Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

SUNDRY NOTICES AND REPORTS ON WELLSAN 0 8

NMOCE Hobbs

FORM APPROVED OMB No. 1004-0137

Expires: January 31, 2018

5. Lease Serial No. NMNM54432

701 6. If Indian, Allottee or Tribe Name

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2 1. Type of Well 8. Well Name and No. MARK FEDERAL #1 ✓ Oil Well Gas Well Other 2. Name of Operator READ OPERATING COMPANY LLC 9. API Well No. 30-025-30183 3a. Address P.O. BOX 1518 10. Field and Pool or Exploratory Area 3b. Phone No. (include area code) (575) 622-3770 LEA: DELAWARE ROSWELL, NM 88202-1518 11. Country or Parish, State 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SEC 3, T20S-R34E 660' FSL & 660' FWL LEA COUNTY, NM 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Deepen Production (Start/Resume) Water Shut-Off Acidize ✓ Notice of Intent

Plug Back 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 perfonned 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 detennined that the site is ready for final inspection.)

Hydraulic Fracturing

New Construction

Plug and Abandon

Read Operating Company LLC is requesting a Change of Operator for the Mark Federal #1 to:

Alter Casing

Casing Repair

Change Plans

Convert to Injection

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

Subsequent Report

Final Abandonment Notice

BLM Bond No. NMB001147 NM300 B24 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

Reclamation

Recomplete

Temporarily Abandon

Water Disposal

Bond #OCD-1042

Well Integrity

✓ Other

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 All Operator Changes must be filed thereof, as described above.

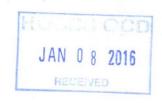
electronically with the NMOCD through

E-permitting 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) President Rory McMinn Title 11/20/2015 Date Signature THE SPACE FOR FEDERAL OR STATE OFICE USE

Approved by Title 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 Office which would entitle the applicant to conduct operations thereon.

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 4, 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 010416