

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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 reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Serial No. NM-54432
2. Name of Operator Read & Stevens, Inc.	6. If Indian, Allottee or Tribe Name
3a. Address P. O. Box 1518 Roswell, NM 88202	7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) 505/622-3770	8. Well Name and No. Mark Federal #8
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1650' FSL & 330' FEL Section 3 T20S-R34E	9. API Well No. 30-025-32158
	10. Field and Pool, or Exploratory Area NE Lea Delaware
	11. County or Parish, State Lea County, New Mexico

12. CHECK 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 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 checked="" type="checkbox"/> Temporarily Abandon	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Water Disposal	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back		

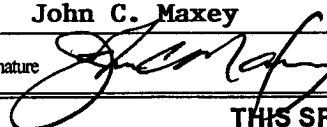
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletable horizontally, give subsurface locations and measured and true vertical 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 recompletable 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.)
- Approved for 12 Month Period**

02/21/07

Ran MIT test to renew TA status. Tested csg and CIBP to 620 psi for 30 minutes, test OK. Pat Hutchings w/ the BLM witnessed. We are requesting a 1 yr TA status.

We are requesting a TA because we are participating in a new waterflood immediately to the east of our lease in a similar Delaware sand. The formation has started to respond and we would like to gather more data on the response before we commit to the significant expenditure required for the potential flood possibility on our lease. This wellbore could be used in a flood of this lease.

2ND REQUEST

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) John C. Maxey	Title President
Signature 	Date 2-21-07
THIS SPACE FOR FEDERAL OR STATE OFFICE USE APPROVED	
Approved by 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.	Title FEB 23 2007
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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	Office FREDERICK WRIGHT PETROLEUM ENGINEER

(Instructions on page 2)

GWW

