

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOCD Hobbs
HOBBS OCD

NOV 14 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 type="checkbox"/> Other | | 5. Lease Serial No. NMLC 054667 |
| 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) Sec 33 25 S 1980' FSL and 1980' FEL | | 8. Well Name and No. Crosby Deep #3 |
| | | 9. API Well No. 30-025-11870 |
| | | 10. Field and Pool, or Exploratory Area Crosby Fusselman |
| | | 11. County or Parish, State LEA |

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 New wellhead to be Installed |
| | <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.)

Move Rig onto Wellbore, pull existing Tubing and 4 1/2 packer out of hole, add additional tubing to existing tubing, run back into hole, set packer, install new wellhead, run MIT test. Will Contact BLM/OCD to witness test.

SEE ATTACHED Conditions Prior to Approval

| | | |
|---|--|--|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Dan Johnson | | Title Managing Member |
| Signature | | Date 11/01/2011 |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | |
| Returned 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 LPE Date 11/3/11 Office CFO |
| 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)

NOV 15 2011

Conditions Prior to Approval
Crosby Deep #3
NMLC054667 3002511870 Sec.33, T25S,R37E

Prior to approval: Need to add the procedure to plug back well as per NMOCD Administrative Order SWD-1233, Which states "the next time the packer is unseated, the operator shall plugback this well to within 200 feet of the permitted disposal depths..." A Notice of intent to plug back this well has not been approved by BLM. As per our records this well has perforations at 9641'-9720' (McKee formation) which have never been properly plugged. This work will be required to be performed after the new well head is installed and prior to any other work in this well bore.