

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD

OCD - Hobbs
FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS** JUN 15 2011
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.**

RECEIVED

| | | |
|--|---|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM105221 |
| 2. Name of Operator READ & STEVENS INCORPORATED E-Mail: wpalmer@read-stevens.com | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address ROSWELL, NM 88202 | 3b. Phone No. (include area code) Ph: 575-622-3770 Fx: 575-396-7274 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 10 T20S R34E NESW 660FSL 660FWL / 32.585859 N Lat, 103.550278 W Lon | | 8. Well Name and No. COYOTE 10 FEDERAL 2 |
| | | 9. API Well No. 30-025-26675-00-X1 |
| | | 10. Field and Pool, or Exploratory LEA Bone Spring |
| | | 11. County or Parish, and State LEA COUNTY, NM |

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 | Drilling Operations |
| | <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.)

05/04/2011 - 05/20/2011

MIRUSU. Drill out plugs. Perf from 6021'-6097', 6149'-6163'. Total of 184 .39 holes, 2spf.
Acidize w/2000 gals 15% NeFe HCl spacing 200 ball sealers throughout job. Frac Delaware zone
w/100,000# 16/30 brn sand. Swab well. Run pumping assembly. RDMOSU.

Completion report to follow.

| | |
|--|-----------------------------------|
| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #109462 verified by the BLM Well Information System For READ & STEVENS INCORPORATED, sent to the Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 06/03/2011 (11DLM0489SE) | |
| Name (Printed/Typed) WILL PALMER | Title MANAGER, PROD & COMPLETIONS |
| Signature (Electronic Submission) | Date 06/01/2011 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------------------------------------|-----------------|
| Approved By ACCEPTED | JAMES A AMOS Title SUPERVISOR EPS | Date 06/04/2011 |
| 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 Hobbs JUN 15 2011 | | |

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****