

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Ave., Artesia, NM 88210

District III
1000 Rio Erazos Rd., 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 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 7412

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address READ & STEVENS INC PO Box 1518 Roswell, NM 88202		OGRID Number 18917
		API Number 30-005-27936
Property Code 34656	Property Name CAPROCK "12" STATE	Well No. 001

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	12	12S	31E	M	990	S	990	W	Chaves

Proposed Pools

CAPROCK;MORROW, WEST (GAS) 73780

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 4432
Multiple N	Proposed Depth 11300	Formation Mississippi Limestone	Contractor	Spud Date 03/15/2005

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	375	400	0
Int1	12.25	9.625	36	3600	1100	0
Prod	7.875	5.5	17	11300	1300	3400

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	Unknown
Hydril	5000	5000	Unknown

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: John Maxey

Title: Operations Mgr

Date: 02/28/2005

Phone: 505-622-3770

OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 03/01/2005

Expiration Date: 03/01/2006

Conditions of Approval:

There are conditions. See Attached.