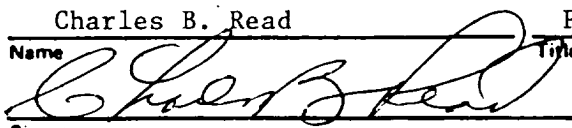


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1.0 API well number: (If not available, leave blank. 14 digits.)	30-015-26040				JUN 02 '89	
2.0 Type of determination being sought: (Use the codes found on the front of this form.)	103 Section of NGPA		Category Code		O. C. O. ARTESIA OFFICE	
3.0 Depth of the deepest completion location: (Only needed if sections 103 or 107 in 2.0 above.)	9795 feet					
4.0 Name, address and code number of applicant: (35 letters per line maximum. If code number not available, leave blank.)	Read & Stevens, Inc. Name P. O. Box 1518 Street Roswell NM 88201 City State Zip Code				Seller Code	
5.0 Location of this well: [Complete (a) or (b).] (a) For onshore wells (35 letters maximum for field name.)	Und Palmillo Upper Penn. Field Name Eddy NM County State					
(b) For OCS wells:	Area Name Block Number Date of Lease: Mo. Day Yr. OCS Lease Number					
(c) Name and identification number of this well: (35 letters and digits maximum.)	Marbob State No. 1					
(d) If code 4 or 5 in 2.0 above, name of the reservoir: (35 letters maximum.)						
6.0 (a) Name and code number of the purchaser: (35 letters and digits maximum. If code number not available, leave blank.)	Phillips 66 Natural Gas Company Name Buyer Code					
(b) Date of the contract:	NEGOTIATING Mo. Day Yr.					
(c) Estimated annual production:	182 MMcf.					
	(a) Base Price (\$/MMBTU)	(b) Tax	(c) All Other Prices [Indicate (+) or (-).]	(d) Total of (a), (b) and (c)		
7.0 Contract price: (As of filing date. Complete to 3 decimal places.)	---	PERCENTAGE	---	---		
8.0 Maximum lawful rate: (As of filing date. Complete to 3 decimal places.)	---	DEREGULATED	---	---		
9.0 Person responsible for this application:	Charles B. Read President Name Title  Signature 6/1/89 (505) 622-3770 Date Application is Completed Phone Number					
Agency Use Only						
Date Received by Juris. Agency						
Date Received by FERC						

U.S. DEPARTMENT OF ENERGY
Federal Energy Regulatory Commission
 Washington, D.C. 20426

RECEIVED**JUN 02 '89**

**APPLICATION FOR DETERMINATION OF THE MAXIMUM LAWFUL
 PRICE UNDER THE NATURAL GAS POLICY ACT (NGPA)**
 (Sections 102, 103, 107 and 108)

**O. C. O.
 ARTESIA, OFFICE****PLEASE READ BEFORE COMPLETING THIS FORM:****General Instructions:**

Complete this form if you are applying for price classification under sections 102, 103, 107 or 108 of the NGPA. A separate application is required for each well. If any reservoir qualifies for a category which differs from the category applicable to the producing well, separate applications must be made for the producing well and the reservoir. Complete each appropriate item on the reverse side of this page. The code numbers used in items 4.0 and 6.0 can be obtained from the Buyer/Seller Code Book. If there is more than one purchaser or contract, identify the additional information in the space below. Enter any additional remarks in the space below.

Submit the completed application to the appropriate Jurisdictional Agency as listed in title 18 of the CFR, part 270.103. If there are any questions, call (202) 275-4539.

Specific Instructions for Item 2.0, Type of Determination:

<u>Section of NGPA</u>	<u>Category Code</u>	<u>Description</u>
102	1	New OCS Lease
102	2	New onshore well (2.5 mile test)
102	3	New onshore well (1,000 feet deeper test)
102	4	New onshore reservoir
102	5	New reservoir on old OCS Lease
103	—	New onshore production well
107	—	High cost natural gas
108	—	Stripper well

Other Purchasers/Contracts:

<u>Contract Date</u> (Mo. Day Yr.)	<u>Purchaser</u>	<u>Buyer Code</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Remarks:

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO

P. O. BOX 2088

Form C-132
Revised 5-10-81

ENERGY AND MINERALS DEPARTMENT

SANTA FE, NEW MEXICO 87504

APPLICATION FOR WELLHEAD
PRICE CEILING CATEGORY DETERMINATION

FOR DIVISION USE ONLY:

DATE COMPLETE APPLICATION FILED _____

DATE DETERMINATION MADE _____

WAS APPLICATION CONTESTED? YES _____ NO _____

NAME(S) OF INTERVENOR(S), IF ANY: _____

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JUN 02 '89

O. C. D.
ARTESIA, OFFICE

5A. Indicate Type of Lease

STATE ☒FEE ☐

5. State Oil & Gas Lease No. _____

7. Unit Agreement Name _____

8. Farm or Lease Name

Marbob State

9. Well No.

1

10. Field and Pool, or Wildcat
Und. Palmillo Upper Penn.

12. County

Eddy

2. Name of Operator

Read & Stevens, Inc.

3. Address of Operator

P. O. Box 1518, Roswell, New Mexico 88201

4. Location of Well

UNIT LETTER A LOCATED 660 FEET FROM THE North LINEAND 660 FEET FROM THE East LINE OF SEC. 19 TWP. 19S RGE. 29E NMPM

11. Name and Address of Purchaser(s)

Phillips 66 Natural Gas Company, Gas Purchasing, Bartlesville, Oklahoma 74004

WELL CATEGORY INFORMATION

Check appropriate box for category sought and information submitted.

1. Category(ies) Sought (By NGPA Section No.) 103

2. All Applications must contain:

☒ a. C-101 APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK☒ b. C-105 WELL COMPLETION OR RECOMPLETION REPORT☐ c. DIRECTIONAL DRILLING SURVEY, IF REQUIRED UNDER RULE 111☒ d. AFFIDAVITS OF MAILING OR DELIVERY

3. In addition to the above, all applications must contain the items required by the applicable rule of the Division's "Special Rules for Applications For Wellhead Price Ceiling Category Determinations" as follows:

A. NEW NATURAL GAS UNDER SEC. 102(c)(1)(B) (using 2.5 Mile or 1000 Feet Deeper Test)

☐ All items required by Rule 14(1) and/or Rule 14(2)

B. NEW NATURAL GAS UNDER SEC. 102(c)(1)(C) (new onshore reservoir)

☐ All items required by Rule 15

C. NEW ONSHORE PRODUCTION WELL

☒ All items required by Rule 16A or Rule 16B

D. DEEP, HIGH-COST NATURAL GAS, TIGHT FORMATION NATURAL GAS, AND PRODUCTION ENHANCEMENT NATURAL GAS

☐ All items required by Rule 17(1), Rule 17(2) or Rule 17(3), or Rule 17(4)

E. STRIPPER WELL NATURAL GAS

☐ All items required by Rule 18

FOR DIVISION USE ONLY

☐ Approved☐ Disapproved

The information contained herein includes all of the information required to be filed by the applicant under Subpart B of Part 274 of the FERC regulations.

I HEREBY CERTIFY THAT THE INFORMATION CONTAINED
HEREIN IS TRUE AND COMPLETE TO THE BEST OF MY
KNOWLEDGE AND BELIEF.

Charles B. Read

NAME OF APPLICANT (Type or Print)

SIGNATURE OF APPLICANT

Title President