

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Oil Conservation Division RECEIVED
1220 South St. Francis Dr. - ARTESIA
Santa Fe, NM 87505

Form C-104
Revised June 10, 2003

Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | | | |
|--|--|---------------------|--|--|
| ¹ Operator name and Address Read & Stevens, Inc. P. O. Box 1518 Roswell, NM 88202 | | CONFIDENTIAL | ² OGRID Number 018917 | |
| | | | ³ Reason for Filing Code/ Effective Date NW | |
| ⁴ API Number 30 - 0 15-35195 | ⁵ Pool Name Undesignated Diamond Mound Morrow Gas | | ⁶ Pool Code 76079 | |
| ⁷ Property Code | ⁸ Property Name Horseshoe 17 Federal Com | | ⁹ Well Number 1 | |

II. ¹⁰ Surface Location

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|---------------|---------------|----------------|--------|
| Ul or lot no. | Section | Township | Range | Lot.Idn | Feet from the | North/South | Feet from the | East/West line | County |
| - | 17 | 16S | 27E | | 710 | Line South | 480 | East | Eddy |

¹¹ Bottom Hole Location

| | | | | | | | | | |
|------------------------------------|--|---|-----------------------------------|---------|------------------------------------|------------------|-------------------------------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| | | | | | | | | | |
| ¹² Lse Code F | ¹³ Producing Method Code Flowing | ¹⁴ Gas Connection Date SIWOPL | ¹⁵ C-129 Permit Number | | ¹⁶ C-129 Effective Date | | ¹⁷ C-129 Expiration Date | | |

III. Oil and Gas Transporters

| | | | | |
|------------------------------------|---|-------------------|-------------------|---|
| ¹⁸ Transporter OGRID | ¹⁹ Transporter Name and Address | ²⁰ POD | ²¹ O/G | ²² POD ULSTR Location and Description |
| 036785 | Duke Energy Field Services P. O. Box 50020 Midland, TX 79710 | | G | Unit Letter B Section 16 T16S-R27E |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

IV. Produced Water

| | |
|-------------------|---|
| ²³ POD | ²⁴ POD ULSTR Location and Description P Section 17 T16S-R27E |
|-------------------|---|

V. Well Completion Data

| | | | | | |
|---|---|-----------------------------------|-------------------------------------|--|-----------------------|
| ²⁵ Spud Date 8/31/06 | ²⁶ Ready Date 12/09/06 | ²⁷ TD 8,900' | ²⁸ PBTD 8,851' | ²⁹ Perforations 8,490'-8,514' | ³⁰ DHC, MC |
| ³¹ Hole Size | ³² Casing & Tubing Size | ³³ Depth Set | | ³⁴ Sacks Cement | |
| 12 1/4" | 8 5/8" | 1,442' | | 685 sx | |
| 7 7/8" | 5 1/2" | 8,896' | | 1390 sx | |
| | 2 3/8" | 8,450' | | | |
| | | | | | |

VI. Well Test Data

| | | | | | |
|--|---------------------------------|--|--|---|---|
| ³⁵ Date New Oil | ³⁶ Gas Delivery Date | ³⁷ Test Date 12/09/06 | ³⁸ Test Length 24 | ³⁹ Tbg. Pressure - | ⁴⁰ Csg. Pressure 300 |
| ⁴¹ Choke Size 22/64 | ⁴² Oil 0 | ⁴³ Water 0 | ⁴⁴ Gas 200 | ⁴⁵ AOF - | ⁴⁶ Test Method |

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:

John C. Maxey

Title:

President

E-mail Address:

read@trailnet.com

Date:

12-22-06

Phone:

505/622-3770

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARRANT

Title:

DISTRICT II GEOLOGIST

Approval Date:

JAN 18 2007