

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Read & Stevens, Inc.

3. ADDRESS OF OPERATOR
P. O. Box 1518 Roswell, NM 88202

4. LOCATION OF WELL (Report location clearly and in accordance with any State Requirements*)
At surface
2310' FNL & 1980' FEL
At proposed prod. zone
same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
15 miles northeast of Loco Hills, NM

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
660'

16. NO. OF ACRES IN LEASE
1080

17. NO. OF ACRES ASSIGNED TO THIS WELL
80

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
None

19. PROPOSED DEPTH
10,600'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
4076 GL

22. APPROX. DATE WORK WILL START*
ASAP after approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54.5#	500'	300 sx circulated
11"	8 5/8"	24.0#	3300'	1100 sx circulated
7 7/8"	5 1/2"	17.0#	10,600'	500 sx to cover pay

Mud Program:
0' - 500' Fresh water spud mud. Mud wt. 8.4 ppg, Vis. 29-33, No W/L control.
500' - 3,300' Brine and native mud, mud wt. 10.0 ppg, Vis. 29-33, No W/L.
3,300' - 7,000' Cut brine water and native mud, mud wt. 8.8-9.2 ppg, Vis. 29-33 No. W/L control.
7,000' - 10,000' Cut brine native mud, mud wt. 9.0-9.5, Vis. 29-33, No W/L control.
10,000' - 10,600' Cut brine native mud, mud wt. 9.4-9.7, Vis. 36-43, W/L 20 cc.

BOP Program: Nipple up 10" Series 900 LWS double hydraulic operated Schaffer BOP at 500'.
Test BOP, casing and choke manifold to 2500# and test daily.

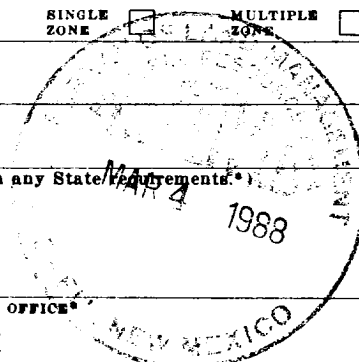
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED George R. Smith TITLE Agent for: Read & Stevens, Inc. DATE March 4, 1988

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY S/Gary Wood, Acting TITLE Area Manager DATE APR 20 1988

APPROVAL OF THIS APPLICATION 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. PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT IN ADVANCE.



15L-2487

All distances must be from the outer boundaries of the Section.

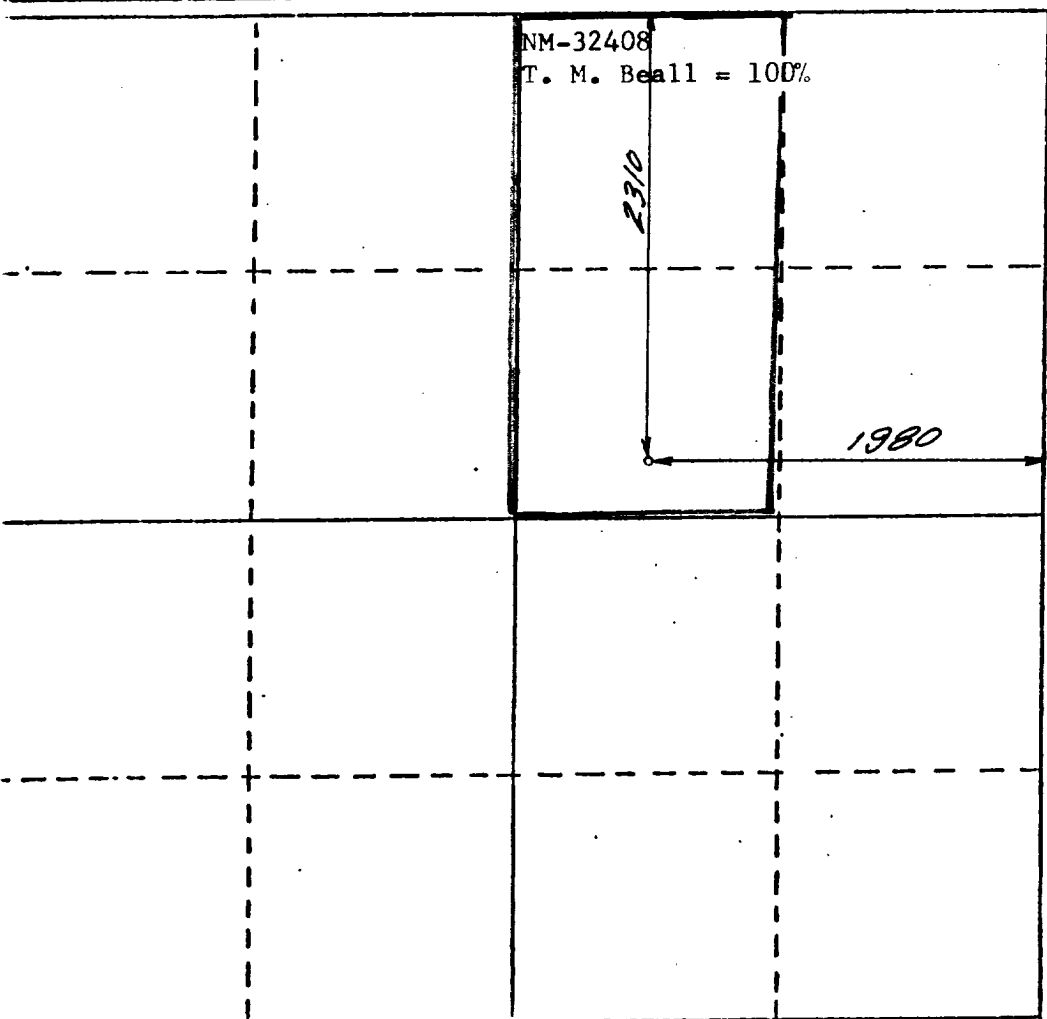
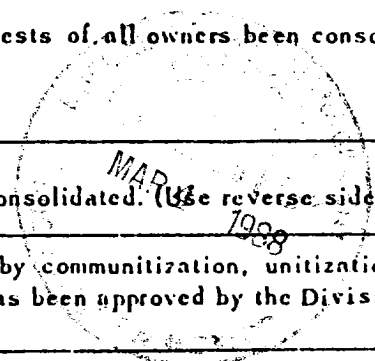
Operator Read & Steven, Inc.		Lease Cedar Point Federal			Well No. 1
Unit Letter G	Section 27	Township 15 South	Range 30 East	County Chaves	
Actual Postage Location of Well: 2310 feet from the North line and 1980 feet from the East line					
Ground Level Elev. 4076	Producing Formation Strawn		Pool Cedar Point Strawn	Dedicated Acreage: 80 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



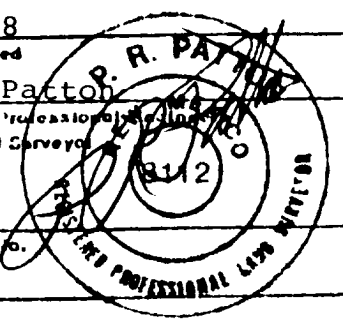
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

George R. Smith
Name
George R. Smith
Position
Agent for:
Company
Read & Stevens, Inc.
Date
March 4, 1988

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 knowledge and belief.

2/26/88
Date Surveyed
P. R. Patton
Registered Professional Surveyor
and/or Land Surveyor
8112
Certificate No.



BLOWOUT PREVENTER SPECIFICATION

WEK DRILLING CO., INC. - Rig 2

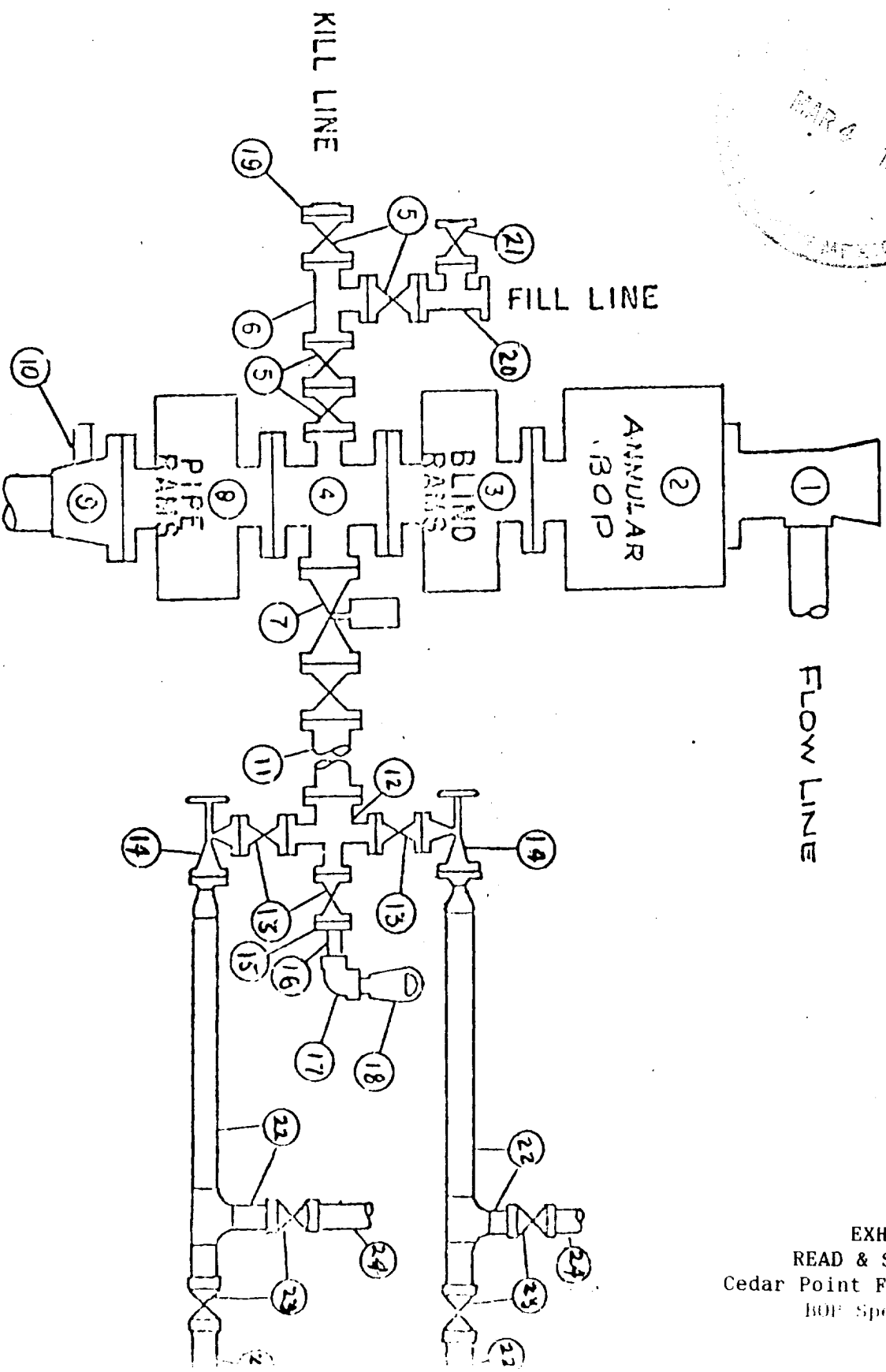


EXHIBIT "E"
 READ & STEVENS, INC.
 Cedar Point Federal, Well No. 1
 BOP Specifications

RECEIVED
APR 25 1988
OCD
HOBS OFFICE

REC-6-3-88
EIT