

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division, BLM Approved
1625 N. French Drive
Hobbs, NM 88240
OMB No. 1004-0137
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.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Doral Energy Corporation

3a. Address
3300 North "A" Street, Bldg. 2, Suite 218
Midland, TX 79705

3b. Phone No. (include area code)
432-789-1180

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FNL & 1980' FWL of UL C, Sec 1., T 8S, R 31E

5. Lease Serial No.
NM 0558018

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.
8. Well Name and No.
Union SI Federal #2

9. API Well No.
30-005-20866

10. Field and Pool or Exploratory Area
Tomahawk; San Andres

11. Country or Parish, State
Chaves County, New Mexico

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other Change of Operator

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 must 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 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.

Change of Operator from John R. Stearns dba Stearns to Doral Energy Corporation.

Effective 8/1/2010, Doral Energy Corporation will assume operations of the well and certifies that it is authorized by proper lease interest owners to conduct lease operations and is responsible under the terms and conditions of the lease associated with this well. Bond coverage under BLM Bond # NMB004526

NMB000546

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Everett Willard "Will" Gray II

Title Chairman & CEO

Signature

Date 12/08/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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

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.

(Instructions on page 2)