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Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

RECEIVED
No. SHL:NM-84902 BHL:NM-54432

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 page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No.
2. Name of Operator Read and Stevens, Inc.		8. Well Name and No. North Lea 3 Fed Com #1H
3a. Address 400 N. Pennsylvania Ave #1000 Roswell, NM 88201	3b. Phone No. (include area code) 575-622-3770	9. API Well No. 30-025-42080
4. Location of Well (Footage, Sec., T, R, M., or Survey Description) SHL: 200' FNL & 350' FEL of Section 3, T20S, R34E BHL: 330' FSL & 350' FEL of Section 3, T20S, R34E		10. Field and Pool or Exploratory Area Quail Ridge, Bone Spring, South
		11. County or Parish, State Lea County, New Mexico

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 checked="" 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 type="checkbox"/> Other _____
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporary 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 recomplete 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 recompletion 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 & Stevens, Inc. proposes to change the production casing from 5.5" to a tapered 7" crossed over to 5.5". Cement volumes will be adjusted accordingly.

Currently the plan has 8.5" hole with 5.5" 17#, P-110, BTC casing being set at 15385.9'

Proposing to have 8.5" hole with 5.5" 17#, P-110, GBCD(Semi-Premium Thread) casing from 15385.9' to 7" crossover at 10310'. 7" 26#, P-110, GBCD(Semi-Premium Thread) set at 10307'(above 3ft cross over) to surface.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

APPROVED
[Signature]
DEC 23 2014
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Adolfo Cruz	Title Drilling Engineer
Signature <i>[Signature]</i>	Date 11/12/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
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 <i>[Signature]</i>	

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)

JAN 07 2015

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North Lea 3 Fed Com #1H Cement Revisions

Date	No. Sx	Yield (cuft/sk)	Vol. (cuft)	Csg. O.D. (in)	Top (MD ft)	Bottom (MD ft)	Description	Comments
	712	1.75	1,246	13.375	0	1,450		120' Lead casing in conductor with no excess 126.7cuft 22.6bbls 1330' Lead casing in open hole with 100% excess 1120 cuft 200 bbls
	165	1.35	224	13.375	1,450	1,750		300' Tail casing in open hole with 100% excess 187.9cuft 33.5bbls 40' Tail in shoe track with no excess 34.7cuft 6.2bbls
	1,455	1.73	2,517	9.625	0	5,090		1750' Lead casing in casing with no excess 635 cuft 113 bbls 3340' Lead casing in open hole with 80% excess 1883 cuft 336 bbls
	224	1.34	300	9.625	5,090	5,590		500' Tail casing in open hole with 80% excess 281.9cuft 50.2bbls 40' Tail shoe track with no excess 17cuft 3bbls
	748	2.38	1,783	7.000	0	10,310		5590' Lead cement in casing with no excess 885 cuft 158 bbls 4720' Lead cement in open hole with 50% excess 898 cuft 160 bbls
	78	2.38	188	5.500	10,310	10,850		540' Lead cement in open hole with 50% excess 185 cuft 33.05 bbls
	760	1.64	1,246	5.500	10,850	15,385		4635' Tail Cement in open hole with 20% excess 1274 cuft 227 bbls 84'tail shoe track with no excess 7.3 cuft 1.3 bbls

CONDITIONS OF APPROVAL

Sundry dated 11/12/2014

OPERATOR'S NAME:	Read and Stevens, Inc.
LEASE NO.:	NMNM-54432
WELL NAME & NO.:	North Lea 3 Fed Com 1H
SURFACE HOLE FOOTAGE:	0200' FNL & 0350' FEL
BOTTOM HOLE FOOTAGE:	0330' FSL & 0350' FEL
LOCATION:	Section 03, T. 20 S., R 34 E., NMPM
COUNTY:	Lea County, New Mexico

The Original COA Still Stand with The following drilling modifications:

Formation below the 9-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.

1. The minimum required fill of cement behind the (crossover) 7" by 5-1/2" production casing is:

Cement to surface. If cement does not circulate, contact the appropriate BLM office.

EGF 122314