

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 March 17, 1999

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☒ AMENDED REPORT

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

| | | |
|--|--|--|
| ¹ Operator Name and Address Read & Stevens, Inc. P. O. Box 1518 Roswell, New Mexico 88202 | | ² OGRID Number 018917 |
| ³ Property Code 19282 | | ³ API Number 30 - 015-32553 |
| ⁵ Property Name Bandit State | | ⁶ Well No. 4 |

⁷ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|------------|------------|---------|---------------|------------------|---------------|----------------|-------------|
| D | 10 | 23S | 26E | | 330 | FNL | 330 | FWL | Eddy |

⁸ Proposed 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

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|--|-------------------------------|
| ⁹ Proposed Pool 1 Undes. Happy Valley, Delaware | ¹⁰ Proposed Pool 2 |
|--|-------------------------------|

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|--|---|--|--|---|
| ¹¹ Work Type Code N | ¹² Well Type Code O | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3,318' |
| ¹⁶ Multiple No | ¹⁷ Proposed Depth 3,200' | ¹⁸ Formation Delaware | ¹⁹ Contractor Patterson | ²⁰ Spud Date Feb, 2003 |

²¹ Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|----------------|---------------|--------------------|---------------|-----------------|-----------------|
| 14 3/4" | 9 5/8" | 48# | 650' | 600 | Surf |
| 7 7/8" | 5 1/2" | 15.5# | 3,200' | 400 | Tie Back |
| | | | | | |
| | | | | | |
| | | | | | |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Read & Stevens is amending the 12/16/02 drilling permit to TD @ 3,200' rather than 5,400'. The proposal is to drill and complete a 3,200' Delaware test. The well will be drilled with fluids sufficient to control the well, with the proposed BOP equipment attached.

| DEPTH | MW | VIS | WL | COMMENTS |
|----------------------|------------|-----------|----------|--------------------|
| 0' - 650' | 8.4 | 28 | - | Fresh Water |
| 650' - 3,200' | 10 | 28 | - | Brine Water |

| | | | |
|--|------------------------------------|---|--|
| ²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. | | OIL CONSERVATION DIVISION | |
| Signature: <i>John C. Maxey, Jr.</i> | | Approved by: <i>Jim W. Brown</i> | |
| Printed name: John C. Maxey, Jr. | | Title: <i>District Supervisor</i> | |
| Title: Operations Manager | | Approval Date: JAN 24 2003 Expiration Date: JAN 24 2004 | |
| Date: 01-20-03 | Phone: 505/622-3770 Ext 224 | Conditions of Approval: Attached <input type="checkbox"/> | |