

RECEIVED

Form 3160-3
(April 2004)

OCT 08 2009

HOBBSSOCD

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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.

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

5 Lease Serial No
LC065151

6 If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No
NM711114 (14-08-0001-7730) 71117

8. Well Name and No
McDermott Federal #2

9. API Well No.
30-025-07064

10 Field and Pool, or Exploratory Area
Sawyer ; San Andres

11 County or Parish, State
Lea

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1 Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Element Petroleum Operating, LLC

3a. Address
110 W. Louisiana Avenue, Ste 405, Midland, TX 79701

3b. Phone No (include area code)
432-686-7707

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)
N Sec 19-T9S-R38E 660' FSL & 1980' FWL

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 Change of Operator
	<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 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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 Effective March 1, 2009

Previous Operator:
Manhattan Petroleum, Inc.
P O Box 11211
Midland, TX 79702

Please be advised that effective March 1, 2009, Element Petroleum Operating, LLC assumed operatorship of the referenced well. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Element Petroleum Operating, LLC under their statewide bond, BLM Bond No. NMB000582.

Element Petroleum Operating, LLC will be responsible for compliance under the lease terms and conditions for that portion of the lease associated with this notice.

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

Todd Gibson

Title **General Manager**

Signature

Date **9/25/09**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

APPROVED

OCT 6 2009

OCT 09 2009

PETROLEUM ENGINEER
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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)