

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia
Hobbs

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.

5. Lease Serial No.
SHL: NM-84902 BHL: NM-54432

6. If Indian, Allottee or Tribe Name

HOBBS OCD

SUBMIT IN TRIPLICATE – Other instructions on page 2.

7. If Unit of CA/Agreement Name and/or No.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
North Lea 3 Federal Com #1H

2. Name of Operator
Read & Stevens, Inc.

9. API Well No.
30-025-42080

3a. Address
P. O. Box 1518, Roswell, NM 88202-1518

3b. Phone No. (include area code)
575-622-3770

10. Field and Pool or Exploratory Area
Quail Ridge; Bone Spring, South (50461)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SL: 200' FNL & 350' FEL, Sec 3, T20S-R34E
BHL: 330' FSL & 350' FEL, Sec 3, T20S-R34E

11. County or Parish, State
Lea County, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Site Spill
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Contamination Clean-
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Up

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

2/19/2015 - Subsequent to multi-stage hydraulic fracturing operations, Three Rivers Operating Company, LLC reported that there were indications of possible communications between the above referenced R&S well and Three Rivers' wells:

Eagle 2 State Unit #006 Battery API 30-025-40330, Section 2, T20S, R34E, 330' FSL & 1950' FEL - Produced Water Storage Tank over pressured and released into containment area at battery.

Eagle 2 State #3 API 30-025-38042, Section 2, T20S-R34E, 1980' FNL & 2130' FWL, State Prop #35083- released on ground.

Eagle 2 State #4 API 30-025-38622, Section 2, T20S-R34E, 660' FNL & 660' FWL, State Prop #35083-released on ground.

Contaminated areas cleaned, and reclaimed by Three Rivers Operating Company, LLC.

Three Rivers Operating Company, LLC has reclaimed the well site contamination and Read & Stevens through it's insurance carrier, addressing possible remuneration to Three Rivers.

Attachments: Copies of C-141 and C-103 from the NM Oil Conservation Division

NM OIL CONSERVATION
ARTESIA DISTRICT

MAY 18 2015

RECEIVED

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Rory McMinn

Title: President & Managing Director

Signature

Date: 04/10/2015

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE 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 which would entitle the applicant to conduct operations thereon.

Office

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

(Instructions on page 2)

Submit 1 Copy To Appropriate District
Office
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

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised July 18, 2013

1 RP 3630
WELL API NO.
30-025-42080

5. Indicate Type of Lease
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
North Lea 3 Federal Com #1H

8. Well Number 1H

9. OGRID Number 18917

10. Pool name or Wildcat Code 50461
Quail Ridge, Bone Spring
South

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 ☐ Other

2. Name of Operator

Read & Stevens, Inc.

3. Address of Operator

POB 1518; Roswell, NM 88202-1518

4. Well Location

Unit Letter A-Surface/P Bot. Hole: 200 feet from the FNL Surface/ 330 FSL Bot. Hole and 350 feet from the FELline Surface and
Bottom Hole

Section 3

Township 20S

Range 34E

NMPM

County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3678.6

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: Site spill contamination clean-up ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: Site spill contamination clean-up ☒

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.

Subsequent to multi-stage hydraulic fracturing operations (2-19-15), Three Rivers Operating Company, LLC reported that there
were indications of possible communications between the above referenced R&S well and Threes Rivers' wells:

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pressured and released into containment area at battery.

Eagle 2 State #3 API 30-025-38042, Section 2, T20S, R34E, 1980 FNL & 2130 FWL, State Prop # 35083-released on ground

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Three Rivers Operating Company, LLC has reclaimed the well site contamination and Read & Stevens through it's insurance
carrier is addressing possible remuneration to Three Rivers.

Spud Date:

12-18/2014

Rig Release Date:

2-19-15

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

SIGNATURE



TITLE President & Managing Director DATE April 10, 2015

Type or print name Rory McMinn E-mail address: rmcminn@read-stevens.com PHONE: 575/622-3770 x 307

For State Use Only

APPROVED BY:

Accepted for Read

TITLE

DATE

Conditions of Approval (if any):

Environmental