

1. Operator Name and Address READ & STEVENS INC P. O. Box 1518 Roswell, NM 88202		2. OGRID Number 18917
		3. API Number 30-015-38455
4. Property Code 9547	5. Property Name MARBOB STATE	6. Well No. 005H

UL - Lot A	Section 19	Township 19S	Range 29E	Lot Idn A	Feet From 430	N/S Line N	Feet From 330	E/W Line E	County EDDY
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SCANLON DRAWBONE SPRING	55510
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9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3362
14. Multiple N	15. Proposed Depth 12250	16. Formation Bone Spring	17. Contractor	18. Spud Date
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	17.5	13.375	48	350	395	0
Int1	12.25	9.625	40	2500	1000	0
Prod	8.75	5.5	17	12250	2100	1000

Drill 8 3/4" pilot hole to 9000' and log. Set Class H cmt plug from 8200' to 7200. Kick off with 8 3/4" lateral at 7500'. Run 5 1/2" production casing and cement to 1000'.

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	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 126578

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-38455	2. Pool Code 55510	3. Pool Name SCANLON DRAW;BONE SPRING
4. Property Code 9547	5. Property Name MARBOB STATE	6. Well No. 005H
7. OGRID No. 18917	8. Operator Name READ & STEVENS INC	9. Elevation 3362

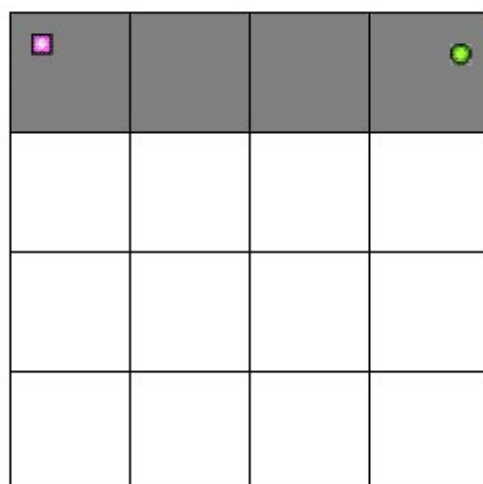
10. Surface Location

UL - Lot A	Section 19	Township 19S	Range 29E	Lot Idn	Feet From 430	N/S Line N	Feet From 330	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot D	Section 19	Township 19S	Range 29E	Lot Idn 1	Feet From 330	N/S Line N	Feet From 330	E/W Line W	County EDDY
12. Dedicated Acres 152.67		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: Operations Mgr.

Date: 2/9/2011

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: 2/4/2011

Certificate Number: 3239

Permit Comments

Operator: READ & STEVENS INC , 18917

Well: MARBOB STATE #005H

API: 30-015-38455

Created By	Comment	Comment Date
dluna	An H2S Contingency plan and form C144-CLEZ will be sent to the local OCD office.	1/31/2011
Artesia	Land S/S	2/9/2011

Permit Conditions of Approval

Operator: READ & STEVENS INC , 18917

Well: MARBOB STATE #005H

API: 30-015-38455

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