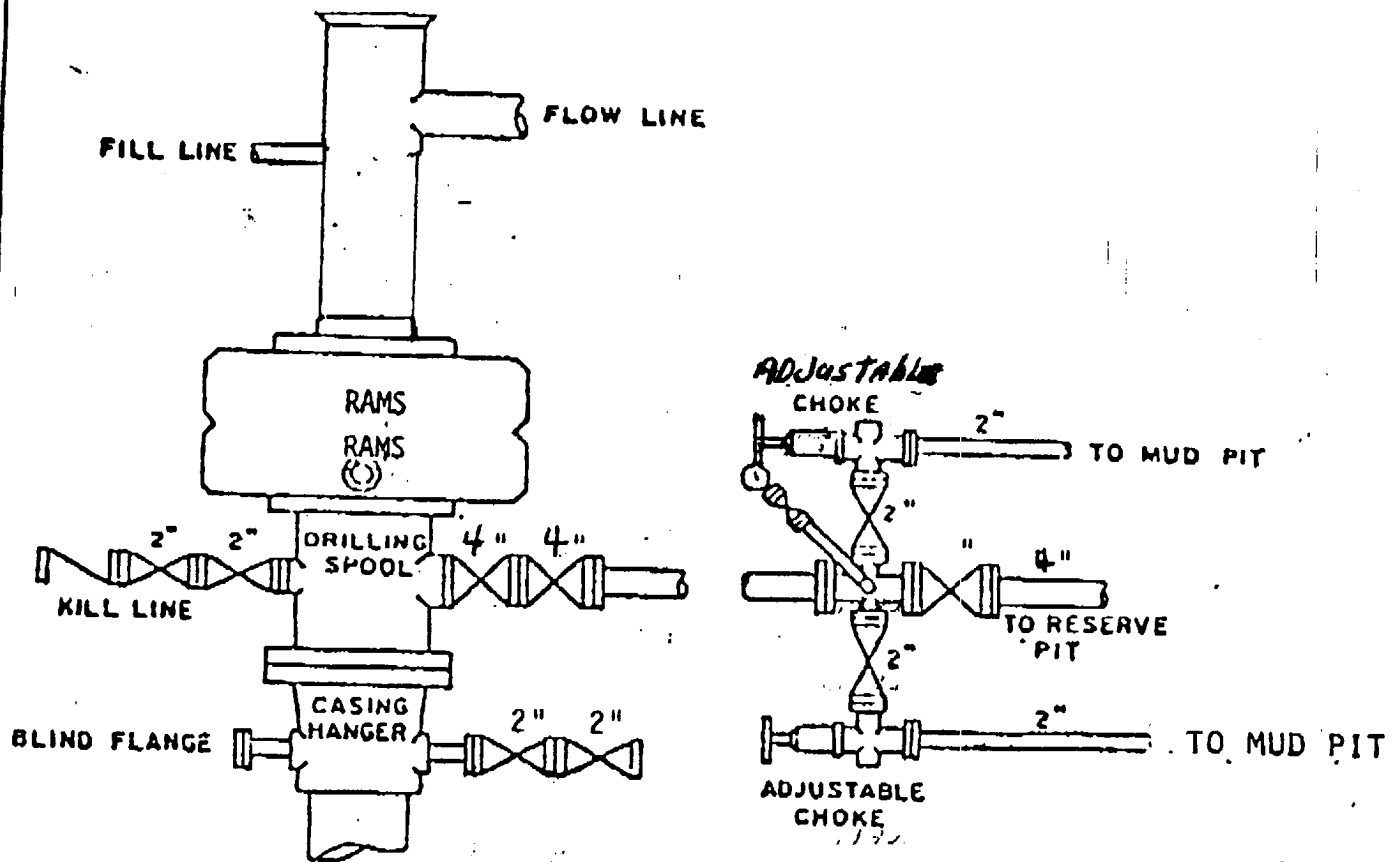
Coring: None planned.

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. H₂S: None expected. None in previously drilled wells.

11. Anticipated starting date: July 5, 1992.

Anticipated completion of drilling operations: Approx. 3 weeks.

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

Will be used as a 2,000 psi wp system.

EXHIBIT "E"
READ & STEVENS, INC.
North Lea Federal, Well No. 6
BOP Specifications

RIG # 4
JSM Drilling Co.
BOP ARRANGEMENT

26-91-01 8204
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SEP 11 1964
OLD 11-1