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Form 3160-5

(August 2007)

APR 21 2011

**HOBSOCD**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division, District 1

1625 N. French Drive

Hobbs, NM 88240

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 80166

6. If Indian, Allottee or Tribe Name

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

1. Type of Well

☒ Oil Well☐ Gas Well☐ Other

2. Name of Operator

Doral Enegy Corporation

3a. Address

3300 North "A" Street, Bldg. 2, Suite 218  
Midland, TX 79705

3b. Phone No. (include area code)

432-789-1180

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

8. Well Name and No.  
Mountain Federal #39. API Well No.  
30-041-2046310. 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			
<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 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 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 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 6/1/2010, 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 # ~~NMB0001826~~

NMB000546

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

Everett Willard "Will" Gray II

Title Chairman &amp; CEO

Signature



Date 12/08/2010

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

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

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

ROSWELL 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)