New Mexico Oil Conservation Division, District 1 1625 N. French Drive FORM APPROVED OMB No. 1004-0137 UNITED STATES (August 2007) Hobbs, NM 88240 DEPARTMENT OF THE INTERIOR Expires: July 31, 2010 BUREAU OF LAND MANAGEMENT Lease Serial No. NM 80166 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. 1. Type of Well 8. Well Name and No Oil Well Gas Well Other Mountain Federal #4 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) 10. Field and Pool or Exploratory Area Tom Tom; San Andres 432-789-1180 4. Location of Well (Footage, Sec., T.,R.M., or Survey Description) 990'FNL & 1980'FEL of UL B, Sec 30, T 78, R 32E 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 Acidize Deepen Production (Start/Resume) Water Shut-Off ✓ Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Other Change of Operator Casing Repair New Construction Recomplete ✓ Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back 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.) 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 ####\$664828 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Everett Willard "Will" Grav II Title Chairman & CEO Date 12/08/2010 Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by FILE PETROLEUM ENGINEER 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 Office ROSWELL FIELD OFFICE entitle the applicant to conduct operations thereon. 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)