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FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SHL & BHL: NM-56264
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Read and Stevens, Inc. (18917)		7. If Unit or CA Agreement, Name and No.
3a. Address 400 N. Pennsylvania Ave #1000 Roswell, NM 88201		8. Lease Name and Well No. (317199) North Lea 10 Fed Com #2H
3b. Phone No. (include area code) 575-622-3770		9. API Well No. 30-025-43680
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 470' FNL 1470' FEL (B) At proposed prod. zone 330' FSL 1670' FEL (O)		10. Field and Pool, or Exploratory (50461) Quail Ridge; Bone Spring, South
14. Distance in miles and direction from nearest town or post office* 26 miles WSW of Hobbs		11. Sec., T. R. M. or Blk. and Survey or Area Sec. 10 T-20S R-34E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 470'	16. No. of acres in lease 480	12. County or Parish Lea
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. See raduis maps attached.	19. Proposed Depth 10,857.50'TVD / 14,933'MD	13. State NM
21. Elevations (Show whether DF, KDB, RT, GL, etc.) GL - 3640.7' RKB - 3662.7'	22. Approximate date work will start* 07/15/2017	17. Spacing Unit dedicated to this well 160
		20. BLM/BIA Bond No. on file NM-2310
		23. Estimated duration 60 days until completion

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification
- 6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature 	Name (Printed/Typed) Rory McMinn	Date 10/27/2016
Title Project Manager		
Approved by (Signature) <i>/s/Cody Layton</i>	Name (Printed/Typed)	Date FEB 24 2017
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached. **APPROVAL FOR TWO YEARS**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

Capitan Controlled Water Basin

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07/10/17

Approval Subject to General Requirements
& Special Stipulations Attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL