M.M. Oil Cons. Livision 1625 N. French Dr. Form 3160-5 UNITED STATES FORM APPROVED DEPARTMENT OF THE INTERIOR Hobbs, NM 88240 (June 1990) Budget Bureau No. 1004-0135 Expires: March 31, 1993 **BUREAU OF LAND MANAGEMENT** 5. Lease Designation and Serial No. LC-065607 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different reservice "APPLICATION FOR PERMIT—" for such proposals is the second of t 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE Type of Well V Oil Well 8. Well Name and No. 2 Name of Operator Hudson Federal #4 Read & Stevens, 9. API Well No. Inc 3 Address and Telephone No 30-025-33181 10. Field and Pool, or Exploratory Area P. O. Box 1518 505/622-3770 Roswell, New Mexico 88202-1518 4 Location of Well (Footage, Sec., T., R., M., or Survey Description) NE Lea Delaware 11. County or Parish, State 1650' FNL & 2310' FWL Section 4 T20S-R34E Lea County, New Mexico CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION X Notice of Intent Change of Plans Recompletion New Construction Subsequent Report Plugging Back

Completion or Recompletion Report and Log form.) 13 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Casing Repair

Other Request for TA approval Dispose Water

Non-Routine Fracturing

Water Shut-Off Conversion to Injection

The subject well is no longer an economic oil producer. However, rather than plug the subject well, Read & Stevens is doing an evaluation of secondary potential in the Brushy Canyon in this area and requests TA approval be given on the subject well so that the wellbore may be used for water injection in the future for secondary recovery operations. A cast iron bridge plug will be set over existing perfs and the wellbore tested to 500 psi w/ non-corrosive fluid.

1-20-2000 Operations Manager Title Date PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001, makes 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