Form 3160-5 (June 2015)

1. Type of Well

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

NMOCD Hobbs

FORM APPROVED OMB No. 1004-0137

Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

	NMNM84902
	6. If Indian, Allottee or Tribe Name
ż	
	7. If Unit of CA/Agreement, Name and/or No.
D	8. Well Name and No. QUAIL FEDERAL #4
	9. API Well No. 30-025-33884
	10. Field and Pool or Exploratory Area LEA; DELAWARE NE
	11. Country or Parish, State LEA COUNTY, NM
ITC	CE, REPORT OR OTHER DATA
AC	TION
leco leco	wetion (Start/Resume) Water Shut-Off water Shut-Off Well Integrity worderily Abandon Tolisposal
g da d an ired n a i	ate of any proposed work and approximate duration thereof. If d true vertical depths of all pertinent markers and zones. Attach subsequent reports must be filed within 30 days following new interval, a Form 3160-4 must be filed once testing has been been completed and the operator has detennined that the site
10	ATTACHED FOR NDITIONS OF APPROVAL

✓ Oil Well Gas Well Other 2. Name of Operator READ & STEVENS, INC. 3a. Address P.O. BOX 1518 3b. Phone No. (include area code (575) 622-3770 ROSWELL, NM 88202-1518 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) SEC 3, T20S-R34E 2310' FNL & 990' FWL 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF N TYPE OF SUBMISSION TYPE OF Acidize Deepen ✓ Notice of Intent Hydraulic Fracturing Alter Casing Casing Repair New Construction Subsequent Report Change Plans Plug and Abandon Final Abandonment Notice Plug Back Convert to Injection 13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured the Bond under which the work will be perfonned or provide the Bond No. on file with BLM/BIA. Requi completion of the involved operations. If the operation results in a multiple completion or recompletion in completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, is ready for final inspection.) Read & Stevens, Inc. is requesting a Change of Operator for the Quail Federal #4 to: Read & Stevens, Inc. BLM Bond No. NMB001324 P. O. Box 1518 Bond Type: Oil & Gas Personal Bond Roswell, NM 88202-1518 Bond Amount: \$300,000 \$50,000 Blanket Cash Plugging Bond Read & Stevens, Inc., Principal Pioneer Bank -Roswell Depository CD Acc Bond #OCD-1042 Read & Stevens, Inc. accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described above. 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Production & Regulatory Analyst Kelly Barajas Title 01/29/2016 Signature Date THE SPACE FOR FEDERAL OR STATE OFICE USE Approved by Title Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease Office which would entitle the applicant to conduct operations thereon.

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

(Instructions on page 2)

any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Read & Stevens, Inc. March 01, 2016 Change of Operator Conditions of Approval

- 1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
- 2. Submit for approval of water disposal method.
- 3. Submit updated facility diagrams as per Onshore Order #3
- 4. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
- 6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
- 7. Subject to like approval by NMOCD.
- 8. All Reporting to ONRR (OGOR Reports) must be brought current within 30 days of this approval including any past history.
- 9. If this well is incapable of producing in paying quantities submit NOI to plug and abandon this well or obtain approval to do otherwise within 90 days.
- 10. Submit plan for approval of well operations for all TA/SI wells within 30 days of this approval to change operator.
- 11. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.

JAM 030116