

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS** APR 28 2009  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.**

<b>SUBMIT IN TRIPLICATE - Other instructions on reverse side.</b>		5. Lease Serial No. NMNM101115
		6. If Indian, Allottee or Tribe Name
		7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. HIGHWAY 5 FEDERAL 01
2. Name of Operator READ & STEVENS INCORPORATED	Contact: DAVID LUNA E-Mail: dluna@read-stevens.com	9. API Well No. 30-025-39120-00-X1
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	10. Field and Pool, or Exploratory QUAIL RIDGE Morrow
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 5 T20S R34E NWNW 660FNL 660FWL		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 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 type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Drilling Operations
	<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 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.)

04/04/09 - 04/14/09

POH LD 116 jnts of 2 7/8" tbg. RU & RIH w/WL. Tag PBTD @ 13,636'. Run GR/CCL/CBL from 13,636' to 3,740'. POH w/WL. Prep to run tbg. NDBOP. NU frac tree. Load csg w/2 BFW. Pressure up on csg to 5,000 psi and hold for 10 min. Held okay. Release pressure. ND frac tree. NUBOP. RIH w/bit, csg scraper, 2 7/8" OD seating nipple and 319 jnts 2 7/8" tbg. RU & RIH w/swab. Swab well. POH LD tbg. RUWL. RIH w/4" HSD gun. Perf 2 spf at 13,514' - 24'. Total of 20 holes. POH & RDWL. RU coiled tbg unit. RIH w/coiled tbg jetting w/N2 to 13,600'. Circ hole clean w/N2. POH w/coiled tbg. RU frac crew. Frac stimulate well by pumping 1000 gal 7 1/2% NeFe HCl followed by 89 clean bbls 70Q CO2 foam pad. Pump 30,000# 18/40 proppant in .25, .50, 1.0, 1.5, 2.0, 2.5 and 3.0 ppg stages and contained 241 clean bbls of 70Q CO2 foam. Flush within 3 bbls of top perf w/310 bbls 70Q CO2 foam. Pmax - 8578 psi, Pavg - 7790 psi, Ravg - 36 BPM. ISIP - 5706 psi. 5 min - 5509 psi, 10

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #68911 verified by the BLM Well Information System  
For READ & STEVENS INCORPORATED, sent to the Hobbs  
Committed to AFMSS for processing by CHERYLE RYAN on 04/16/2009 (09CMR0127SE)

Name (Printed/Typed) DAVID LUNA	Title ENGINEER
Signature (Electronic Submission)	Date 04/14/2009

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By	JAMES A AMOS Title SUPERVISOR EPS	Date 04/20/2009
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

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 \*\***

**Additional data for EC transaction #68911 that would not fit on the form**

**32. Additional remarks, continued**

min 5387 psi, 15 min - 5316 psi. Initiate flowback lowering wellhead pressure to 4650 psi. RD  
frac crew, treesaver.