

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

AUG 19 2008

FORM APPROVED
OMB NO 1004-0135
Expires July 31, 2010

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.

OCD-ARTESIA Lease Serial No.
NMNM28096

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator READ & STEVENS INCORPORATED E-Mail: dluna@read-stevens.com		7. If Unit or CA/Agreement, Name and/or No
3a. Address P O BOX 1518 ROSWELL, NM 88202	3b. Phone No (include area code) Ph: 575-622-3770 Ext: 213 Fx: 575-622-8643	8. Well Name and No JAMIE FEDERAL 2
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 14 T18S R31E NWNW 660FNL 810FWL		9. API Well No. 30-015-26424-00-S1
		10. Field and Pool, or Exploratory GRAYBURG
		11. County or Parish, and State EDDY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recomple 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Read & Stevens, Inc. proposes to plug and abandon this well by completing the following:

1. Pull 2 3/8" tbg (4,127')
2. Set CIBP, inside of 4 1/2" csg @ 4,000' (above Grayburg perms from 4,092' - 4,102') w/35' of cmt.
3. Set CIBP @ 2,000' w/35' of cmt. **3.a. Plug from 916-816 (25 sx min)**
4. Cut off wellhead and set 50' surface plug. **woc. Tag**
5. Install dryhole marker.
6. Reclaim surface per BLM recommendation. **3.b. shoe plug 462-362 (25 sx min) woc. Tag**

Note:

Note: 45 sx plug @ 462 would cinc To Surface. Avoids woc time.

APPROVED

AUG 16 2008

JAMES A. AMOS
SUPERVISOR-EPS

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #61918 verified by the BLM Well Information System
For READ & STEVENS INCORPORATED, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 08/04/2008 (08KMS2361SE)

Name (Printed/Typed) DAVID LUNA

Title PETROLEUM ENGINEER

Signature (Electronic Submission)

Date 07/31/2008

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

AUG 19 2008

Approved By JAMES A AMOS

Title SUPERVISOR EPS

Gerry Guye, Deputy Field Inspector
NMOC District II Artesia

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 Carlsbad

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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 or cause to be made any statement or representation to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional data for EC transaction #61918 that would not fit on the form

32. Additional remarks, continued

Surface 8 5/8" 24# set at 414'. 4 1/2" 11.6# set at 4,489'. Cmt was circ to surface on both strings. Drilled and completed in 1990.

Attachments:

Exhibit "A" current wellbore
Exhibit "B" proposed PA wellbore.

P&A Procedure
Jamie Fed. #2
Read & Stevens, Inc.

1. Pull 2 3/8" tbg. (4127')
2. Set CIBP, inside of 4 1/2" casing, @ 4000' (above Grayburg perms from 4092-4102) with 35' of cement.
3. Set CIBP @ 2000' w/ 35' of cement. ** See 3.a. & 3.b Note.*
4. Cut off wellhead and set 50' surface plug.
5. Install dryhole marker
6. Reclaim surface per BLM recommendation.

Note:

Surface, 8 5/8" 24#, set at 414'. 4 1/2 11.6# set at 4489'. Cement was circulated to surface on both strings. Drilled and completed in 1990. Exhibit A = Current wellbore, Exhibit B = Proposed PA wellbore

Directions:

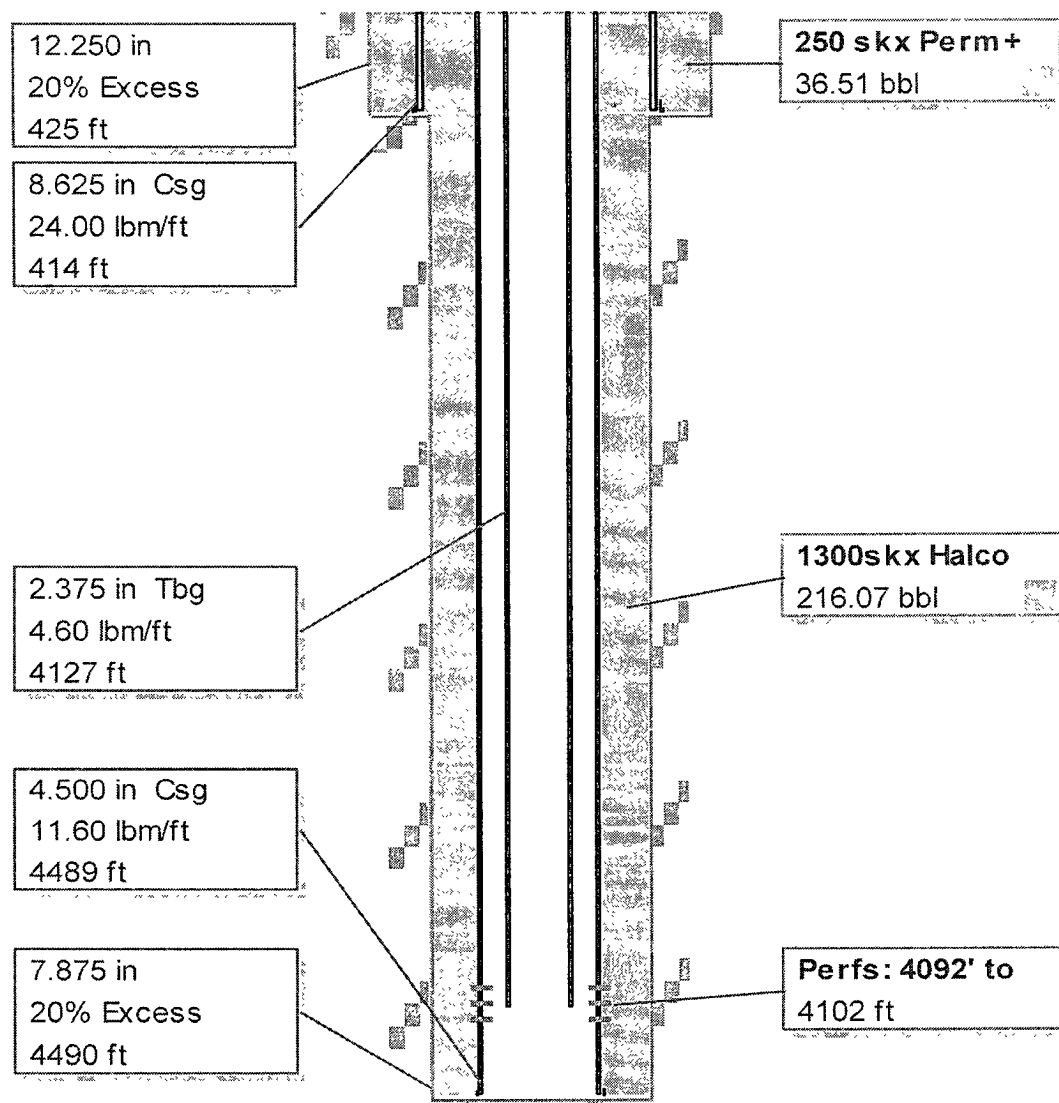
From Loco Hills go East on 82 for 5.2 miles. South on CR 222 for 4.1 miles. SE on gravel CR 249 for 1.1 miles. Left (NE) on lease road for 1.4 miles to well.

Contacts:

Will Palmer, Field Supervisor, 575-390-2424

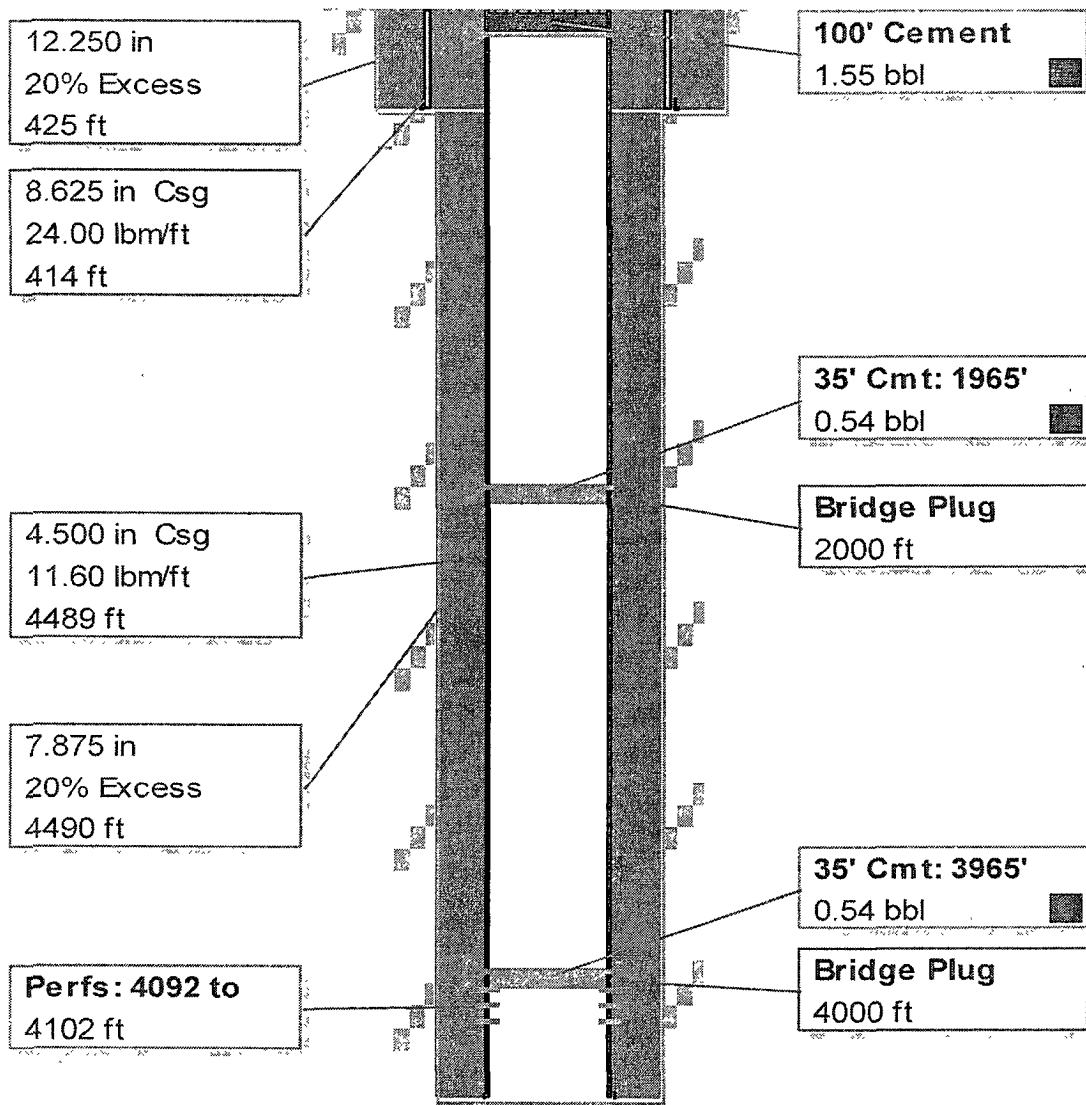
David Luna, Operations Engineer, 575-622-3770, ext. 213

Jamie Fed #2
Read Stevens
Sec. 4, T18, R-31
Exhibit A
Current Wellbore



i-Handbook* - *a mark of Schlumberger

Jamie Fed #2 PA
 Read Stevens
 Sec. 4, T18, R-31
 Exhibit B
 Proposed PA Diagram



i-Handbook* - *a mark of Schlumberger

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Permanent Abandonment of Federal Wells
Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **ninety (90)** days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. **Dry Hole Marker:** All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. **Subsequent Plugging Reporting:** Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.