

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
NMNM54432

1a. Type of Well Oil Well Gas Well Dry Other
 b. Type of Completion New Well Work Over Deepen Plug Back Diff. Resvr.
 Other _____

6. If Indian, Allottee or Tribe Name _____
 7. Unit or CA Agreement Name and No. _____

2. Name of Operator **READ & STEVENS INCORPORATED** Contact: **TIM COLLIER**
 READ & STEVENS INCORPORATED E-Mail: **tcollier@read-stevens.com**

3. Address **ROSWELL, NM 88202** 3a. Phone No. (include area code) **HOBBS OCD**
 Ph: **575-622-3770**

8. Lease Name and Well No. **NORTH LEA 3 FED COM 3H**
 9. API Well No. **30-025-42228-00-S1**

4. Location of Well (Report location clearly and in accordance with Federal requirements)* **NOV 02 2015**
 At surface **Lot 3 200FNL 2290FWL 32.363215 N Lat, 103.325702 W Lon**
 At top prod interval reported below **SESW 330FSL 2290FWL**
 At total depth **SESW 330FSL 2290FWL** **RECEIVED**

10. Field and Pool, or Exploratory **QUAIL RIDGE, B3 SOUTH**
 11. Sec., T., R., M., or Block and Survey or Area **Sec 3 T20S R34E Mer NMP**
 12. County or Parish **LEA** 13. State **NM**

14. Date Spudded **01/24/2015** 15. Date T.D. Reached **02/24/2015** 16. Date Completed D & A Ready to Prod.
07/24/2015

17. Elevations (DF, KB, RT, GL)* **3668 GL**

18. Total Depth: MD **15450** TVD **10923** 19. Plug Back T.D.: MD **MD** TVD **TVD** 20. Depth Bridge Plug Set: MD **MD** TVD **TVD**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
COMPZ-DEN COMPNEUTRONLOG GR;X-MULIPOLEAR 22. Was well cored? No Yes (Submit analysis)
 Was DST run? No Yes (Submit analysis)
 Directional Survey? No Yes (Submit analysis)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
16.000	13.375 J-55	54.5	0	1707		980			80
12.250	9.625 L-80	40.0	0	2927		1740			436
12.250	9.625 J-55	40.0	0	5400		1160			474
8.750	7.000 P-110	26.0	0	10037		700			570
8.750	5.500 P-110	17.0	10037	15450		1385			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BONE SPRING SOUTH			11032 TO 15136	0.000	3860	43 STAGE NCS FRAC SLEEVE
B)						
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
11032 TO 15136	33288 GALS 15% HCl ACID; 82,509# 100 MOS; 433,680# 40/70 MOS; 1,672,650 20/40 MOS;

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity
07/24/2015	07/26/2015	24	→	51.0	983.0	67.0	44.5	
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
40/64	SI	575.0	→	51	983	67	19275	POW

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity
			→					
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
	SI		→					

ACCEPTED FOR RECORD
 FLOWS FROM WELL
OCT 28 2015
 [Signature]
 BUREAU OF LAND MANAGEMENT
 CARLSBAD FIELD OFFICE

(See Instructions and spaces for additional data on reverse side)
 ELECTRONIC SUBMISSION #311634 VERIFIED BY THE BLM WELL INFORMATION SYSTEM
**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Reclamation Date: _____
 Com Agreement needed
 MAR 29 2016

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

CAPTURED *Sold*

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
RUSTLER	1630				
YATES	3589				
SEVEN RIVERS	3977				
QUEEN	4569				
SAN ANDRES	5200				
DELAWARE	5399				
CHERRY CANYON	5630				
BRUSHY CANYON	6640				
BONE SPRING	8265				
AVALON	8795				
BONE SPRING 1ST	9503				
BONE SPRING 2ND	10014				
BONE SPRING 3RD	10660				

32. Additional remarks (include plugging procedure):

- FORMATION: BONE SPRING 8265
- FORMATION: AVALON 8795
- FORMATION: 1ST BS 9503
- FORMATION: 2ND BS 10014
- FORMATION: 3RD BS 10660

33. Circle enclosed attachments:

- 1. Electrical/Mechanical Logs (1 full set req'd.)
- 2. Geologic Report
- 3. DST Report
- 4. Directional Survey
- 5. Sundry Notice for plugging and cement verification
- 6. Core Analysis
- 7 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #311634 Verified by the BLM Well Information System.
For READ & STEVENS INCORPORATED, sent to the Hobbs
Committed to AFMSS for processing by LINDA JIMENEZ on 08/12/2015 (15LJ1407SE)

Name (please print) TIM COLLIER Title SR VP EXPLORATION & DEVELOPMEN

Signature (Electronic Submission) Date 08/05/2015

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.

**** REVISED ** REVISED ****

Additional data for transaction #311634 that would not fit on the form

32. Additional remarks, continued

MAILING LOGS TODAY 8/5/2015

Revisions to Operator-Submitted EC Data for Well Completion #311634

	Operator Submitted	BLM Revised (AFMSS)
Lease:	NMNM54432	NMNM54432
Agreement:		
Operator:	READ & STEVENS P. O. BOX 1518 ROSWELL, NM 88202 Ph: 575-622-3770	READ & STEVENS INCORPORATED ROSWELL, NM 88202 Ph: 575 622 3770
Admin Contact:	TIM COLLIER SR VP EXPLORATION & DEVELOPMEN E-Mail: tcollier@read-stevens.com Ph: 575-622-3770	TIM COLLIER SR VP EXPLORATION & DEVELOPMEN E-Mail: tcollier@read-stevens.com Ph: 575-622-3770
Tech Contact:	TIM COLLIER SR VP EXPLORATION & DEVELOPMEN E-Mail: tcollier@read-stevens.com Ph: 575-622-3770	TIM COLLIER SR VP EXPLORATION & DEVELOPMEN E-Mail: tcollier@read-stevens.com Ph: 575-622-3770
Well Name:	NORTH LEA 3 FEDERAL COM	NORTH LEA 3 FED COM
Number:	3H	3H
Location:		
State:	NM	NM
County:	LEA	LEA
S/T/R:	Sec 3 T20S R34E Mer	Sec 3 T20S R34E Mer NMP
Surf Loc:	200FNL 2290FWL	Lot 3 200FNL 2290FWL 32.363215 N Lat, 103.325702 W Lon
Field/Pool:	QUAIL RIDGE; BS-SOUTH	QUAIL RIDGE
Logs Run:	COMP Z-DEN/COMP NEUTRON LOG/GR; X-MULIPOLE	COMP Z-DEN COMP NEUTRON LOG GR; X-MULIPOLE
Producing Intervals - Formations:		BONE SPRING SOUTH
Porous Zones:	RUSTLER YATES SEVEN RIVERS QUEEN SAN ANDRES DELAWARE CHERRY CANYON BRUSHY CANYON	RUSTLER YATES SEVEN RIVERS QUEEN SAN ANDRES DELAWARE CHERRY CANYON BRUSHY CANYON BONE SPRING AVALON BONE SPRING 1ST BONE SPRING 2ND BONE SPRING 3RD
Markers:		