

Form 3160-3
August 2007
RECEIVED
OCT-21-2008
HOBBS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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. NMNM54432
2. Name of Operator READ & STEVENS INC. ✓		6. If Indian, Allottee or Tribe Name
Contact: DAVID LUNA E-Mail: dluna@read-stevens.com		7. If Unit or CA/Agreement, Name and/or No
3a. Address P. O. BOX 1518 ROSWELL, NM 88202-1518	3b. Phone No. (include area code) Ph: 575-622-3770 Ext: 213 Fx: 575-622-8643	8. Well Name and No. MARK FEDERAL 8 ✓
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 3 T20S R34E 1650FSL 330FEL ✓		9. API Well No. 30-025-32158 ✓
		10. Field and Pool, or Exploratory QUAIL RIDGE
		11. County or Parish, and State LEA COUNTY COUNTY, NM ✓

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

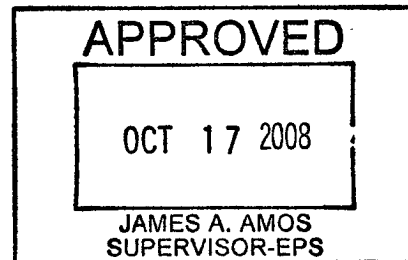
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths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

Read & Stevens, Inc. respectfully request to plug and abandon the Mark Federal #8 well.

TD: 6349? PBDT: 5533? (CIBP) KB: 3675 GL: 3674 DV: 3867?
Surface CSG: 13 3/8? 54.5#, 17 ?? OH Production: 5 ??15.5#, J-55, 11? OH
Squeezed Delaware Perfs: 5548-52, 5562-72, 5698-5727
Old Delaware Perfs: 5910-14, 5916-20, 5922-24, 5980-86
Old Delaware Perfs: 6030-38 (CIBP @6020? w/ 14? of cmt)
Yates Seven River Perfs: 3769-73, 3824-28

1. Spot 100? cement at 3600?
2. Spot 100? cement at 1450?
3. Spot 50? surface plug (cement)

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**



14. I hereby certify that the foregoing is true and correct Electronic Submission #63729 verified by the BLM Well Information System For READ & STEVENS INC., sent to the Hobbs	
Name (Printed/Typed) DAVID LUNA	Title PETROLEUM ENGINEER
Signature (Electronic Submission)	Date 10/09/2008

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

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #63729 that would not fit on the form

32. Additional remarks, continued

4. Install dryhole marker.

5. Clean & reclaim per BLM guidelines.

Note: Cement was circulated to surface on 13 3/8" & 5 1/2".

Exhibit A = Current wellbore, Exhibit B = Proposed P&A wellbore

Directions: From Hobbs go towards Carlsbad to MM 78 . South a 1/2 mile. Left (east) go to first tank battery on right. Turn left (east) 1/2 mile North to pulling unit

Wellhead connection 7 1/16th , 3K.

Field contact: Will Palmer cell number 575-390-2424 or Joe Tovar cell number 575-390-2425.

Office contact: David Luna cell number 575-626-9395

Read & Stevens Inc.
NMNM54432: Mark Federal #8
1650' FSL & 330' FEL Sec. 3 T20S-R34E
Lea County, New Mexico

RE: Plugging and Abandonment Requirements, Conditions of Approval

1. Spot a balanced plug from 3930'-3700' (covers perforations and DVT).
2. Spot a balanced plug from 3215'-3085' (covers the Base of the Salt). WOC and tag no lower than 3085'.
3. Spot a balanced plug from 1550'-1450' (covers the 13-3/8" shoe), WOC and tag no lower than 1450'.
4. Set surface plug from 60' to surface.

See attached standard COA's.

James A. Amos
575-234-5909

10/17/08

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Permanent Abandonment of Federal Wells
Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. **Dry Hole Marker:** All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. **Subsequent Plugging Reporting:** Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.

Office contact: David Luna cell number 575-626-9395

Mark Fed #8

Read Stevens, Inc.

Sec 3, T20S, R34E

1650' FSL 330' FEL

Field: NE Lea Delaware

API: 30-025-32158

Exhibit A

Current Wellbore: 10/6/08

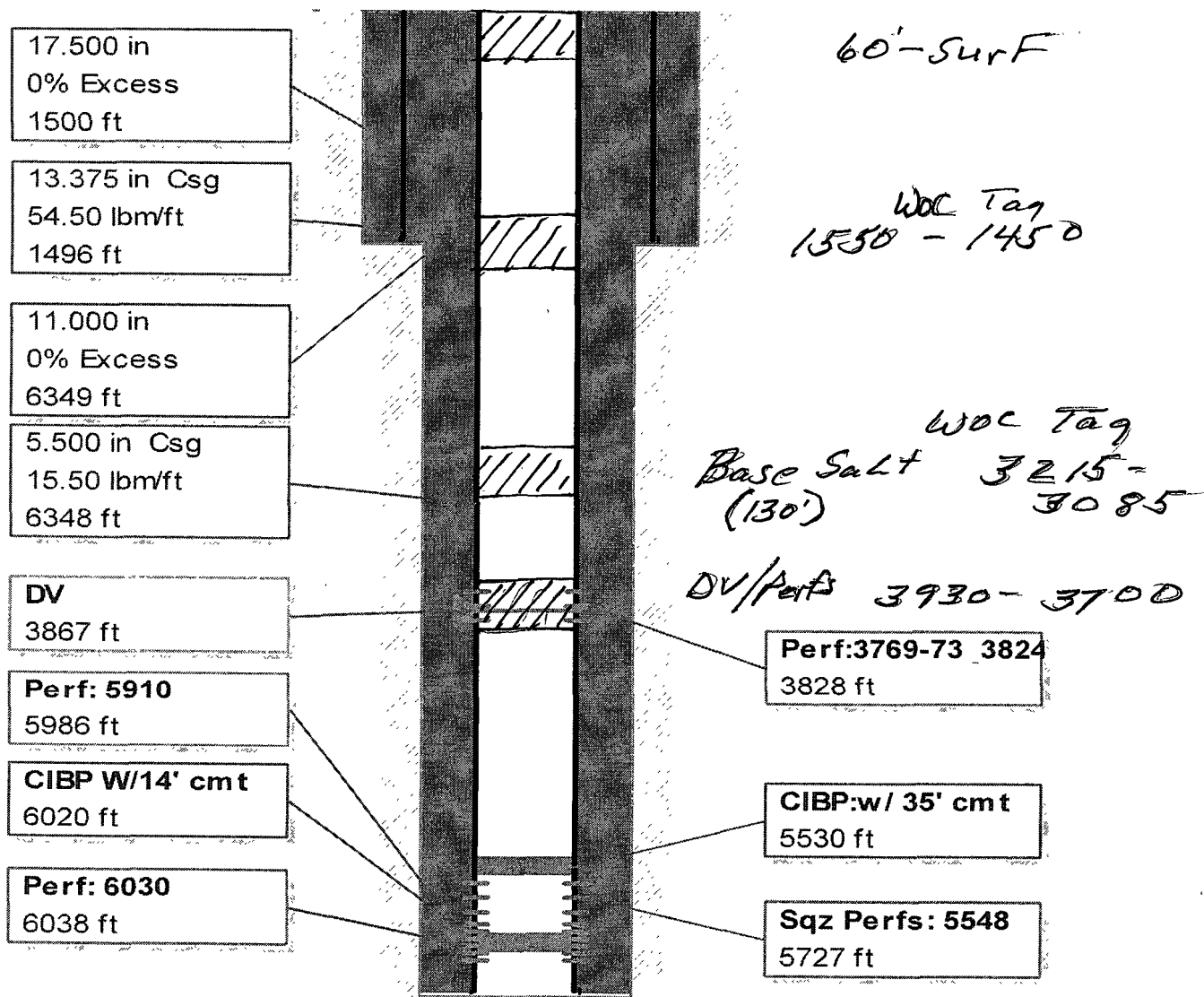
Top Salt 1770

Base Salt 3151

Y₁ 3401

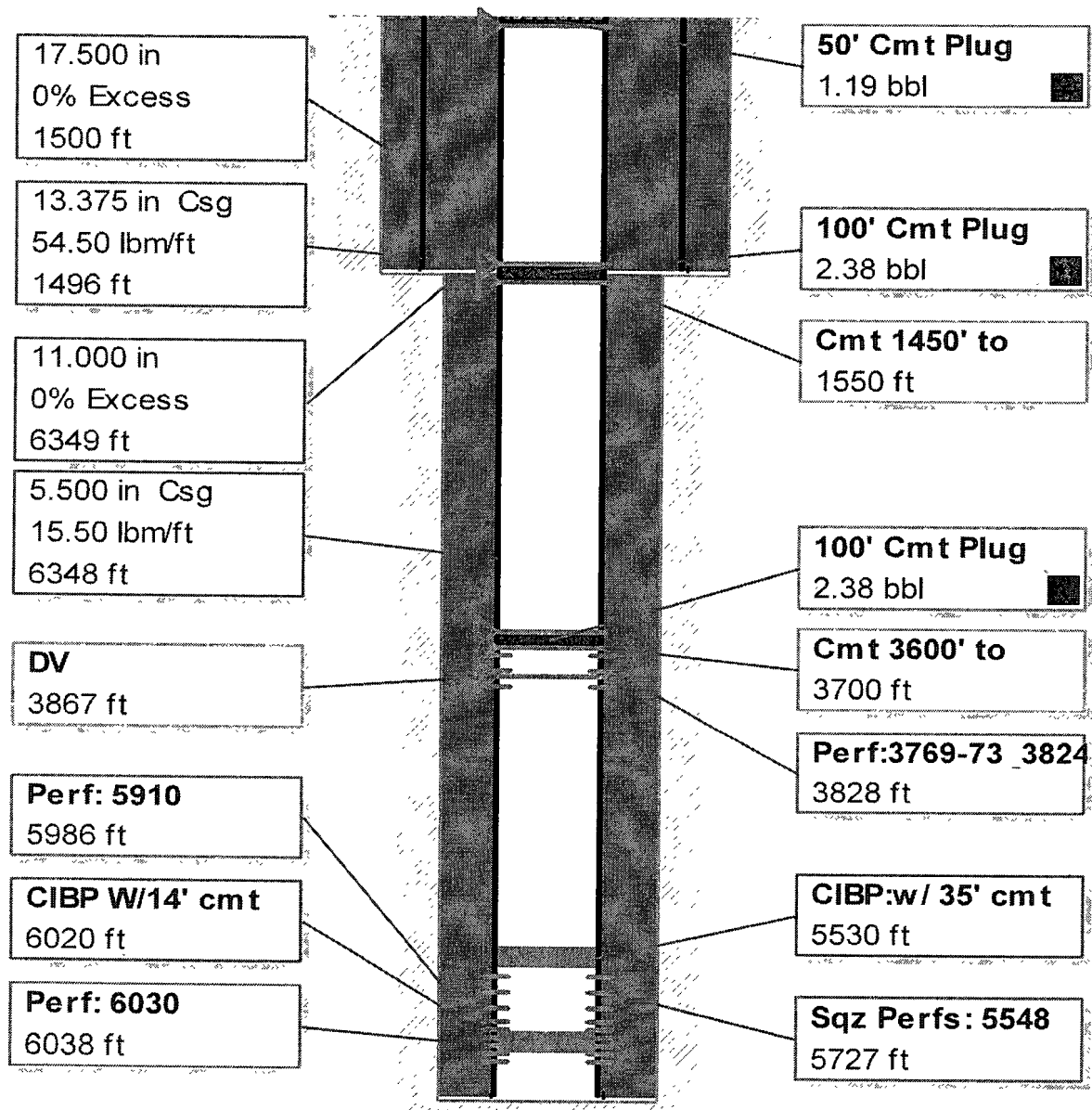
7R 3840

De 1 5454



i-Handbook* - *a mark of Schlumberger

Mark Fed #8
Read Stevens, Inc.
Sec 3,T20S,R34E
1650'FSL 330'FEL
Field: NE Lea Delaware
API: 30-025-32158
Exhibit B
Proposed PA diagram



i-Handbook* - *a mark of Schlumberger

Read & Stevens, Inc.
MARK FEDERAL #8
NE Lea Delaware Field
1650' FSL & 330' FEL
Sec 3, T20S, R34E
Lea Eddy Co.
API: 30-025-32158

P & A Procedure

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