

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NMOC CONSERVATION

FORM APPROVED  
OMB No. 1004-0137  
Expires: January 31, 2018

**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.**

ARTESIAN DISTRICT  
JAN 08 2016  
RECEIVED

|  |   |   |
|--|---|---|
| <b>SUBMIT IN TRIPLICATE - Other instructions on page 2</b>   |   | 7. If Unit of CA/Agreement, Name and/or No.                     |
| 1. Type of Well<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | 8. Well Name and No. CRYSTAL FEDERAL #2             |   |
| 2. Name of Operator<br>READ OPERATING COMPANY LLC  | 9. API Well No. 30-015-31807                        |   |
| 3a. Address<br>P.O. BOX 1518<br>ROSWELL, NM 88202-1518   | 3b. Phone No. (include area code)<br>(575) 622-3770 | 10. Field and Pool or Exploratory Area<br>CARLSBAD MORROW SOUTH |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>SEC 4, T24S-R26E 2375' FNL & 660' FEL                  |   | 11. Country or Parish, State<br>EDDY COUNTY, NM                 |

12. CHECK THE 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"/> Hydraulic Fracturing | <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       |   |
|  | <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 recompleate 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 recompleation 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.)

Read Operating Company LLC is requesting a Change of Operator for the Crystal Federal #2 to:

Read Operating Company LLC  
P. O. Box 1518  
Roswell, NM 88202-1518

BLM Bond No. NM001147  
Bond Type: Oil & Gas Personal Bond  
Bond Amount: \$25,000

\$50,000 Blanket Cash Plugging Bond  
Read Operating Company LLC, Principal  
Pioneer Bank - Roswell Depository CD Account #0140101609  
Bond #OCD-1042

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

Change of Operator will take place January 1, 2016.

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described above.

Accepted for record  
NMOC

|  |                    |
|--|--------------------|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)<br>Rory McMinn | Title<br>President |
| Signature<br>  | Date<br>1/20/2016  |

THE SPACE FOR FEDERAL OR STATE OFFICE USE

|  |        |            |
|--|--------|------------|
| Approved by  | Title  | Date       |
|  | Office | JAN 5 2016 |
| BUREAU OF LAND MANAGEMENT<br>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.

**Read Operating Company LLC**  
**January 5, 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 010516**