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Form 3160-5 (June 1997) P. O. BOX 1980 UNITED STATES HOBBS, NEW MEXICO 88240 FORM APPROVED Budget Bureau No. 1004-0135 * DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 BUREAU OF LAND MANAGEMENT 5. Lease Designation and Serial No. NM-54432 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well Oil Well 2. Name of Operator Mark Federal Read & Stevens, Inc. 9. API Well No. 3. Address and Telephone No. 30-025-32158 P.O. Box 1518 505/622-3770 10. Field and Pool, or Exploratory Area Roswell, NM 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Quail Ridge Delaware 1,650' FSL & 330' FEL 11. County or Parish, State Section 3-T20S-R34E Lea County, New Mexico

CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Change of Plans Notice of Intent Abandonment Recompletion **New Construction** X Subsequent Report Plugging Back Non-Routine Fracturing Water Shut-Off Casing Repair Final Abandonment Notice Altering Casing Conversion to Injection Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Read & Stevens, Inc. originally specified in the APD that the intermediate casing on the subject well be set at 5,000'. The sole reason for setting the intermediate casing was because of a severe lost circulation zone located between 3,800' and 4,500'. We anticipated the possibility of not encountering the lost circulation interval on this well. After drilling through the interval, we, in fact, did not lose returns and have had no indication of even partial loss of return. Since the intermediate string is only run for the lost circulation zone and the zone has not been encountered, and since the intermediate string increases cost significantly, we request approval to reduce hole size from 11" to 7 7/8" and drill to a TD of approximately 6,500'. The intermediate string will not be run and 5 1/2" casing will be run to TD and cemented to the surface.

For your information, the 13 3/8" surface casing was run to 1,500' and successfully cemented to surface.

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14. I hereby certify that the foregoing is true and correct		
14. I hereby certify that the foregoing is true and correct Signed	TitleJohn C. Maxey, Jr.	Date 9/8/93
(This space for Federal or State office use)	Petroleum Engineer	
Approved by Conditions of approval, if any:	Title	Date

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 United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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