

OCD-HOBBS

Form 3160-5  
(April 2004)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

HOBBS OCD

MAR 27 2012

## 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.

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

5	Lease Serial No NMLC054667
6	If Indian, Allottee or Tribe Name
7	If Unit or CA/Agreement, Name and/or No
8	Well Name and No Gregory C-1
9	API Well No 30-025-11865
10	Field and Pool, or Exploratory Area Crosby/Gregory
11	County or Parish, State Lea County

## SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1 Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other2 Name of Operator  
DC Energy LLC3a Address  
105 Oscar Lane Dallas Georgia 301323b Phone No (include area code)  
770-757-3715

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

Sec 33 T25S R37E 660FNL 1980 FWL

## 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 <b>Transfer of Bond</b>
	<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 recompleate 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 recompleation 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.)

Please transfer current bond that is posted on Gregory C-1 to Gregory #8 API# 30-025-29539 located in SEC 33 25S 37E due to Gregory C-1 being Plugged and Abandoned

COPY TO OCD HOBBS DISTRICT OFFICE

SEE ATTACHED

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

DAN JOHNSON

Title MANAGING MEMBER

Signature

Date

03/01/2012

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

DENIED

/s/ JD Whitlock Jr

Title LPET

Date 3/15/12

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 CFO

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)

can be completed by the BLM or its authorized representatives and the bond reestablished to the amount previously established or larger, as per 43 CFR 3104.7(b). If a demand is placed on the bond, all operations in this option will be suspended until the bond is reestablished.

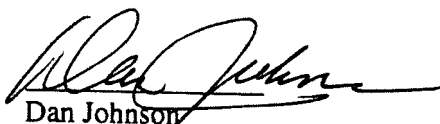
3. DC Energy shall submit all necessary Sundry Notices, NOI, and other government agency documents to request approval as per 43 CFR 3162.3-2(a) for the Crosby Deep 3 to be converted to a salt water injection well within 60 days of approval as operator. Included in the NOI for the Crosby Deep 3 should be the completed State C-108 package. If approved, DC Energy shall monitor the progress of the work on the Crosby Deep 3 closely to ensure the work is completed within six months of the BLM approval of the Sundry Notice. If the work is not completed, a Notice of Incidence of Noncompliance will be issued followed by assessment and notice of proposed Civil Penalties as necessary. If compliance is not achieved, a demand will be placed on the bond. This places the bond in default, as per 43 CFR 3104.7, until the work can be completed by the BLM or its authorized representatives and the bond reestablished to the amount previously established or larger, as per 43 CFR 3104.7(b). If a demand is placed on the bond, all operations in this option will be suspended until the bond is reestablished.
4. DC Energy shall file all subsequent reports as per 43 CFR 3160.0-9(c)(1) and 43 CFR 3162.3-2(a). Bond review may be requested annually, which may result in an increase or decrease depending on DC Energy's compliance record, actions and/or area operational economics. No additional wells can be substituted or applied to this bond.

Sincerely



Jim Stovall  
Field Manager

Accepted: 8-25-11 (date)



Dan Johnson  
Managing Member  
DC Energy, LLC

cc:

Office of the Solicitor, Southwest Regional Office, 505 Marquette Avenue NW, Suite 1800,  
Albuquerque, New Mexico 87102