State of New Mexico

Form C-101 Permit 110615

Energy, Minerals and Natural Resources

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

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

READ &	Name and Address STEVENS INC	2. OGRID Number 18917		
P. O. BOX 1518		3. API Number		
ROSWELL , NM 88202		30-05-64128		
4. Property Code	5. Property Name	6. Weti No.		
38202	FULL MOON 29	001		

7. Surface Location

8	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	l
	H	29	088	29E	H	1650	N	330	E	CHAVES	l

8. Pool Information

RED LAKE RIDGE;SAN ANDRES 51130

Additional Well Information

	161		Traditional II chi Intol.	III UIU		
9. Work Type New Well	Wax also	ii Type IL	11. Cable/Rotary	12. Lesse Type Private	13. Ground Level Elevation 3922	
14. Multiple N			16. Formation San Andres	18. Spud Date 4/28/2010		
Depth to Ground	water		Distance from nearest fresh wat	ter well	Distance to nearest surface water	
t: Liner: Synthetic Closed Loop Syste	m [mils thick C	ay Pit Volume: bb	ols Drilling Method: Fresh Water X Brine D	hieset/Oil-based Gas/Air	

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	420	300	0
Prod	7.875	5.5	15.5	3000	405	0

Casing/Cement Program: Additional Comments

Proposed Blowout Prevention Program

	Type	Working Pressure	Test Pressure	Manufacturer
1	DoubleRam	3000	6000	Shaffer

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	OIL CONSERVATION DIVISION				
NMOCD guidelines, a general permit, or an (attached) alternative OCD-approved plan.	Approved By: Randy Dade				
Printed Name: Electronically filed by David Luna	Title: District Supervisor				
Title: Petroleum Engineer	Approved Date: 6/18/2010 Expiration Date: 6/18/2012				
Email Address: dluna@read-stevens.com					
Date: 5/12/2010 Phone: 575-622-3770	Conditions of Approval Attached				

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Form C-102 Permit 110615

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

			37 P. L. 1993	
API Number	2. Pool Code	3.1	Pool Name	
30-05-64128	51130	DGE;SAN ANDRES		
4. Property Code	5. Property Name		6. Well No.	
38202	FULL MO	FULL MOON 29		
7. OGRID No.	8. Operato	8. Operator Name 9. Elevation		
18917	READ & STEVENS INC 3922			

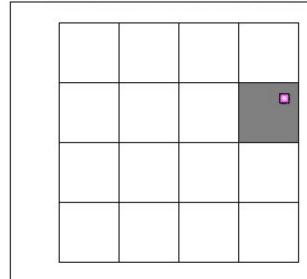
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	29	088	29E	5,10,70	1650	N	330	E	CHAVES

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
V. 100 100 100 100 100 100 100 100 100 10	cated Acres	13	Joint or Infill		14	. Consolidation (Code			15. Order No.	

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 that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: David Luna Title: Petroleum Engineer Date: 5/12/2010

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: Ronald Eidson Date of Survey: 4/27/2010 Certificate Number: 3239

Permit Comments

Operator: READ & STEVENS INC , 18917 Well: FULL MOON 29 #001

API: 30-05-64128

Created By	Comment	Comment Date
dluna	Depth to fresh water is over 100 feet per State Engineer website.	3/10/2010
dluna	H2S Contingency Plan will be mailed in.	3/10/2010
dluna	Will submit C-144CLEZ to local Roswell office.	3/10/2010
dluna	Will use pit. C-144 will be submitted to local Hobbs office.	5/12/2010

Permit Conditions of Approval

Operator: READ & STEVENS INC , 18917 Well: FULL MOON 29 #001

API: 30-05-64128

OCD Reviewer	Condition
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string