

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

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.**

FEB 08 2011

SUBMIT IN TRIPLICATE - Other instructions on page 2.

|  |   |  |
|--|---|--|
| 1. Type of Well<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other |   | 5. Lease Serial No.<br>NMSF-080238-A                           |
| 2. Name of Operator<br>DJ Simmons, Inc.  |   | 6. If Indian, Allottee or Tribe Name                           |
| 3a. Address<br>1009 Ridgeway Place, Suite 200<br>Farmington, NM 87401  | 3b. Phone No. (include area code)<br>(505) 326-3753 | 7. If Unit of CA/Agreement, Name and/or No.                    |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>865' FSL & 859' FWL, Section 31, T27N, R12W NMPM       |   | 8. Well Name and No.<br>Morgan No. 6                           |
|  |   | 9. API Well No.<br>30-045-29690                                |
|  |   | 10. Field and Pool or Exploratory Area<br>Basin Fruitland Coal |
|  |   | 11. Country or Parish, State<br>San Juan County, NM            |

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

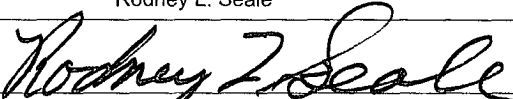
| TYPE OF SUBMISSION                                   | TYPE OF ACTION                                |   |  |   |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> 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 Shut-in |
|  | <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.)

DJ Simmons, Inc. received your letter dated January 11, 2011, on January 13, 2011, concerning the non-production of the Morgan No. 6 well. As you are aware, DJ Simmons, Inc. only recently acquired the Gallegos Wash properties from Merrion Oil & Gas, Corporation in June of last year. The Morgan No. 6 well is located on those properties. Currently, our geologist and engineer are evaluating the geologic data and reserves for those properties in order to determine how to maximize production of that field. We would like to understand the previous operator's past practices in order to determine the most effective relationship of the reservoir to performance in order to maximize the available resource. Until the research and evaluation of the log analysis and project study are completed, we will not be able to decipher whether this well should be worked over for production, or plugged and abandoned.

Therefore, DJ Simmons, Inc. would like to request 180 days in order to complete the geologic and engineering research and evaluation necessary for resource maximization of this well.

RCVD FEB 11 '11  
OIL CONS. DIV.  
DIST. 3

|  |                    |                             |
|--|--------------------|-----------------------------|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)<br>Rodney L. Seale |                    | Title<br>Operations Manager |
| Signature<br>     | Date<br>02/02/2011 |                             |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

|   |               |
|---|---------------|
| Approved by<br>Original Signed: Stephen Mason   | Title<br>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. | Date          |

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)

NMOCD