

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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 reverse side.1. Type of Well
☐ Oil Well ☐ ☒ Gas Well ☐ Other2. Name of Operator
CHICA ENERGY LLC3a. Address
3003 McPherson Road Roswell, NM 882013b. Phone No. (include area code)
575-623-67624. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**990' FNL & 1980' FWL
Sec 6T10S-R30E**

5. Lease Serial No.

NMNM-96851

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Morgan Federal #1

9. API Well No.

30-005-20667

10. Field and Pool, or Exploratory Area

Many Gates Morrow

11. County or Parish, State

Chaves County, New Mexico

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 checked="" 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 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.)

As required per Onshore Orders, Chica Energy LLC has taken over as operator from Yeso Energy Inc on the above described effective 3-15-2010. Chica Energy LLC as new operator accepts all terms, conditions, restrictions and stipulations concerned for any and all operations conducted on this lease or portion of this lease as described above.

Operator Contact Info:
Chica Energy LLC
3003 McPherson Road
Roswell, NM 88201

Responsible Party:
J.A. Hodges
575-623-6762
866-623-9305 Fax

Bonding Coverage: Statewide New Mexico, Bond Amount: \$25,000, Bond Number: **NMB 000652**

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

J. A. HodgesTitle **Manager**

Signature

Date

03/15/2010**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

/S/ DAVID R. GLASSTitle **PETROLEUM ENGINEER**

Date

MAR 30 2010

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. Sec
States any false, fictitious or fraudulent statement

(Instructions on page 2)

Change Of Operator Denied Since Lease NM-96851
is Not In Good Standing Due To No Production Since
April 2006. A 60 Day Letter Will Be Sent To The
Current Operator Of Record (Yeso Energy, Inc.). Yeso
Will Be Required To Return Lease NM-96851 To
Production Or The Lease Will Terminate.

Department or agency of the United

**ENTERED IN
AFMSS**