

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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

RECEIVED

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.

FEB 07 2011

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

HOBBS

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM56264
2. Name of Operator READ & STEVENS		6. If Indian, Allottee or Tribe Name
3a. Address P. O. BOX 1518 ROSWELL, NM 88201		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 575-622-3770 Ext: 305 Fx: 575-622-8643		8. Well Name and No. NORTH LEA FEDERAL 12
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 10 T20S R34E 1550FNL 1309FWL 37E		9. API Well No. 30-025-39939
		10. Field and Pool, or Exploratory NE LEA, DELAWARE
		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 checked="" type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input 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 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.)

Would like to change the top of cement for the 5 1/2" (set at 6500') from surface to 3000'. We are running the cement to the surface on the intermediate 8 5/8" (set at 5300') and on the surface 13 3/8" (set at 1675'). Do not want to put any extra hydrostatic from the cement column on the Delaware formation. We will have cement to surface on both of the other strings (surface & intermediate). Attached is a well diagram.

Operator to provide verification of TOC.
Excess cement for production casing
calculates to 16%, operator may need
additional cement to achieve TOC of 2400
as per e-mail of 1/27/2011.

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

Electronic Submission #101064 verified by the BLM Well Information System
For READ & STEVENS, sent to the Hobbs

Name (Printed/Typed) DAVID LUNA

Title OPERATIONS MANAGER

FEB 08 2011

Signature (Electronic Submission)

Date 01/21/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

JAN 28 2011

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

WESLEY W. INGRAM

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 in 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 **

North Lea Federal #12

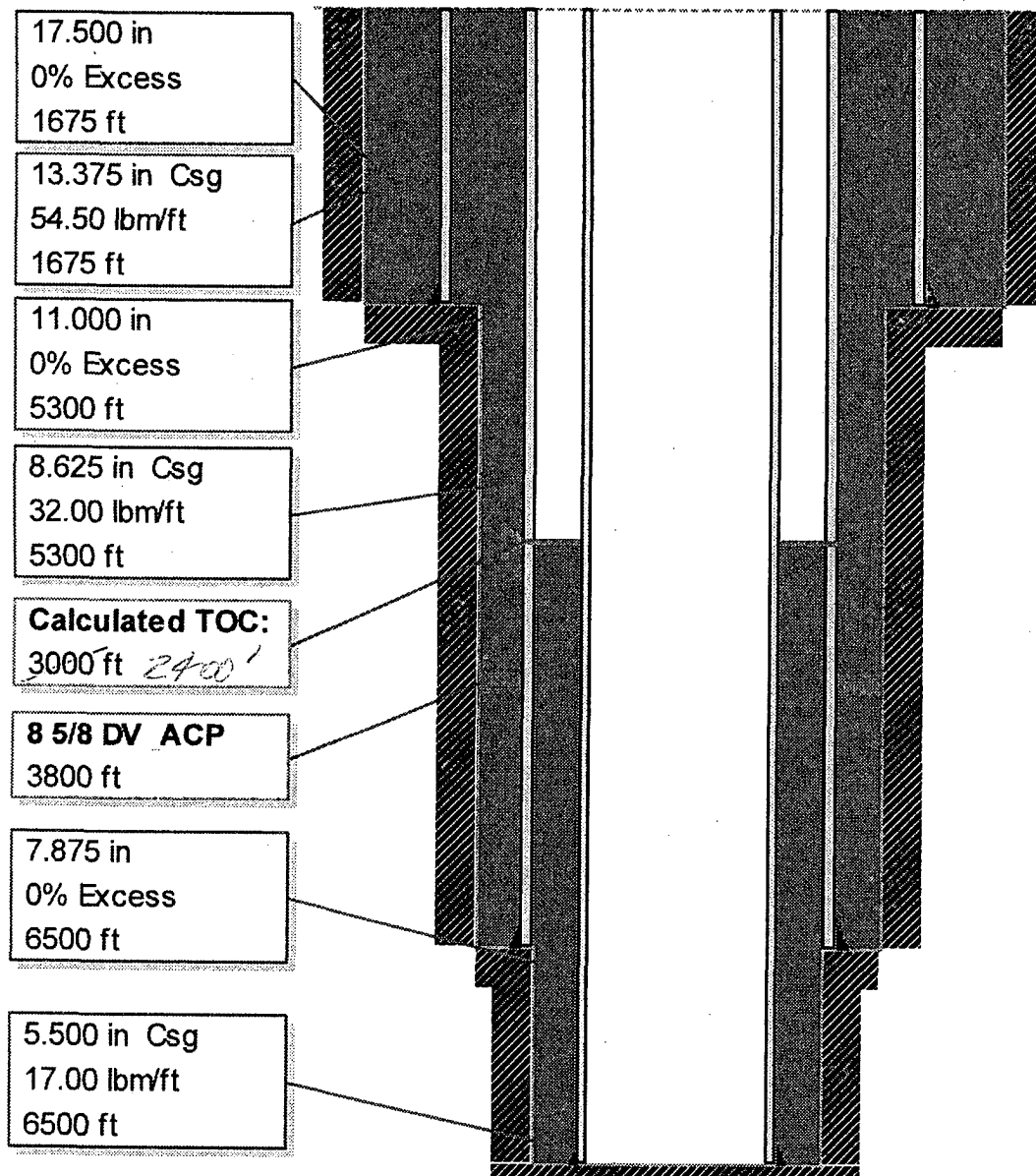
Read Stevens Inc.

Sec. 10 T20S-R34E, 1550' FNL 1309 FWL

Lea Co. Pool: NE Lea: Delaware Code: 37584

API NUMBER: 30-025-39939

Lease: NM-56264 GL: 3635 KB: 3649 (14')



i-Handbook* - *a mark of Schlumberaer