

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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-015-37939

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Bandit State

8. Well Number 009

9. OGRID Number
18917

10. Pool name or Wildcat
Happy Valley; Delaware

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 P. O. Box 1518, Roswell, NM 88202-1518

4. Well Location

Unit Letter M : 990 feet from the South line and 990 feet from the West line

Section 10 Township 23S Range 26E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,324' GR

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Log, 5 1/2" csg, cmt ☒

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.

08/21/10 - 08/29/2010

Drlg. TD on 08/27/10. RU loggers. Loggers TD is 3,297'. Run 5 1/2" 15.5 J-55 LTC csg. Set @ 3,062'. Cmt/w 360 sxs Econocem w/additives. Tail end w/200 sxs Halcem w/additives. Drop plug and displace w/72 bbls f/w. Bump plug w/500 psi. Test okay. WOC. No cmt was noted at surface. RD. WO completion orders. Rig released at 6:00 AM on 8/28/2010.

RECEIVED

NOV 12 2010

NMOCD ARTESIA

Spud Date: 08/19/2010

Rig Release Date: 08/28/2010

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

SIGNATURE David Luna TITLE Operations Engineer DATE 11/9/2010

Type or print name David Luna E-mail address: dluna@read-stevens.com PHONE: 575-622-3770

For State Use Only

APPROVED BY: David May TITLE Field Supervisor DATE 11-15-10

Conditions of Approval (if any):

Cox