

District I - (575) 393-6161

1625 N. French Dr., Hobbs, NM 88240

District II - (575) 748-1283

811 S. First St., Artesia, NM 88210

District III - (505) 334-6178

1000 Rio Brazos Rd., Aztec, NM 87410

District IV - (505) 476-3460

1220 S. St. Francis Dr., Santa Fe, NM 87505

Energy, Minerals and Natural Resources

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-005-27946

5. Indicate Type of Lease

STATE FEE X

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Manry Elliott

8. Well Number 2

9. OGRID Number

018917

10. Pool name or Wildcat

TV;Penn (Gas)

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well XX Other

2. Name of Operator

Read and Stevens, Inc.

3. Address of Operator

PO box 1518, Roswell, NM 88202-1508

4. Well Location

Unit Letter H : 1980 feet from the N line and 990 feet from the E line

Section 22 Township 11S Range 31E NMPM Chaves County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

4462 GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK X PLUG AND ABANDON

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

DOWNHOLE COMMINGLE ☐

CLOSED-LOOP SYSTEM ☐

OTHER:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Read and Stevens, Inc. plans to Plug Back existing Morrow perforations from 10,916-10,984' with a CIBP and 35' of cement set at 10,866'.

Read and Stevens then plans to perforate the Atoka from 10,630 to 10,642', 2 shots per foot. The new perforations will be acidized with 1500 gallons of 7.5% NEFE acid. The load will be flowed and swabbed back and the zone tested for presence of hydrocarbons. If the results are positive, the zone may be further stimulated by fracking with a CO2 foam system carrying 53,000 lbs of 30/50 sand.

Read and Stevens plans to do this work in mid-April 2015.

Spud Date: 2/2/2007

Rig Release Date: 4/15/2007

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

SIGNATURE Tim Collier TITLE VP Drilling and Exploration DATE 4/6/2015

Type or print name Tim Collier E-mail address: tcollier@read-stevens.com PHONE: 575 622 3770

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 04/10/15

Conditions of Approval (if any):

APR 14 2015