

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APR 14 2009

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.

HOBBSOCD

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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|--|--|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM101115 |
| 2. Name of Operator READ & STEVENS INCORPORATED Contact: DAVID LUNA E-Mail: dluna@read-stevens.com | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address P O BOX 1518 ROSWELL, NM 88202 | 3b. Phone No. (include area code) Ph: 575-622-3770 Ext: 213 Fx: 575-622-8643 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 5 T20S R34E NWNW 660FNL 660FWL | | 8. Well Name and No. HIGHWAY 5 FEDERAL 01 |
| | | 9. API Well No. 30-025-39120-00-X1 |
| | | 10. Field and Pool, or Exploratory QUAIL RIDGE Morrow |
| | | 11. County or Parish, and State LEA COUNTY, NM |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|---|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Deepen |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Alter Casing |
| | <input type="checkbox"/> Fracture Treat |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Change Plans |
| | <input type="checkbox"/> Plug and Abandon |
| | <input type="checkbox"/> Convert to Injection |
| | <input type="checkbox"/> Plug Back |
| | <input type="checkbox"/> Production (Start/Resume) |
| | <input type="checkbox"/> Reclamation |
| | <input type="checkbox"/> Recomplete |
| | <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Water Disposal |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Well Integrity |
| | <input checked="" type="checkbox"/> Other Drilling Operations |

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 recompleat 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 recompleat 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.)

04/02/09 - 04/03/09

MIRU completion unit. NUBOP. PU & RIH w/bit, 5 1/2" csg scraper, (6) 3 1/2" DC, (437) 2 7/8" EUE 6.5# N-80 tbg to 7,402'. RIH w/9 jnts 2 7/8" tbg. Tag DV tool @ 7,676'. RU reverse unit, swivel. Drill out DV tool. Circ hole clean. PU & RIH w/rest of 2 7/8" tbg. Tag PBDT @ 13,642'. Circ hole clean. Displace bottom 5,000' w/130 bbls 4% KCl wtr containing surfactant. RD reverse unit, trucks. POH w/8 jnts 2 7/8" tbg. Prep to POH w/tbg and CBL.

ACCEPTED FOR RECORD

APR 12 2009

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| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #68681 verified by the BLM Well Information System For READ & STEVENS INCORPORATED, sent to the Hobbs Committed to AFMSS for processing by KURT SIMMONS on 04/10/2009 (09KMS0638SE) | |
| Name (Printed/Typed) DAVID LUNA | Title ENGINEER |
| Signature (Electronic Submission) | Date 04/03/2009 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | | |
|---|--|--------------------------------------|-----------------|
| Approved By ACCEPTED | | JAMES A AMOS Title SUPERVISOR EPS | Date 04/12/2009 |
| 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 Hobbs | 2009 |

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****