

Submit 4 Copy To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
October 13, 2009

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

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.)		WELL API NO. 30-015-22826
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Read & Stevens, Inc.		6. State Oil & Gas Lease No.
3. Address of Operator P. O. Box 1518, Roswell, NM 88202-1518		7. Lease Name or Unit Agreement Name R&S, Inc. Fadeaway State 32 (39371)
4. Well Location Unit Letter B : 660 feet from the North line and 1980 feet from the East line Section 32 Township 19S Range 28E NMPM Eddy County		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3366.9' GL		9. OGRID Number 18917
		10. Pool name or Wildcat Millman, Qn-Gb-SA, East (46555)

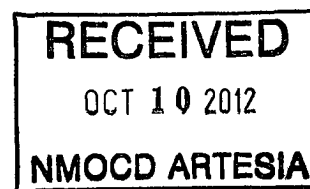
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

MIRU plugging unit. NU BOP. Displace hole w/gelled mud (46 bbls). Pump 35 sx 'C' cement from CIBP at 1935' to 1580'. Tag
Pull uphole laying down tubing to 250'. ND BOP. Pump 25 sxs cement to surface. POOH laying down tubing. RDMO
plugging unit. Install dry hole marker. Cut guyline anchors. Rip and contour pad. Seed same.

Notify OCD 24 hrs. prio.
To any work done.



Spud Date:

7/24/2012 re-entry

Rig Release Date:

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

SIGNATURE

TITLE Manager, Production & Completions

DATE 10/09/12

Type or print name Will Palmer

E-mail address: wpalmer@read-stevens.com

PHONE: 575-390-2424

For State Use Only

APPROVED BY:

TITLE

DATE 10/10/2012

Conditions of Approval (if any):

Approval Granted providing work
is complete by 11/10/2012

NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
811 S. FIRST STREET
ARTESIA, NM 88210
(575)748-1283

CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT

Operator: Reed & Stevens, Inc.

Well Name & Number: Fadaway State 32 #1

API #: 30-015-22826

1. Produced water **will not** be used during any part of the plugging & abandonment operation.
2. Notify NMOCD Dist. 2 office at least 24 hrs before beginning work.
3. Closed Loop System is to be used for entire plugging operation. Upon completion, contents of steel pit are to be hauled to a permitted disposal location.
4. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator, as well as the contractor, to verify that this permit is in place prior to performing work. Drivers shall produce a copy upon request of NMOCD Field Inspectors.
5. A subsequent C-103 will serve as notification that the well bore has been plugged ONLY. A C-103 FINAL shall be filed before any bonding can be released on the well. Upon receipt of the Final, an inspection will be performed to verify that the location has been satisfactorily cleaned to NMOCD standards.
6. If work has not begun within 90 days of the approval of this procedure, an extension request must be filed, stating reason that well has not been plugged.
7. Every attempt must be made to clean the well bore out to below the perfs, before any plugs can be set, by whatever means possible.

8. Cement Retainers may not be used.
9. Squeeze pressures not to exceed 500 psi., unless approval is given by NMOCD Plugging Supervisor.
10. Plugs may be combined after consulting with NMOCD P & A Supervisor.
11. Minimum WOC time for tag plugs will be 4 hrs.

DG

Date: 10/10/2012