

1. Operator Name and Address READ & STEVENS INC P. O. Box 1518 Roswell, NM 88202		2. OGRID Number 18917
		3. API Number 30-015-38256
4. Property Code 9547	5. Property Name MARBOB STATE	6. Well No. 004

UL - Lot G	Section 19	Township 19S	Range 29E	Lot Idn G	Feet From 1650	N/S Line N	Feet From 2310	E/W Line E	County EDDY
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MILLMAN;YATES-SR-QN-GB-SA, EAST	46555
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9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3374
14. Multiple N	15. Proposed Depth 2550	16. Formation Grayburg	17. Contractor	18. Spud Date 11/30/2010
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mills thick      Clay <input type="checkbox"/> Pit Volume:      bbls      Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	375	235	0
Prod	7.875	5.5	15.5	2550	380	0

We propose to drill 12 1/4" hole to 360' with fresh water. Then drill 7 7/8" hole to 2500' w/ brine water. TOC will be at surface for both casing strings.

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	Cameron

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**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
 Permit 122114

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-38256	2. Pool Code 46555	3. Pool Name MILLMAN;YATES-SR-QN-GB-SA, EAST
4. Property Code 9547	5. Property Name MARBOB STATE	6. Well No. 004
7. OGRID No. 18917	8. Operator Name READ & STEVENS INC	9. Elevation 3374

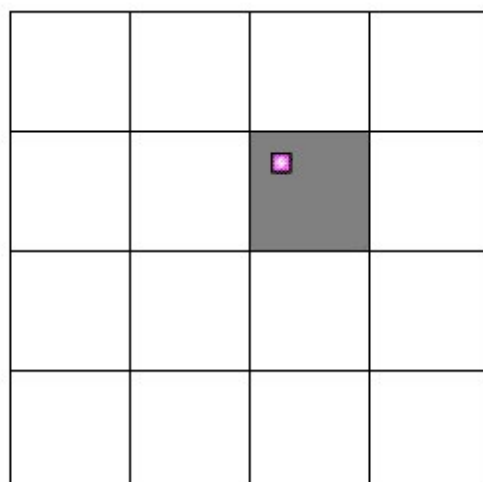
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
G	19	19S	29E		1650	N	2310	E	EDDY

**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 40.00	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: 11/5/2010

**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: 10/27/2010  
 Certificate Number: 3239

## Permit Comments

**Operator:** READ & STEVENS INC , 18917

**Well:** MARBOB STATE #004

**API:** 30-015-38256

Created By	Comment	Comment Date
dluna	C-144 CLEZ & H2S Contingency plan will be sent to the OCD Carlsbad office.	10/22/2010

# Permit Conditions of Approval

**Operator:** READ & STEVENS INC , 18917

**Well:** MARBOB STATE #004

**API:** 30-015-38256

OCD Reviewer	Condition
Artesia	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