	UNITED STATES EPARTMENT OF THE INTERIOR	NMOC	Emphasis surrain jor, sore
BU	REAU OF LAND MANAGEMENT	Hobb	5. Lease Serial No. NMNM78273
Do not use this	NOTICES AND REPORTS ON V form for proposals to drill or t Use Form 3160-3 (APD) for su	to re-enter an	6. If Indian, Allottee or Tribe Name
SUBMIT II	N TRIPLICATE - Other instructions on page	ge 2	7. If Unit of CA/Agreement, Name and/or No.
1. Type of Well		MAR 1 4 201	6 Noll Name and No
✓ Oil Well Gas Well Other ✓			LUCY FEDERAL #2
2. Name of Operator READ & STEVENS, INC RECEIV			
3a. Address P.O. BOX 1518 ROSWELL, NM 8820		. (include area code) 770) 10. Field and Pool or Exploratory Area LEA; YATES
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) SEC 14, T20S-R34E 1980' FSL & 330' FWL			11. Country or Parish, State LEA COUNTY, NM
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF N			
	ECK THE AFFROFRIATE BOX(E3) TO IN		
TYPE OF SUBMISSION			PE OF ACTION
Votice of Intent		draulic Fracturing	Production (Start/Resume) Water Shut-Off Reclamation Well Integrity
Subsequent Report		v Construction g and Abandon	Recomplete Other Temporarily Abandon
Final Abandonment Notice		g Back	Water Disposal
is ready for final inspection.) Read & Stevens, Inc. is reque Read & Stevens, Inc. P. O. Box 1518 Roswell, NM 88202-1518	esting a Change of Operator for the Lucy BLM Bond No. NI Bond Type: Oil & Bond Amount: \$3 \$50,000 Blanket O Read & Stevens, I Pioneer Bank -Ro Bond #OCD-1042	Federal #2 to: MB001324 Gas Personal Bon 300,000 Cash Plugging Bond Inc., Principal swell Depository Cl	CONDITIONS OF APPROVAL
14. I hereby certify that the foregoing	is true and correct. Name (Printed/Typed)		
Kelly Barajas		Title Production a	& Regulatory Analyst
Signature Base	nes	Date	01/29/2016
	THE SPACE FOR FED	ERAL OR STA	ATE OFICE USE
Approved by			MAR 1 V 2010 Inch And
	iched. Approval of this notice does not warrar equitable title to those rights in the subject le onduct operations thereon.		BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE
	43 U.S.C Section 1212, make it a crime for a ments or representations as to any matter with		y and willfully to make to any department or agency of the United States
(Instructions on page 2)			MAR 1 4 2016 fm

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