

District I
1625 N. French Drive, Hobbs, NM 87400

District II
1201 W. Grand Avenue, Artesia, NM 87400

District III
1090 Rio Urusqui Road, Aztec, NM 87410

District IV
1220 E. St. Francis 17th, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
X Single Well
___ Establish Pre-Approved Pools
EXISTING WELLBORE
X Yes ___ No

RECEIVED
MAY 26 2009
HOBBSOCD

APPLICATION FOR DOWNHOLE COMMINGLING

Operator: Read & Stevens, Inc.

Address: P. O. Box 1518, Roswell, NM 88202-1518

Lease: Klein 5

Well No.: 1

Unit Letter I, Section 5, Township 20S, Range 36E

County: Lea

OGRID No.: 18917 Property Code: 029494 API No.: 30-025-35847 Lease Type: ___ Federal ___ State X Fee

PAG-4200

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wildcat Strawn OIL		North Osuda Devonian OIL
Pool Code			97155
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9,668' - 9,723'		Perf: 10,656' - 80'
Method of Production (Flowing or Artificial Lift)	Pumping Unit		Pumping Unit
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	35.5 API		40.6 API
Producing, Shut-In or New Zone	New Zone		Shut In
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Swab Test Date: 3/4/09 Rates: 12/20/3	Date: Rates:	Date: 11/11/08 Rates: 3/0/15
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 75% 100%	Oil Gas % %	Oil Gas 25% 0%

ADDITIONAL DATA

Arc all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
 If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No
 Arc all produced fluids from all commingled zones compatible with each other? Yes No
 Will commingling decrease the value of production? Yes No
 If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No
 NMOC Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE David Luna TITLE: Petroleum Engineer DATE: May 22, 2009

TYPE OR PRINT NAME: David Luna

TELEPHONE NO. (575) 622-3770 ext. 213

E-MAIL ADDRESS: dluna@read-stevens.com

DISTRICT I
 P. O. Box 1980
 Hobbs, NM 88241-1980

DISTRICT II
 P. O. Drawer 00
 Artesia, NM 88211-0719

DISTRICT III
 1000 Rio Brazos Rd.
 Aztec, NM 87410

DISTRICT IV
 P. O. Box 2088
 Santa Fe, NM 87507-2088

State of New Mexico
 Energy, Minerals, and Natural Resources Department

Form C-102
 Revised 02-10-94
 Instructions on back

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

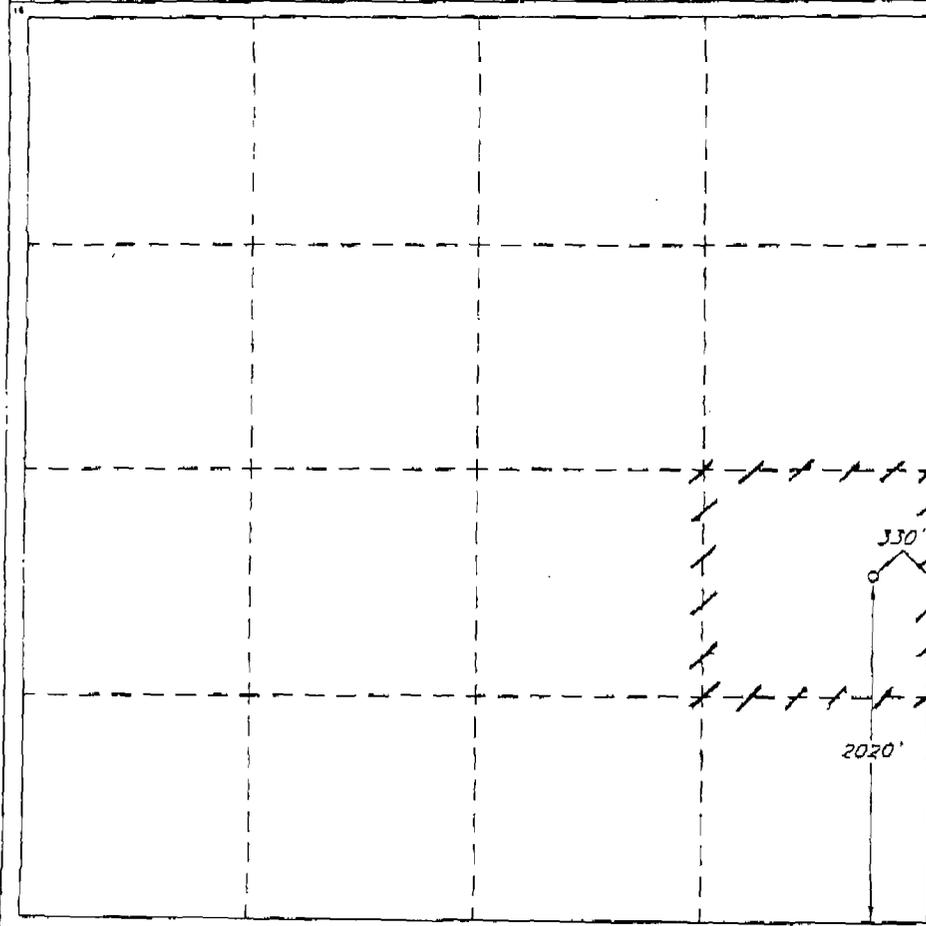
OIL CONSERVATION DIVISION
 P. O. Box 2088
 Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-35847		2 Pool Code 97155		3 Pool Name Wildcat; Devorian		Straun			
4 Property Code 29494		5 Property Name KLEIN '5'				6 Well Number 1			
7 OGRID No. 018917		8 Operator Name READ & STEVENS, INC.				9 Elevation 3832'			
10 SURFACE LOCATION									
UL or lot no. 1	Section 5	Township 20 SOUTH	Range 36 EAST, N.M.P.M.	Lot Ida	Feet from the 2020'	North/South line SOUTH	Feet from the 330'	East/West line EAST	County LEA
11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 40		13 Joint or Infill		14 Consolidation Code		15 Order No.			

NO ALLOWABLE WELL 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.

Signature: *John C. Maxey, Jr.*
 Printed Name: **John C. Maxey, Jr.**
 Title: **Operations Manager**
 Date: **2-22-02**

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 of Survey: **FEBRUARY 13, 2002**
 Signature and Seal of Professional Surveyor: *Thomas J. ...*

Certificate No. **V. L. BEZNER R.P.S. #7920**
 JOB # **80429 / 71 SE / J.C.P.**

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 88201
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

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 96257

RECEIVED
MAY 26 2009
HOBBSOCD

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-35847	2. Pool Code 97155	3. Pool Name North Osudo Devonian
4. Property Code 29494	5. Property Name KLEIN 5	6. Well No. 001
7. OGRID No. 18917	8. Operator Name READ & STEVENS INC	9. Elevation 3632

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
1	5	20S	36E		2020	S	330	E	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres XXX 40		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

	<p align="center">OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p>E-Signed By: Title: Petroleum Engineer Date: May 22, 2009</p> <hr/> <p align="center">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: V. L. Bezner Date of Survey: 2/13/2002 Certificate Number: 7920</p>
--	---

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



MEMO

DATE: 6/16/09
TO: Will Jones
FROM: Donna Mull

- For Your Files
- For Your Review and Return
- For Your Handling
- As Per Your Request
- Please Advise
- Prepare a Reply for My Signature
- For Your Information
- For Your Approval
- For Your Signature
- For Your Attention

7 pgs

Will,

I talked to Kelly with
 Reed & Stevens this morning.
 They sent these forms to us
 but forgot to send original to you.
 Here is a fax copy. Please
 let me know when you get
 this & how soon the order
 will be approved. Thanks Donna



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



6/2/09

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

RE: Proposed:

- MC _____
- DHC X _____
- NSL _____
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

Read & Stevens Inc Klein 5 # 1-I 5-20s-36e
 Operator Lease & Well No. Unit S-T-R API # 30-025-35847

and my recommendations are as follows:

OK

Yours very truly,

Geologist



	3 1		3 2		3 3		3 4
	6		5		4		3
	7		8		9		1 0
	1 8		1 7		1 6		1 5
					20-36		
	1 9		2 0		2 1		2 2

Strawn

