Form 3160-5 (February 2005)

UNITED STATES

DEPARTMENT OF THE INTERIOR

FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007

BUREAU OF LAND MANAGEMENT 5. Lease Serial No. NMNM94479 SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter any 6. If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. SUBMIT IN TRIPLICATE- Other instructions on reverse side 7. If Unit or CA/Agreement, Name and/or No. Jean 160 1. Type of Well Öil Well 🗆 🗆 **Gas Well**□□ Well Name and No. **LEONARD BROS A-2** 2. Name of Operator Patterson Operating & Pumping dba/ Penergy API Well No. 30-025-32798 3a Address 3b. Phone No. (include area code) 432-684-3757 P.O. Box 50076 Midland, TX 79710 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State Section 23, Township 26 South, Range 37 East, NMPM Lea, County REPORT, OR OTHER DATA 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, TYPE OF SUBMISSION TYPE OF ACTION Water Shut-Off Acidize Production (Start/Resume) Deepen Notice of Intent Well Integrity Alter Casing Reclamation Fracture Treat Other Change of Operator Casing Repair New Construction Recomplete Subsequent Report Plug and Abandon Change Plans Final Abandonment Notice Water Disposal ☐ Plug Back Convert to Injection 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 recomplete 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) This is notification of Change of Operator on the above referenced well. Penergy as new operator, accepts all applicable terms, cordintions, stipulations and concerning operations conducted on this lease or portion of lease described. Bond Coverage: BLM Bond File No.: RLB0001332 NM 277 No Sol Change of Operator Effective Date: September 1st, 2010 Former Operator: Permok 14. Thereby certify that the foregoing is true and correct Name (Printed/Typed) Title Prod. Clerk 01/14/2011 Date THIS SPACE FOR FEDERAL OR STATE OFFICE USE

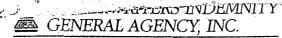
Is/ Jerry Blakley

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.

Title Office

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 States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. any department or agency of the United

(Instructions on page 2)



A Subsidiary of RLI Insurance Company

RLI Insurance Co. Dept 3300 P.O. Box 844122 Kansas City, MO 64184-4122

BOND/POLICY NUMBER	RLB0001332	000
BILLING DATE	06-04-2010	40

BOND/POLICY PREMIUM INFORMATION

RLI insurance

Phone Number: (713) 961-1300

Fax Number:

Effective Date:

Expiration Date:

(713) 961-0285

09-01-2010

09-01-2011

JUN 28 2010

Type of Transaction: Renewal

Bond Amount: \$25,000.00

Bond Description: Oil & Gas (statewide- Nm)

Obligee: United States Department Of Th E Interior Bureau Of Land Mgmt

Principal: Penergy, Inc.

P.O. Box 50076 Midland, TX 79710



Description	Gross Premium	Commission Percent	Commission	Pre	Net emium
Surety - Bond	\$ 1,375.00			\$	1,375.00
			Total:	\$	1,375.00

(all - 1-14-11 Wille-mail Policy

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