

30-025-3173

OFFICIAL FILE COPY

3160(067)
NM-56264

SEP - 2 - 92

TJH 8/21/92
D.G. Lopez 8/26/92

fm Cone
8/27/92

CERTIFIED--RETURN RECEIPT REQUESTED
P 319 327 451

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

RE: North Lea Federal Well No. 7
NM-56264
1980' FNL & 1980' FEL, Sec. 10, T20S, R34E
Lea County, New Mexico

Dear Mr. Smith:

I am pleased 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,

15/ Frank Splendoria

for 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, A. Lopez)
NM (060, L. Cone)
NM (067, T. Herrell)

067:THerrell:nm:08/20/92:A:\NLEAFED7.AL

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFICE FOR THE
OF COPIES REQUIRED
(Other instructions on
reverse side)

30-025-31737
BLM Roswell District
Modified Form No.
ND60-3160-2

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"/> | | 5. LEASE DESIGNATION AND SERIAL NO. NM-56264 |
| 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"/> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME |
| 2. NAME OF OPERATOR Read & Stevens, Inc. | | 7. UNIT AGREEMENT NAME |
| 3. ADDRESS OF OPERATOR P. O. Box 1518 Roswell, NM 88202 | | 8. FARM OR LEASE NAME North Lea Federal |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980' FNL & 1980' FEL <i>Unit 6</i> | | 9. WELL NO. 7 |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 33 miles southwest of Hobbs, NM | | 10. FIELD AND POOL OR WILDCAT <i>Wildcat</i> <i>Gravel Ridge Dehutan</i> |
| 10. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 933.38' | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 10-R20S-T34E |
| 18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 995.04' | | 12. COUNTY OR PARISH Lea |
| 16. NO. OF ACRES IN LEASE 480 | | 13. STATE New Mexico |
| 19. PROPOSED DEPTH 6600' | | 17. NO. OF ACRES ASSIGNED TO THIS WELL 40 |
| 20. ROTARY OR CABLE TOOLS Rotary | | 22. APPROX. DATE WORK WILL START August 10, 1992 |
| 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3637' GL | | |

| 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" | 54.5# | J-55 | STC | 1600' | Circ 1200 sx C |
| 11" | 8 5/8" | 32.0# | N-80 | LTC | 5000' | Circ 1100 sx* |
| 7 7/8" | 5 1/2" | 15.5# | J-55 | STC | 6600' | tie w/300 sx |

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.
1600'-6600': Gel & lost circulation material will be added as needed.

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. Agent for:
Read & Stevens, Inc. July 20, 1992

SIGNED: *Robert J. Smith*
(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE

APPROVED BY TITLE DATE

APPROVAL SUBJECT TO:

GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

ATTACHED

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

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JCD HOBBS OFFICE

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

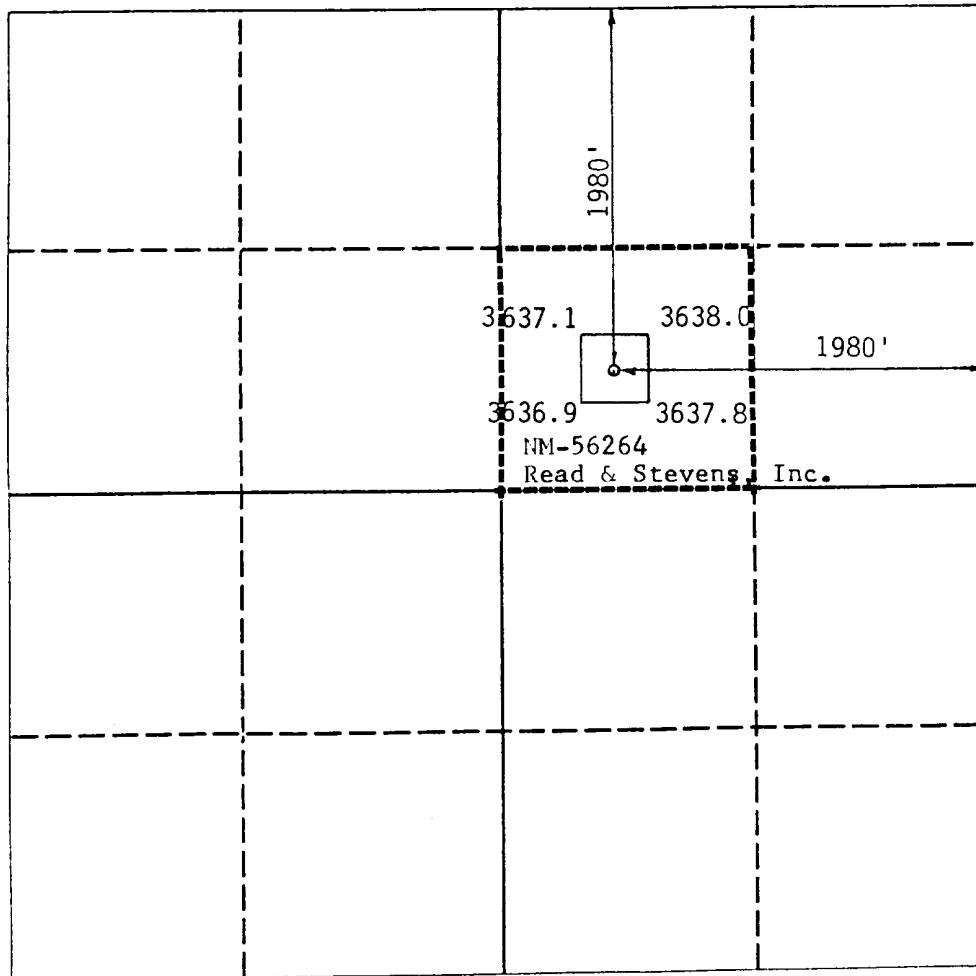
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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. 7 |
| Unit Letter G | Section 10 | Township 20 South | Range 34 East NMPM | County Lea |
| Actual Footage Location of Well: 1980 feet from the North line and 1980 feet from the East line | | | | |
| Ground level Elev. 3637 | Producing Formation Delaware | Pool Undesignated | Dedicated Acreage: 40 Acres | |

- Outline the acreage dedicated to the subject well by colored pencil or hachure 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.

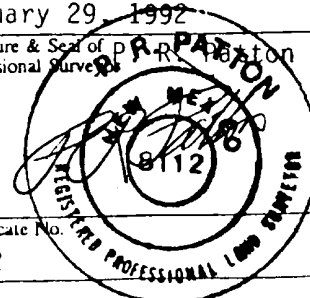
Signature
George R. Smith
Printed Name
George R. Smith
Position
Agent for:
Company
Read & Stevens, Inc.
Date
July 20, 1992

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
January 29, 1992
Signature & Seal of Professional Surveyor
R. R. Patton

Certificate No.
8112



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APPLICATION FOR DRILLING

READ & STEVENS, INC.
North Lea Federal, Well No. 7
1980' FNL & 1980' 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'

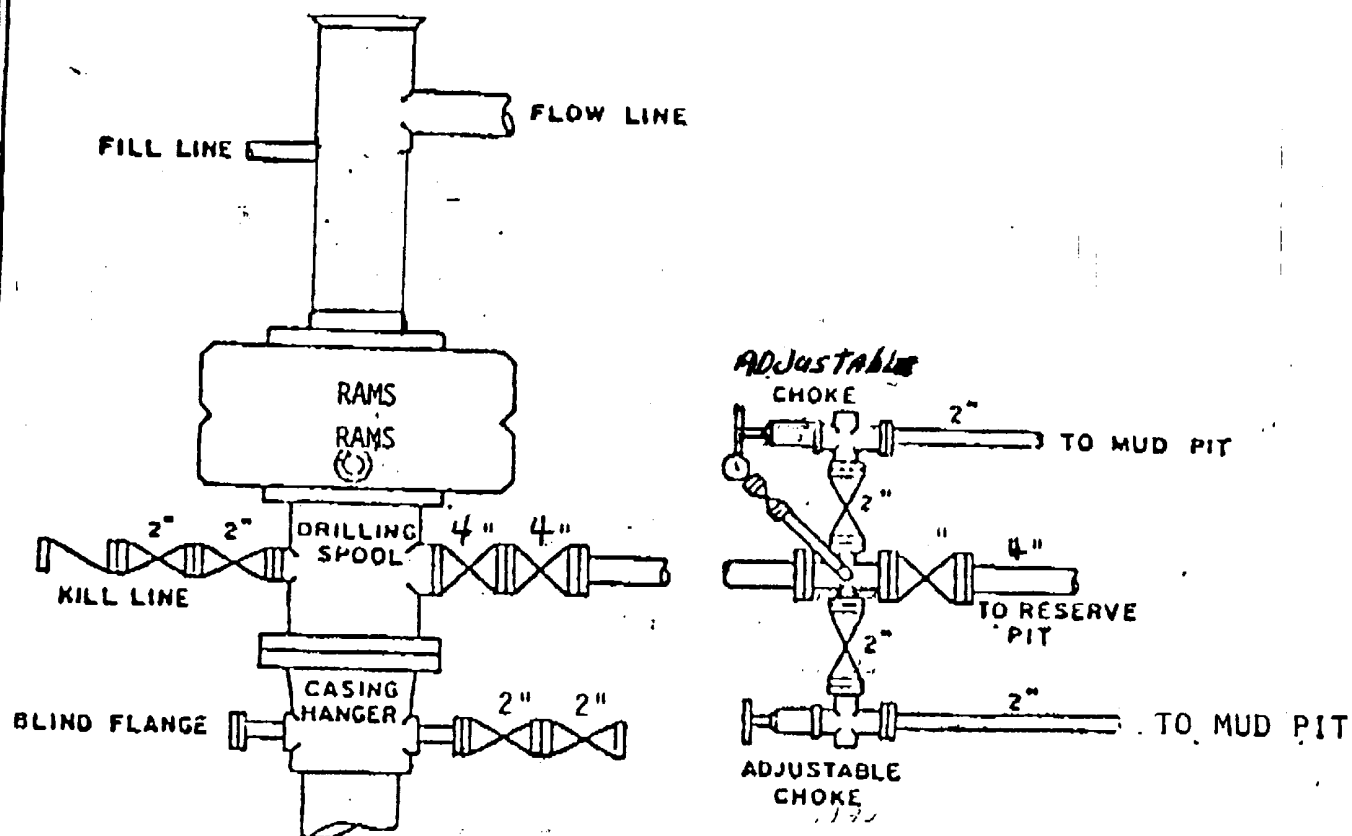
Gas: None expected.
4. Proposed Casing Program: See Form 3160-3.
5. Proposed Control Equipment: See Form 3160-3 and Exhibit "E".
6. Mud Program: See Form 3160-3.
7. Auxiliary Equipment: Blowout Preventer, gas detector, Kelly cock, pit level monitor, flow sensors and stabbing valve.
8. Testing, Logging, 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. Estimated BHP = 3000 psi with temperature of 110 degrees.
10. H₂S: None expected. None in previously drilled wells.
11. Anticipated starting date: August 10, 1992.
Anticipated completion of drilling operations: Approx. 3 weeks.

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**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. 7
BOP Specifications

RIG # 4
JSM Drilling Co.
BOP ARRANGEMENT

2688-11 8771

ELF

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