

Submit 3 Copies To Appropriate District
Office
District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S St Francis Dr., Santa Fe, NM
87505

State of New Mexico

Energy, Minerals and Natural Resources

Form C-103

June 19, 2008

RECEIVED

JAN 21 2009

HOBBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30-025-35847 ✓
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Klein 5 ✓
8. Well Number 1 ✓
9. OGRID Number 018917 ✓
10. Pool name or Wildcat North Osudo Devonian

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
Read & Stevens, Inc. ✓

3. Address of Operator
P. O. Box 1518, Roswell, NM 88202-1518

4. Well Location
Unit Letter: I 2020 feet from the South line and 330 feet from the East line ✓
Section: 5 Township: 20S Range: 36E NMPM County: Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,632' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☒
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Read & Stevens, Inc. proposes to move up the hole to recomplete in the Strawn and/or Bone Springs formations because it has become uneconomical to produce out of the Devonian due to depletion (less than 3 BOPD).

Strawn: Set CIBP and dump 30' cmt. Perf Strawn: 9668 - 75 & 9716 - 23, 16', 1 spf, 14 holes. Acidize. Swab & test. Set CIBP & dump cmt if not productive. If Strawn is not production move up to 2nd Bone Springs and perf: 8836, 37, 38, 97, 98, 99, 8907, 08, 09. 9 holes. Acidize. Swab test.

If these tests are not economic then other zones will be tested up the hole. A separate C-103 will be submitted for those formation.

Spud Date: 03/01/2002

Rig Release Date: 04/20/2002

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE David Luna TITLE Petroleum Engineer DATE 01/19/2009

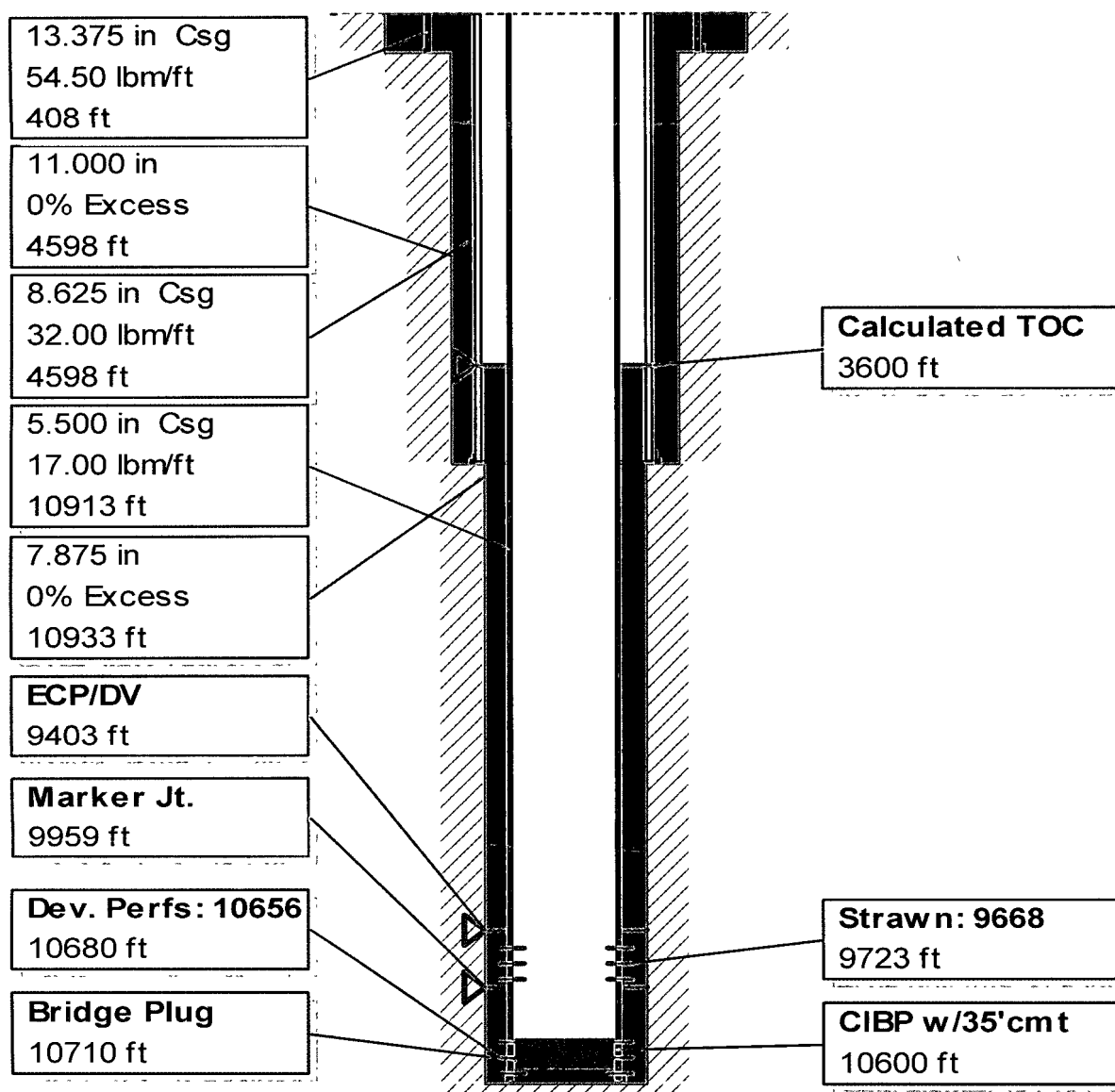
Type or print name David Luna E-mail address: dluna@read-Stevens.com PHONE 575-622-3770

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JAN 22 2009

Conditions of Approval (if any):

Klein 5 #1
Read Stevens
S5,T20S,R36E
2020FSL_330FEL
API: 30-025-35847
Field: North Osudo
Strawn Dolomite Completion



i-Handbook* - *a mark of Schlumberger