

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.RECEIVED
MAR 18 2011**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. 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 | | 9. API Well No. 30-025-39939 |
| | | 10. Field and Pool, or Exploratory LEA YATES Delaware NE |
| | | 11. County or Parish, and State LEA COUNTY COUNTY, NM |

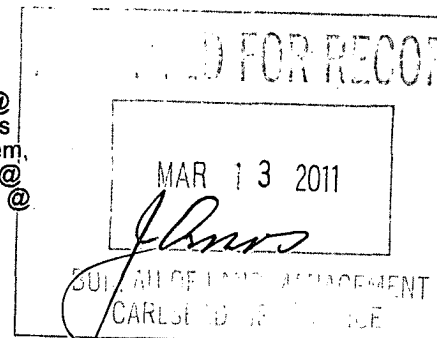
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|---|---|
| <input 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"/> Fracture Treat |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Plug and Abandon |
| | <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.)

02/05/11 - 02/21/11

Drlg. Ran 32# 8 5/8" csg - (11) jnts HCK FC, (21) jnts N80, (97) jnts J55. DV @ 3747' & ECP @ 3765'. Set @ 5306'. Test csg to 3000 psi. Test okay. Lead w/200 sxs Econocem. Tail w/200 sxs Halcem. Pump red dye & circ 405 bbls. (Circ 15 sxs to pit.) Cmt 2nd stage w/1100 sxs Econocem. Tail w/200 sxs Halcem. Circ 64 sxs cmt. WOC. Loggers TD @ 6484'. Run 5 1/2" 17# J55 csg @ 6480'. Cmt w/145 sxs Econocem. Tail w/255 sxs Versacem w/additives. Did not circ cmt. TOC @ 2400'. Bump plug w/1550 psi. Float held. WO completion orders.



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| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #103832 verified by the BLM Well Information System For READ & STEVENS, sent to the Hobbs | |
| Name (Printed/Typed) DAVID LUNA | Title OPERATIONS MANAGER |
| Signature (Electronic Submission) | Date 03/08/2011 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------------------------|------------------|
| Approved By _____ | Title PETROLEUM ENGINEER | Date MAR 21 2011 |
| 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 | MAR 21 2011 |

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 **