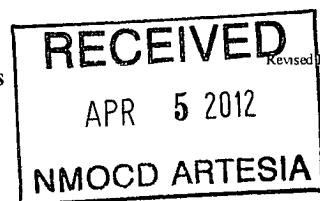


District I  
1625 N French Dr., Hobbs, NM 88240  
Phone (575) 393-6161 Fax (575) 393-0720  
District II  
811 S First St., Artesia, NM 88210  
Phone (575) 748-1283 Fax (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone (505) 334-6178 Fax (505) 334-6170  
District IV  
1220 S St Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3460 Fax (505) 476-3462

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



Form C-101  
Revised December 16, 2011

Permit

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

<sup>1</sup> Operator Name and Address Read & Stevens, Inc. P. O. Box 1518 Roswell, New Mexico 88202-1518		<sup>2</sup> OGRID Number 18917
		<sup>3</sup> API Number 30-015-22826
<sup>4</sup> Property Code State 32	<sup>5</sup> Property Name	
		<sup>6</sup> Well No. 1

**<sup>7</sup> Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
B	32	19S	28E		660'	FNL	1980'	FEL	Eddy

**<sup>8</sup> Pool Information**

Millman, Qn-Gb-SA, East	46555
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**Additional Well Information**

<sup>9</sup> Work Type Re-Entry	<sup>10</sup> Well Type Oil	<sup>11</sup> Cable/Rotary Pulling Unit	<sup>12</sup> Lease Type State	<sup>13</sup> Ground Level Elevation 3366.9
<sup>14</sup> Multiple No	<sup>15</sup> Proposed Depth 2522'	<sup>16</sup> Formation Grayburg	<sup>17</sup> Contractor L & R	<sup>18</sup> Spud Date 05/01/12
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

**<sup>19</sup> Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
* Surface	15"	11 3/4"	42# H-40	360'	375 sxs	Circ
* Prod.	11"	8 5/8"	24# K-55 & S-80	2608'	1150 sxs	Circ
* EXISTING						

**Casing/Cement Program: Additional Comments**

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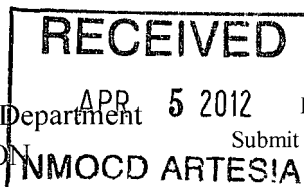
**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000 psi	5000 psi	Townsend

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	
Signature <i>Tim Collier</i>		Approved By <i>T. C. Shepard</i>	
Printed name Tim Collier		Title <i>Geologist</i>	
Title Sr VP Exploration & Development		Approved Date <i>4/9/2012</i>	Expiration Date <i>4/9/2014</i>
E-mail Address tcollier@read-stevens.com			
Date 03/19/2012	Phone 575-622-3770	Conditions of Approval Attached	

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505



Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-22826	<sup>2</sup> Pool Code 46555	<sup>3</sup> Pool Name Millman, Qn-Gb-SA, East
<sup>4</sup> Property Code State 32	<sup>5</sup> Property Name Read & Stevens, Inc.	<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 18917	<sup>8</sup> Operator Name Read & Stevens, Inc.	<sup>9</sup> Elevation 3366.9

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	32	19S	28E		660'	FNL	1980'	FEL	Eddy

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.

<sup>16</sup> 	<sup>17</sup> 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 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.	
	Signature 	Date 03/19/2012
	Printed Name Tim Collier	
	E-mail Address tcollier@read-stevens.com	
<sup>18</sup> 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	
	Signature and Seal of Professional Surveyor	
	Certificate Number	

2000 PSI SYSTEM

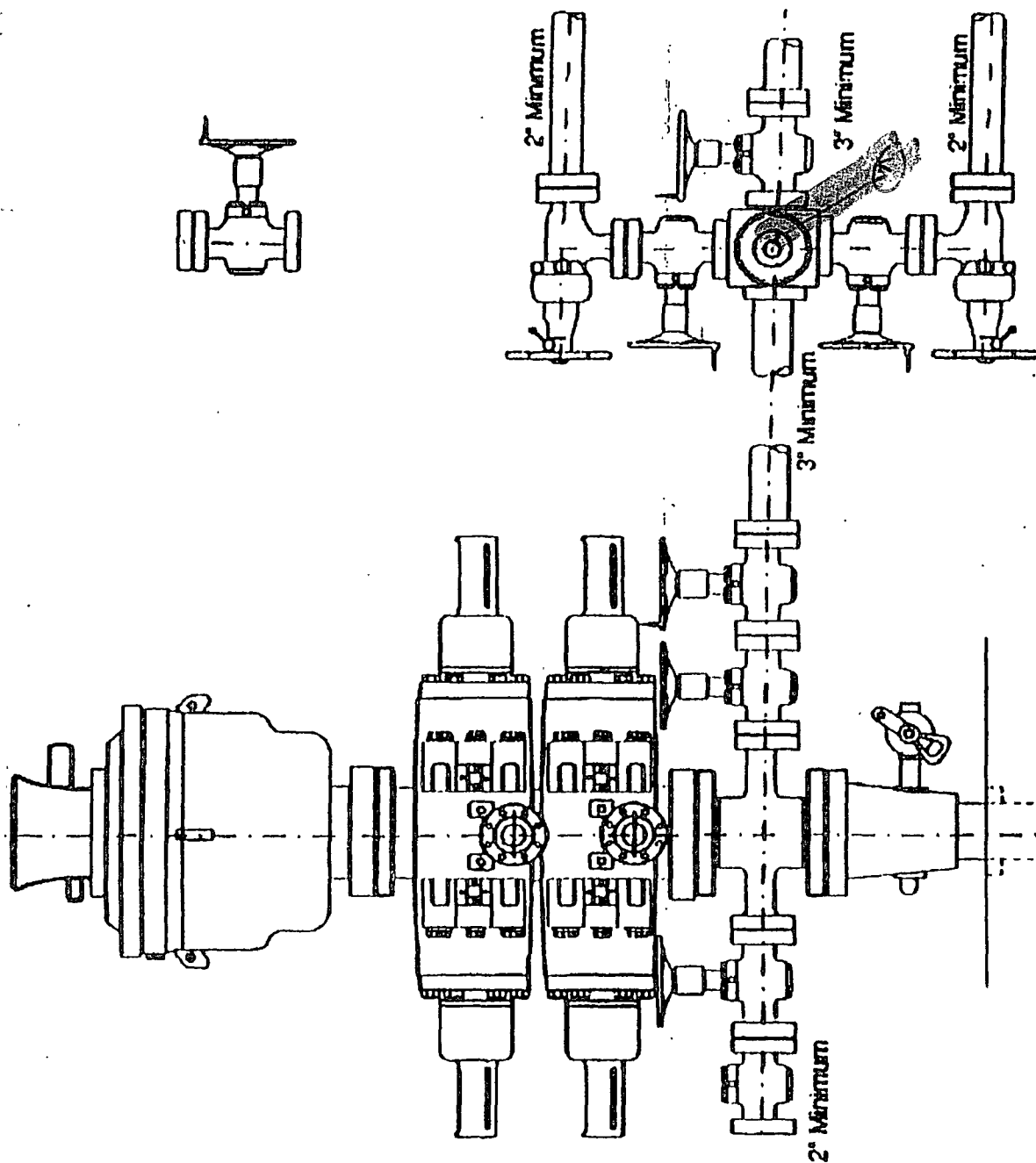


Figure 3-2

Re-Entry of: State 32 #1  
Sec 32, T19S-R28E  
Eddy Co., NM  
BOP Specifications for  
Re-Entry