

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**CONFIDENTIAL**FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007**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 reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-111953
2. Name of Operator Read & Stevens, Inc.		6. If Indian, Allottee or Tribe Name
3a. Address P. O. Box 1518 Roswell, NM 88202	3b. Phone No. (include area code) 505/622-3770	7. If Unit or CA/Agreement, Name and/or No. NM-116545
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 710' FSL & 480' FEL Section 17 T16S-R27E		8. Well Name and No. Horseshoe 17 Federal Com#1
MAR 25 2008 OCD-ARTESIA		9. API Well No. 30-015-35195
		10. Field and Pool, or Exploratory Area Undesignated Diamond Mound Morrow
		11. County or Parish, State Eddy County New Mexico

12. CHECK 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 checked="" 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Drlg, Csg, Cmt.
	<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 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 shall 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 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.)

10/22/06 Continue drlg operations. Drill 12 1/4" hole to 1,442'. Ran 34 jts 8 5/8" 24# J-55 8rd ST&C csg, set @ 1,442'. Cmt w/ 485 sx Halliburton Light Premium Plus w/ additives, tail in w/ 200 sx Premium Plus w/ 2% CaCl. Circ cmt to pit. Tested csg to 1000 psi-OK. WOC 24 hrs.

11/23/06 Drill 7 7/8" hole to 8,900'. Ran 202 jts 5 1/2" 17# HCP-110 8rd LT&C csg, set @ 8,896'. Cmt 1st stage w/ 600 sx Interfill H, tail in w/ 165 sx Premium Super Flush plus additives, cmt 2nd stage w/ 525 sx Halliburton Light Premium Plus plus additives, tail in w/ 100 sx Premium Class C plus 1% CaCl. Did not circulate cmt. Tested csg to 1500 psi-OK. Rig released @ 9:00 AM 11/24/06.

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

John C. Maxey

Title

President

Signature

Date

12-22-06**THIS SPACE FOR FEDERAL OR STATE OFFICE USE****ACCEPTED FOR RECORD**

Approved by

Title

Date

FEB 14 2007

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

WESLEY W. INGRAM

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)

Accepted for record - NMOC