

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD HOBBS OCT 03 2011

FORM 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.

RECEIVED

5 Lease Serial No

NMLC 054667

6 If Indian, Allottee or Tribe Name

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

8 Well Name and No

SEE Attached

9 API Well No

See Attached

10 Field and Pool, or Exploratory Area

11 County or Parish, State

Lea County

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well

☐

Oil Well

☐

Gas Well

☒

Other

2 Name of Operator

DC Energy LLC

3a Address

105 Oscar lane Dallas, Georgia 30132

3b Phone No (include area code)

770-757-3715

4. Location of Well (Footage, Sec, T, R, M, or Survey Description)

*See Attached

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 <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 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 shall 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 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.)

This is notification of change of operator on referenced wells (*see attached)

DC Energy LLC accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on this lease or portion of Lease #NMLC 054667.

Bond Coverage. BLM Bond File No: NMB000739

Change of Operator Effective: 07/13/2009

Former Operator: Xeric Oil and Gas Corporation

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVED

SEP 28 2011
/s/ JD Whitlock JrBUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE14 I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Dan Johnson

Title Managing Partner

Signature



Date

09/12/2011

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

Date

Office

Title 18 USC Section 1001 and Title 43 USC 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)

OCT 04 2011

List of wells to be Transferred

CROSBY DEEP #003 F J-33-25S-37E 30-025-11870 CROSBY;FUSSELMAN

GREGORY EL PASO FEDERAL #004 F K-33-25S-37E 30-025-11871 SWD;SAN ANDRES

GREGORY C #001 F C-33-25S-37E 30-025-11865 JALMAT;TAN-YATES-7 RVRS (OIL)

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Conditions of Approval

DC Energy LLC – Crosby Deep #3, Gregory El Paso Fed #4 & Gregory C #1

1. Submit plan for approval of well operations within 30 days of this approval to change operator.

43 CFR 3162.3-4 (C) requires that wells incapable of production in paying quantities be promptly plugged and abandoned and requires approval for any well temporarily abandoned for more than 30 days.
2. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
3. All above ground structures and equipment on the lease shall be painted Shale Green (5Y 4/2). This is to be done within 90 days, if you have not already done so.
4. Submit for approval of water disposal method.
5. Submit updated facility diagrams as per Onshore Order #3
6. This agency shall be notified of any spill or discharge as required by NTL-3A.
7. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
8. Subject to like approval by NMOCD.