| Submit 1 Copy To Appropriate District Office  | State of New Mexico                          |                        | Form C-103                                      |  |
|---|--|------------------------|---|--|
| <u>District I</u><br>1625 N. French Dr., Hobbs, NM 88240  | Energy, Minerals and Natural Res             | WELL API N             | October 13, 2009 O. 20, 015, 25020              |  |
| District II<br>1301 W. Grand Ave., Artesia, NM 88210  | OIL CONSERVATION DIVI                        | La Indicate Ly         | 30-015-37939  5. Indicate Type of Lease         |  |
| <u>District III</u><br>1000 Rio Brazos Rd., Aztec, NM 87410   | 1220 South St. Francis Dr                    | STATE                  | FEE   |  |
| <u>District IV</u><br>1220 S. St. Francis Dr., Santa Fe, NM   | Santa Fe, NM 87505                           | 6. State Oil &         | Gas Lease No.                                   |  |
| 87505<br>SUNDRY NOT   | ICES AND REPORTS ON WELLS                    | 7. Lease Nam           | e or Unit Agreement Name                        |  |
| (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.)   |  |                        | t State   |  |
| 1. Type of Well: Oil Well X Gas Well Other  |  |                        | 8. Well Number 009                              |  |
| 2. Name of Operator Read & Stevens, Inc.  |  | 9. OGRID Ni            | 9. OGRID Number<br>18917                        |  |
| 3. Address of Operator P. O. Box 1518, Roswell, NM 88202-1518   |  | )                      | 10. Pool name or Wildcat Happy Valley; Delaware |  |
| 4. Well Location  |  | Trappy vari            | cy, Delaware                                    |  |
| 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: SUBSEQUENT REPORT OF:   |  |                        |   |  |
| PERFORM REMEDIAL WORK   | <del></del> )                                | EDIAL WORK             | ALTERING CASING                                 |  |
| TEMPORARILY ABANDON   |  |                        |   |  |
| DOWNHOLE COMMINGLE  | _  |                        |   |  |
| OTHER:  |  | R: Perf, Acidize, Frac | <u>X</u>  |  |
| 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. |  |                        |   |  |
| 09/23/2010 - 10/07/2010   |  |                        |   |  |
| MIRU CU. Run logs from PBTD @ 2,998' to 1,000'. TOC @ 230'. Perforate 2,717'-21'; 2,742'-56'; 2,779'-83'  |  |                        |   |  |
| w/2 jsp. Total of (24) .39" holes. Acidize w/1,500 gals 7 1/2% HCL. Flush w/15 bbls 2% KCL wtr. Pmax -  |  |                        |   |  |
| 4,850 psi, Pavg - 920 psi. Frac w/30,200# 16/30 brn proppant contained in 270 bbls 30# X-Linked gel.  |  |                        |   |  |
| Pumped 10,255# 16/30 resin-coated proppant in 5 ppg stage and contained in 30# X-Linked gel. Pmax - 824   |  |                        |   |  |
| psi. Pavg - 704 psi. RIH w/(89) jnts 2 7/8" tbg, pump, (113) 3/4" rods, 3/4"x4' pony rod, 1 1/4"x16' polished   |  |                        |   |  |
| steel rod. Prep to in   | istall pumping unit.                         |                        | RECEIVED  |  |
|   | <u>.                                    </u> |                        | NOV 1 2 2010                                    |  |
| Spud Date: 08/19/2010   | Rig Release Date:                            | 08/28/2010             | NMOCD ARTESIA                                   |  |
|   |  |                        | THIOOD ARTESIA                                  |  |
| I hereby certify that the information above is true and complete to the best of my knowledge and belief.  |  |                        |   |  |
|   |  |                        |   |  |
| SIGNATURE TITLE Operations Engineer DATE 11/9/2010  |  |                        |   |  |
| Type or print name David Luna For State Use Only  | E-mail address: dlun                         | a@read-stevens.com     | PHONE: <u>575-622-3770</u>                      |  |
| APPROVED BY: Outled<br>Conditions of Approval (if any):   | May TITLE Field ?                            | supervisor             | date 11 <b>-15-10</b>                           |  |

Cox X