District I

1625 N French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

District IV

1000 Rio Brazos Road, Aztec, NM 87410

State of New Mexico Energy Minerals and Natural Resources

Form C-101 May 27, 2004



Phone: 575-622-3770

Date. 03/11/2008

Oil Conservation Division 1220 South St. Francis Dr.

MAR 14 2008

☐ AMENDED REPORT

Submit to appropriate District Office

Santa Fe, NM 87505 1220 S. St. Francis Dr , Santa Fe, NM 87505 OCD-ARTESIA APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE OGRID Number Operator Name and Address Read & Stevens, Inc. 18917 30-015-33570 P. O. Box 1518 Roswell, NM 88202-1518 Property Code 9547 Well No Property Name MARBOB STATE 002 9 Proposed Pool 1 10 Proposed Pool 2 Scanlon Bone Spring **Surface Location** Township Feet from the North/South line UL or lot no Lot Idn Feet from the East/West line County Section Range P P 19 19S 29E 660 South 660 East Eddy ⁸ Proposed Bottom Hole Location If Different From Surface Lot Idn Feet from the North/South line Feet from the UL or lot no Section Township Range East/West line County Additional Well Information 11 Work Type Code 12 Well Type Code 13 Cable/Rotary 15 Ground Level Elevation 14 Lease Type Code 3318' State Recompletion Oil 18 Formation 16 Multiple 17 Proposed Depth Contractor 20 Spud Date 9.000 02/19/2008 Bone Spring Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water Liner Synthetic Drilling Method: Pit mils thick Clay Pit Volume: Fresh Water Brine Diesel/Oil-based Gas/Air Closed-Loop System ²¹ Proposed Casing and Cement Program Hole Size Casing Size Casing weight/foot Setting Depth Sacks of Cement Estimated TOC 17.25 325 13.375 48 420 0 32 8.625 3200 800 0 11 5.5 17 1000 3100 7.875 12000 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 will abandon the Morrow formation and recomplete to the Bone Spring formation. ²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines , a general permit , or Signature. Юhn Maxev Title Title Operations Manager Expiration Date Approval Date E-mail Address

Conditions of Approval Attached

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State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005 Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

1220 S. St. Francis	Dr., Santa			CAT	ION A	ND ACR	EAGE DEDI	ICATI	ON PLA	L ∖T	_ AME	NDED REPORT	
					CATION AND ACREAGE DEDICATION PLAT Pool Code Pool Name								
30-015-33570					510			Scanlon Draw Bone Spring					
Property Code			⁵ Property Name								6	Well Number	
9547 OGRID No.			MARBOB STATE * Operator Name									2 * Elevation	
1891'		Read & Stevens, Inc.									3318 [']		
					10	Surface	Location						
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UL or lot no. Section Tov		Township			t Idn Feet from the		North/South lin			East/West line		County	
12 Dedicated Acres	¹³ Joint o	r Infill ¹⁴ C	onsolidation	Code	15 Order No),]		
40													
division.									17 O 2	PERATO	R CER	TIFICATION	
									I hereby certify that the information contained herein is true and complete to the				
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									location or has a	a right to drill this	well at this loc	ation pursuant to a contract with	
											1	or to a voluntary pooling fore entered by the division	
									And	Ma		03/11/2008	
									Signature		1	Date	
	,							Ć	John C. Ma	nxev			
									Printed Name				
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