

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCT 20 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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5 Lease Serial No NMLC 034117B
2 Name of Operator DC Energy LLC		6 If Indian, Allottee or Tribe Name
3a Address 105 Oscar Lane Dallas, Georgia 30132	3b Phone No (include area code) 770-757-3715	7 If Unit or CA/Agreement, Name and/or No
4 Location of Well (Footage, Sec., T, R., M, or Survey Description) N- Sec 28-25S-37E		8 Well Name and No Crosby Deep #1
		9 API Well No 30-025-23891
		10 Field and Pool, or Exploratory Area 13450 Cosby/Fusselman
		11 County or Parish, State Lea, New Mexico

## 12. CHECK 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 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 of 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.)

DC Energy LLC Accepts all applicable terms, conditions, stipulations and restrictions concerning operations on this Lease or portion of Lease # NMLC 034117B.

Bond Coverage: BLM Bond File # NMB 000809.

Change of Operator: Effective 07/13/2009

Former Operator: Xeric Oil and Gas Corporation

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

APPROVED

OCT 17 2011

/s/ JD Whitlock Jr

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

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

Dan Johnson

Title Managing member

Signature

Date

09/12/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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 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 24 2011

**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 #1, 3002523891, Sec 28, Unit letter N,T25S, R37E**

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.