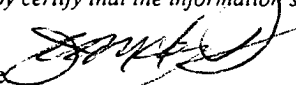


Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised June 10, 2003 WELL API NO. 30-015-33586 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No. K-4538
WELL COMPLETION OR RECOMPLETION REPORT AND LOG		
1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. WELL OVER BACK RESVR. <input type="checkbox"/> OTHER		7. Lease Name or Unit Agreement Name Saragossa 10 State
2. Name of Operator Read & Stevens, Inc.		8. Well No. 2
3. Address of Operator P. O. Box 1518 Roswell, NM 88203		9. Pool name or Wildcat Happy Valley Delaware
4. Well Location Unit Letter B 330 Feet From The North Line and 2310 Feet From The East Line Section 10 Township 23S Range 26E NMPM Eddy County		
10. Date Spudded 10/10/04	11. Date T.D. Reached 10/21/04	12. Date Compl. (Ready to Prod.) 11/20/04
13. Elevations (DF& RKB, RT, GR, etc.) 3,297' GL		14. Elev. Casinghead
15. Total Depth 3,200'	16. Plug Back T.D. 3,134'	17. If Multiple Compl. How Many Zones? A11
18. Intervals Drilled By		19. Producing Interval(s), of this completion - Top, Bottom, Name 2,674'-2,684' Delaware
20. Was Directional Survey Made No		21. Type Electric and Other Logs Run GR,CBL,VDL GR-DLL/CNL-LDT
22. Was Well Cored No		23. CASING RECORD (Report all strings set in well)
CASING SIZE	WEIGHT LB./FT.	DEPTH SET
8 5/8"	24#	662'
5 1/2"	15.5#	3,196'
HOLE SIZE		CEMENTING RECORD
12 1/4"		350 sx
7 7/8"		1,250 sx
		Circ to surface
		Circ to surface
24. LINER RECORD		
SIZE	TOP	BOTTOM
SACKS CEMENT		SCREEN
25. TUBING RECORD		
SIZE	DEPTH SET	PACKER SET
2 7/8"	2,751'	
26. Perforation record (interval, size, and number) 2,674'-2,684' 4 spf Total holes 40		
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.		
DEPTH INTERVAL		AMOUNT AND KIND MATERIAL USED
2,674'-2,684'		Acidize 500 gal 7 1/2% NEFe
		Frac stimulate 40,400# sand
		contained in 30# x-linked gel
28. PRODUCTION		
Date First Production 11/20/04		Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping
Well Status (Prod. or Shut-in) Producing		
Date of Test 11/23/04	Hours Tested 24	Choke Size
Prod'n For Test Period	Oil - Bbl 45	Gas - MCF TSTM
Water - Bbl. 182	Gas - Oil Ratio -	
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate
Oil - Bbl. 45	Gas - MCF TSTM	Water - Bbl. 182
Oil Gravity - API - (Corr.) 41.9		
29. Disposition of Gas (Sold, used for fuel, vented, etc.) None		Test Witnessed By Will Palmer
30. List Attachments Deviation Survey. Logs previously sent.		
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 John C. Maxey, Jr Title Operations Manager Date 11-23-04
E-mail Address		

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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 1860	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. 3, from.....to.....
No. 2, 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
2674	2684	10	Sandstone

OPERATOR: READ & STEVENS
WELL/LEASE: SARAGOSA 10 #2
COUNTY: EDDY, NM

054-0050

RECEIVED NOV 16 2004

STATE OF NEW MEXICO
DEVIATION REPORT

381	1
662	1 1/4
907	3 1/4
970	3 3/4
1,034	4 3/4
1,085	4 3/4
1,113	4 1/2
1,145	4 3/4
1,176	4 1/2
1,239	4 1/2
1,302	4 1/4
1,365	4 1/2
1,429	4 1/2
1,491	4
1,554	3 1/2
1,617	3
1,709	2 1/2
1,805	2
1,930	1 1/2
2,087	1 3/4
2,216	1 3/4
2,311	1
2,466	3/4
2,593	1 1/4
2,782	1 1/4
3,006	1 1/4
3,160	3/4

By: *Steve Moore*

STATE OF TEXAS
COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on November 15th, 2004, by
Steve Moore on behalf of Patterson-UTI Drilling Company LP, LLLP.

J Robertson

My Commission Expires: 8/23/2007

