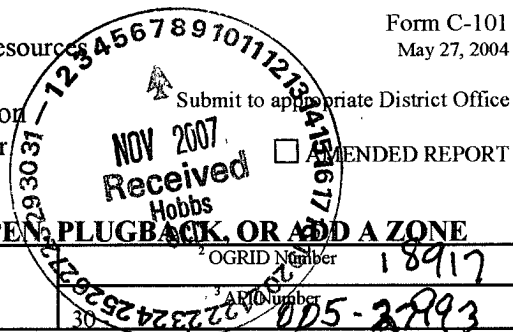


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505



APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEEN, PLUGBACK, OR ADD A ZONE

1 Operator Name and Address Read : Stevens Inc		2 OGRID Number 18917
3 Property Code 36891	4 Property Name Dryer Fee 27	5 ARD Number 005-27993
9 Proposed Pool 1 TV - Penn		10 Proposed Pool 2

7 Surface Location

UL or lot no A	Section 27	Township 11S	Range 3E	Lot Idn A	Feet from the 660	North/South line N	Feet from the 660	East/West line E	County Chaves
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8 Proposed Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Additional Well Information

11 Work Type Code N	12 Well Type Code G	13 Cable/Rotary R	14 Lease Type Code P	15 Ground Level Elevation 4458
16 Multiple N	17 Proposed Depth 11800	18 Formation MORROW/MISS	19 Contractor UNK	20 Spud Date ASAP
Depth to Groundwater 76' 3000' to SE		Distance from nearest fresh water well > 1,000'		Distance from nearest surface water > 1,000'
Pit: Liner. Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 3,000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2	13 3/8	48	400	400	Surf
11	8 5/8	32	3600	1100	Surf
7 7/8	5 1/2	17	11300	1300	3400

22 Describe the proposed program. If this application is to DEEPEEN 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 proposes to drill and complete the Morrow at the subject location, with a 5000 psi double ram and 5000 psi annular BOPE. The surface will be drilled with freshwater mud, the intermediate with 10ppg brine, and the 7 7/8 hole w/ 9ppg cut brine.

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 an (attached) alternative OCD-approved plan ☐.

Printed name: **John C Maxey**
Title: **President**
E-mail Address: **read@trailnet.com**
Date: **11/6/07** Phone: **505-622-3770**

OIL CONSERVATION DIVISION	
Approved by: Larry W. Wink	
Title: FIELD REPRESENTATIVE / STAFF MANAGER	
Approval Date: DEC 14 2007	Expiration Date:
Conditions of Approval Attached <input type="checkbox"/>	

Permit Expires 1 Year From Approval x 224
Date Unless Drilling Underway

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-005-27993	Pool Code 86560	Pool Name TV-Penn
Property Code 36891	Property Name DYER FEE 27	Well Number 1
OGRID No. 18917	Operator Name READ & STEVENS, INC.	Elevation 4458'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	27	11-S	31-E		660	NORTH	660	EAST	CHAVES

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill N	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>GEODETIC COORDINATES NAD 27, NME Y=851867.7 N X=662103.2 E LAT.=33.340665° N LONG.=103.802546° W</p> <p>NOV 2007 Received Hobbs OCD</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>John C. Maxey</i> Signature Date John C. Maxey Printed Name</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>OCTOBER 15 2007 Date Surveyed Signature & Seal of Professional Surveyor GARY G. EIDSON RONALD J. EIDSON Certificate No. 12641 3239</p>
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