

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
OCD Artesia

FORM APPROVED  
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.*

5. Lease Serial No.  
NM 022535

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE** – Other instructions on page 2.

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well

Oil Well  Gas Well  Other

8. Well Name and No.  
Federal 28 #003

2. Name of Operator  
Special Energy Corporation

9. API Well No.  
30-015-33256

3a. Address  
P.O. Drawer 369  
Stillwater, OK 74076

3b. Phone No. (include area code)  
405-377-1177

10. Field and Pool or Exploratory Area  
Indian Basin, Upper Penn (Pro Gas) (79040)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1902' FSL & 2088' FEL UL J Sec 28 T21S R23E

11. Country or Parish, State  
Eddy Co., NM

**12. CHECK THE 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 <u>change of operator</u> |  |
|  | <input 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 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.)

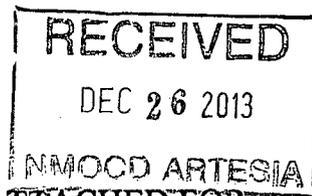
As required by 43 CFR 3100.0-5(a) and 43 CFR 3162.3, we are notifying you of a change of operator on the above referenced lease.

Special Energy Corporation, as new operator, accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the lease portion of the lease described.

Special Energy Corporation meets federal bonding requirements as follows (43 CFR 3104):

BLM Bond File No.: NMB00116 **001116**  
Surety Bond No.: RLB0015342

Accepted for record  
NMOCD **12/26/2013**  
**JES**



Effective Date: November 5, 2013

Special Energy Corporation  
P.O. Drawer 369  
Stillwater, OK 74076

**SUBJECT TO LIKE APPROVAL BY STATE**

**SEE ATTACHED FOR CONDITIONS OF APPROVAL**

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

Title Vice-President

Signature

Date 11/14/2013

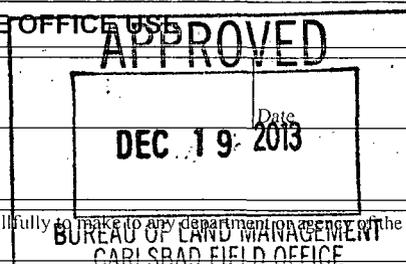
**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

**/s/ Jerry Blakley**

Title

Office



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 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.

**BUREAU OF LAND MANAGEMENT**  
**Carlsbad Field Office**  
**620 East Greene Street**  
**Carlsbad, New Mexico 88220**  
**575-234-5972**

Effective 11/5/2013  
Bond NMB001116

**12/19/2013 Approved subject to Conditions of Approval. JDB**  
**Change of Operator**  
**Conditions of Approval**

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. Submit for approval of water disposal method.
3. Submit updated facility diagrams as per Onshore Order #3
4. This agency shall be notified of any spill or discharge as required by NTL-3A.
5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
7. Subject to like approval by NMOCD.
8. All Reporting to ONRR ( OGOR Reports) must be brought current within 30 days of this approval including any past history.
9. If this well is incapable of producing in paying quantities submit NOI to plug and abandon this well or obtain approval to do otherwise within 90 days.
10. Acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.