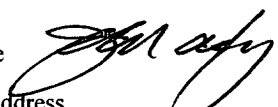


Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised June 10, 2003 WELL API NO. <b>30-015-34761</b> 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No. <b>V-4655</b>
<b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>		
1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/> b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> WELL OVER BACK RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/>		7. Lease Name or Unit Agreement Name  <b>Bandit State</b>
2. Name of Operator <b>Read &amp; Stevens, Inc.</b>		8. Well No. <b>7</b>
3. Address of Operator <b>P. O. Box 1518 Roswell, NM 88202</b>		9. Pool name or Wildcat <b>Happy Valley Delaware</b>
4. Well Location Unit Letter <b>L</b> <b>2310</b> Feet From The <b>South</b> Line and <b>330</b> Feet From The <b>West</b> Line Section <b>10</b> Township <b>23S</b> Range <b>26E</b> NMPM <b>Eddy</b> County		
10. Date Spudded <b>6-20-06</b>	11. Date T.D. Reached <b>6-25-06</b>	12. Date Compl. (Ready to Prod.) <b>8-2-06</b>
13. Elevations (DF& RKB, RT, GR, etc.) <b>3,324' GR</b>		14. Elev. Casinghead
15. Total Depth <b>3,200'</b>	16. Plug Back T.D. <b>3,150'</b>	17. If Multiple Compl. How Many Zones? <b>1</b>
18. Intervals Drilled By <b>A11</b>		19. Producing Interval(s), of this completion - Top, Bottom, Name <b>2,751'-2,769' Delaware</b>
20. Was Directional Survey Made <b>No</b>		21. Type Electric and Other Logs Run <b>CBL/VDL/GR</b>
22. Was Well Cored <b>No</b>		23. <b>CASING RECORD (Report all strings set in well)</b>
CASING SIZE	WEIGHT LB./FT.	DEPTH SET
<b>8 5/8"</b>	<b>24#</b>	<b>665'</b>
<b>5 1/2"</b>	<b>15.5#</b>	<b>3,200'</b>
24. LINER RECORD		25. TUBING RECORD
SIZE	TOP	BOTTOM
26. Perforation record (interval, size, and number) <b>2,751'-2,769' 4 spf Total 73 holes</b>		27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL <b>2751'-2769'</b> AMOUNT AND KIND MATERIAL USED <b>1,000 gal 7 1/2% NEFe HCl</b> <b>containing 10% methanol</b> <b>40,000# 16/30 sand mixed in</b> <b>30# linear gel</b>
28. <b>PRODUCTION</b>		
Date First Production <b>8-2-06</b>	Production Method (Flowing, gas lift, pumping - Size and type pump) <b>Pumping</b>	Well Status (Prod. or Shut-in) <b>Producing</b>
Date of Test <b>8-4-06</b>	Hours Tested <b>24</b>	Choke Size
Prod'n For Test Period	Oil - Bbl <b>41</b>	Gas - MCF <b>TSTM</b>
Water - Bbl. <b>238</b>	Gas - Oil Ratio	
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate
	Oil - Bbl. <b>41</b>	Gas - MCF <b>TSTM</b>
	Water - Bbl. <b>238</b>	Oil Gravity - API - (Corr.) <b>40.6</b>
29. Disposition of Gas (Sold, used for fuel, vented, etc.) <b>Vented TSTM</b>		Test Witnessed By <b>Will Palmer</b>
30. List Attachments <b>Deviation Survey. Logs enclosed</b>		
31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief		
Signature 		Printed Name <b>John C. Maxey</b> Title <b>Operations Manager</b> Date <b>8-18-06</b>
E-mail Address		

# INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinebry	T. Gr. Wash	T. Morrison	T.
T. Tubb	T. Delaware Sand <b>1865</b>	T. Todilto	T.
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo	T.	T. Wingate	T.
T. Wolfcamp	T.	T. Chinle	T.
T. Penn	T.	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

## OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....  
No. 2, from.....to.....  
No. 3, from.....to.....  
No. 4, from.....to.....

## IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....  
 No. 2, from.....to.....feet.....  
 No. 3, from.....to.....feet.....

## LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology
2751	2769	18	Sandstone