

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV1220 S. St Francis Dr., Santa Fe, NM
87505

State of New Mexico

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-101

Permit 7412

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address READ & STEVENS INC PO Box 1518 Roswell, NM 88202		OGRID Number 18917
Property Code 34656		API Number 30-005-27936
Property Name CAPROCK "12" STATE		Well No. 001

(R+S) They do not own under Caprock
Signed JSA then spudded
Spud date July 05

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	12	12S	31E	M	990	S	990	W	Chaves

Proposed Pools

CAPROCK, MORROW, WEST (GAS) 73780

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 4432
Multiple N	Proposed Depth 11300	Formation Mississippi Limestone	Contractor	Spud Date 03/15/2005

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	375	400	0
Intl	12.25	9.625	36	3600	1100	0
Prod	7.875	5.5	17	11300	1300	3400

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	Unknown
Hydril	5000	5000	Unknown

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

224
Electronically Signed By: John Maxey

Title: Operations Mgr

Date: 02/28/2005

Phone: 505-622-3770

OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 03/01/2005

Expiration Date: 03/01/2006

Conditions of Approval:

There are conditions. See Attached.

M
MOC

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 7412

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-27936	Pool Name CAPROCK;MORROW, WEST (GAS)	Pool Code 73780
Property Code 34656	Property Name CAPROCK "12" STATE	Well No. 001
OGRID No. 18917	Operator Name READ & STEVENS INC	Elevation 4432

Surface And Bottom Hole Location

UL or Lot M	Section 12	Township 12S	Range 31E	Lot Idn M	Feet From 990	N/S Line S	Feet From 990	E/W Line W	County Chaves
Dedicated Acres 320	Joint or Infill	Consolidation Code Consolidation Pending	Order No.						

OPERATOR CERTIFICATION

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

Electronically Signed By: John Maxey

Title: Operations Mgr

Date: 02/28/2005

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 belief.

Surveyed By: V. L. Bezner

Date of Survey: 01/25/2005

Certificate Number: 7920

Permit Conditions Of Approval

C-101, Permit 7412

Operator: READ & STEVENS INC , 18917

Well: CAPROCK "12" STATE #001

OCD Reviewer	Condition
PKAUTZ	Re-seeding mixture will must be approved or authorized by surface owner
PKAUTZ	Notice is to be given to the OCD prior to construction of the pit(s)
PKAUTZ	Pit construction and closure must satisfy all requirements of O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
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 1000 Rio Brazos Rd., Aztec, NM 87410
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 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-005-27936
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FREE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-10411
7. Lease Name or Unit Agreement Name Caprock 12 State
8. Well Number 1
9. OGRID Number 018917
10. Pool name or Wildcat Caprock; Morrow, West (Gas)

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. 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. Well Location

Unit Letter **M** : **990** feet from the **South** line and **990** feet from the **West** line
 Section **12** Township **12S** Range **31E** NMPM County **Chaves**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4,432' GL

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type **Drilling** Depth to Groundwater **126'** Distance from nearest fresh water well **1,000'** Distance from nearest surface water **>1,000'**

Pit Liner Thickness: **12** mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐

OTHER: **Construct a new drilling pit** ☒

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Read & Stevens makes application for a permit to construct a new drilling pit on the new subject location. The drilling APD was previously filed electronically on the OCD web site. The pit will be approximately 120' x 120' and will be constructed and operated so as to contain liquids and solids to prevent contamination of fresh water and protect public health and the environment. This pit is not located in, or adjacent to, a watercourse, lakebed, sinkhole, or playa lake. The pit will be lined with a single liner appropriate for conditions at the site, and will be fenced to prevent access by livestock.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE **John C. Maxey, Jr.**

TITLE **Operations Manager** DATE **2-28-05**

Type or print name
 For State Use Only

E-mail address:

Telephone No **505/622-37**

MAR 01 2005

APPROVED BY: **[Signature]**
 Conditions of Approval (if any):

TITLE **PETROLEUM ENGINEER**

DATE **2-28-05**

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
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1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-10
May 27, 200

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-005-27936
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-10411
7. Lease Name or Unit Agreement Name Caprock 12 State Com
8. Well Number 1
9. OGRID Number 018917
10. Pool name or Wildcat Caprock; Morrow, West (Gas)

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator Read & Stevens, Inc.	
3. Address of Operator P. O. Box 1518 Roswell, NM 88202	
4. Well Location Unit Letter M : 990 feet from the South line and 990 feet from the West line Section 12 Township 12S Range 31E NMPM County Chaves	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4,432' GL	

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: **Well name change** ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Read & Stevens, Inc. as Operator requests changing the well name on the subject well:

FROM: Caprock 12 State #1
990' FSL & 990' FWL
Section 12 T12S-R31E
Chaves County, New Mexico

OPER. OGRID NO. 18917
PROPERTY NO. 34809
POOL CODE _____
EFF. DATE _____
API NO. _____

TO: Caprock 12 State Com #1
990' FSL & 990' FWL
Section 12 T12S-R31E
Chaves County, New Mexico

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE John C. Maxey, Jr. TITLE **Operations Manager** DATE **3-31-05**

Type or print name
For State Use Only

E-mail address:

Telephone No.

PETROLEUM ENGINEER

MAY 13 2005

APPROVED BY: _____ TITLE _____ DATE _____

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State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

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

Submit to appropriate District Office

☒ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Read & Stevens, Inc. P. O. Box 1518 Roswell, NM 88202		Operator Name and Address	
Property Code 34809		Property Name Caprock "12" State Com	
Proposed Pool 1 Caprock; Morrow, West (Gas) 73780		Proposed Pool 2	

7 Surface Location									
UL or lot no. L	Section 12	Township 12S	Range 31E	Lot Idn	Feet from the 1980	North/South line S	Feet from the 990	East/West line W	County Chaves

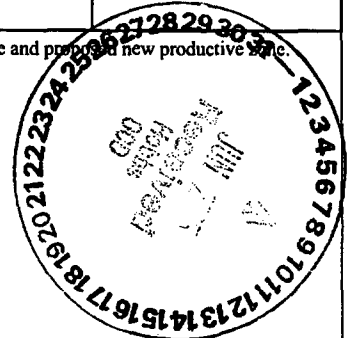
8 Proposed Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

11 Work Type Code New Well		12 Well Type Code Gas		13 Cable/Rotary		14 Lease Type Code State		15 Ground Level Elevation 4,432'	
16 Multiple N		17 Proposed Depth 11,300'		18 Formation Mississippi Limestone		19 Contractor		20 Spud Date ASAP	
Depth to Groundwater 126'				Distance from nearest fresh water well > 1,000'				Distance from nearest surface water > 1,000'	
Pit: Liner: Synthetic <input type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: _____ Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>									

21 Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5	13.375	48	375	400	0
11	8.625	32	3600	1100	0
7.875	5.5	17	11300	1300	3400

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

**Move location and change intermediate hole and casing size.
All else remains the same.**



23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: John C. Maxey, Jr.		Approved by:	
Title: Operations Manager		Title: PETROLEUM ENGINEER	
E-mail Address:		Approval Date: JUN 10 2005 Expiration Date:	
Date: 5/18/05	Phone: 505/622-3770	Conditions of Approval Attached <input type="checkbox"/>	

State of New Mexico

Energy, Minerals and Natural Resources Department

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

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

Form C-1
Revised JUNE 10, 20
Submit to Appropriate District Offi
State Lease - 4 Copi
Fee Lease - 3 Copi

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPOI

API Number 30-005-27936		Pool Code 73780	Pool Name Caprock Morrow West (East)
Property Code 34809	Property Name CAPROCK 12 STATE COM		Well Number 1
OGRID No. 18917	Operator Name READ & STEVENS, INC.		Elevation 4434'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	12	12-S	31-E		1980	SOUTH	990	WEST	CHAVE

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320		Pending	

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>John C. Maxey Jr.</i> Printed Name: John C. Maxey Jr. Title: Op Mgr Date: 6/6/05
	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 belief. Date Surveyed: MAY 21, 2005 Signature & Seal: <i>GARY E. HUNSON</i> Professional Surveyor State of New Mexico Registered Professional Surveyor Certificate No. GARY HUNSON 12641
	Date Surveyed: MAY 21, 2005 Signature & Seal: <i>GARY E. HUNSON</i> Professional Surveyor State of New Mexico Registered Professional Surveyor Certificate No. GARY HUNSON 12641
	Date Surveyed: MAY 21, 2005 Signature & Seal: <i>GARY E. HUNSON</i> Professional Surveyor State of New Mexico Registered Professional Surveyor Certificate No. GARY HUNSON 12641

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

08/08/05 11:40:17
OGSMNM -TPYY
PAGE NO: 1

Sec : 12 Twp : 12S Rng : 31E Section Type : NORMAL

D 40.00 MI B10411 0049 CHESAPEAKE EXPLOR 07/02/53	C 40.00 MI B10411 0049 CHESAPEAKE EXPLOR 07/02/53	B 40.00 MI B10411 0044 ELLIOTT INDUSTRIE 07/02/53	A 40.00 MI B10411 0044 ELLIOTT INDUSTRIE 07/02/53
E 40.00 MI B10411 0049 CHESAPEAKE EXPLOR 07/02/53 A	F 40.00 MI B10411 0049 CHESAPEAKE EXPLOR 07/02/53	G 40.00 MI V07393 0000 READ & STEVENS IN 05/01/10	H 40.00 MI V07393 0000 READ & STEVENS IN 05/01/10

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12