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Form 1003  
(August 2007)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division, District I  
1625 N. French Drive  
Hobbs, NM 88240

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

HOBBBS 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)  
1650' FNL & 990' FWL of ULE, 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 #8

9. API Well No.  
30-005-20871

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

☐ Acidize

☐ Deepen

☐ Production (Start/Resume)

☐ Water Shut-Off

☒ Subsequent Report

☐ Alter Casing

☐ Fracture Treat

☐ Reclamation

☐ Well Integrity

☐ Casing Repair

☐ New Construction

☐ Recomplete

☐ Other Change of Operator

☐ Final Abandonment Notice

☐ Convert to Injection

☐ Plug and Abandon

☐ Temporarily Abandon

☐ 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 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 # NM0004626.

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

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Title

Date

APR 19 2011

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

ROS WELL 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)