

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HONORS

MAY 31 2012

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

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

SUBMIT IN TRIPLICATE - Other instructions on page 2

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 (Leasing Sec. 1 R. M. or Survey Description)
Sec 33 T 25S R37E 1980' FSL 1980' FEL

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

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 THE 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 checked="" 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 See attached
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Work Sheet
	<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 must 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 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.)

Please see attached work sheet

Sent By Email and 3 copies of originals sent by Mail 05/04/2012

Accepted as to plugging of the well bore.
Liability under bond is retained until
Surface restoration is completed.

RECLAMATION
DUE 10-24-12

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

Title Managing Member

Signature

Date 05/04/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Accepted for Kevin James R. Burns
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.
5-31-2012

Title SEAS

Date 5-26-12

Office CFO

Title 18 U.S.C. Section 1601 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)

MAY 31 2012

4/2/12 drilled through the CIBP @ 8937' and tagged TD fill @ 9581'.

Wesley Ingram gave verbal approval to spot 25 sack plug @ 9581'. After spotting the 25 sack plug @ 9581', the crew POH, getting stuck on the 17th joint of tubing (8831').

Operator ran a free point to see where pipe is actually stuck.

Stood-by for wire line truck. Rigged up wire line and free point tools.

RIH with tools and established free point @ 8667' and stuck @ 8675'.

Discussed cutting tubing @ 8640'.

Then to set a packer around 8500' to squeeze enough cement out perms to cover 200' behind pipe then fill the 4 1/2" casing up to the required 8580'.

Wesley Ingram gave verbal approval to continue on with this plan.

Picked up 2 1/8" tubing cutter and RIH with wire line down to 8640' and cut the tubing.

POH and rigged down wire line. Worked tubing and turned it and until tubing came free @ cut.

Pulled 8640' of tubing. Shut well in for the weekend.

4/09/12 RIH with tubing and packer. Set packer @ 8280'.

Established injection rate then mixed and tried pumping 71 sacks cement. Pump truck kept losing prime and would move barely cement.

Pumped all but 2Bbls of cement.

Released packer and started to reverse out cement when pump locked down.

POH with tubing and packer.

Order given by BLM to suspend plugging activities until pump could properly mix and pump cement.

Stood-by as crew pulled tubing.

Tubing was clear all the way to end. Suspect that operator will have to drill out cement. Left location while crew worked on pump.

4/10/12 Pump repairs were made last night. RIH open ended to tag TOC. Tagged solid @ 7683'

Looked at the perforated sub and saw a deep gauge. Looked like it hit a collar.

Tripped out of hole, shut down for the day.

4/11/12 Rigged up swivel and reverse unit. Picked up a 6 1/4" tapered mill and 6 drill collars.

RIH with work string. Tagged solid and started milling. Was getting metal cuttings at pit.

Operator stopped milling with concerns of being outside of casing.

Was able to pressure casing up to 700psi bleeding down in 5 1/2 minutes.

It was decided to run back in with a 6 1/4" drill bit placing ISB centralizer in BHA.

Tripped out of hole.

Inspected mill. It appeared to not been rubbed at top of taper. Heaviest wear was at 5" circumference. Shut down for the day.

4/12/12 RIH with 6 1/4" bit and 6 6 1/8' collars. Tagged up at same spot. Drilled for 2 hours drilling down about a foot. Still getting metal chunks back.

Stopped drilling and circulated well. POH and layed down 6" collars and bit.

4/13/12 Loaded hole and pressure tested casing. Pressured to 700psi. Bled down in 6 1/2 minutes.

Put a bull plug on the end of the tubing and run back in hole to see if we tag or the pipe will slide past tight spot @7683'.

RIH with 2 3/8" tubing bull plugged down to 8702' with no problems. POH with tubing. Picked up a 4 1/2" packer and RIH. Set packer @ 8280'. Shut down for the day.

4/14/12 Released packer and loaded hole. Set packer and squeezed perfs @ 1200' psi 3/4 Bbls per minute. Pump could not maintain this rate without powering out.

Discussed with company man. Had a kill truck come out and try to break formation down. Could not get a kill truck that day. Shut down for the weekend.

4/16/12 Rigged kill truck up. Pump and squeezed perfs with 20 Bbls of BW. Established injection rate of 1 Bbls per minute @ 1300 psi. Formation would not break down.

Rigged down kill truck and tied back on with cement pump. Mixed and pumped 71 sacks of cement. Rigged up kill truck.

Displaced and squeezed cement with 37 Bbls BW. WOCed. Released packer.

Ran down and tagged TOC @ 8570' To low. Spot a 80 sack balanced plug @ 8570'. Shut down for the day.

4/17/12 Crew made rig repairs first thing. RIH and tagged TOC @ 8008'. To low. Pumped another 42 sack balanced plug.

WOC'ed. Tagged TOC @ 7825'. Wesley okayed tag @ 7827'.

Mixed and pumped 110 Bbls of 9 lbs mud. Rigged up wire line and perforating gun. RIH with perforating gun. Couldn't get past 2100' inside tubing.

POH layed down perforating gun and disarmed. Shut down for the day.

4/18/12 Pulled out of hole with tubing and layed down 4 1/2" packer. Rigged up wire line. RIH and Perforated @ 5150'. POH and rigged down wire line. RIH with tubing and 7" packer. Set packer @ 4717'. Loaded the hole and then set packer. Well pressured to 700psi and held steady.

Called Wesley for approval to drop down 50' to spot a balance plug. POH with tubing and packer. Stood by for mechanic to do rig repairs.

RIH open ended to 5224'. Circulated well with 110 Bbls of 9lbs mud.

Spot a 33 sack balance plug. Shut down for the day.

4/19/12 RIH and tagged TOC @ 5080'. To low.

Closed pipe rams and pressure tested casing to 500psi. Held for 10 minutes with zero drop. Circulated well with 48 Bbls 9lbs mud.

Spot 16 more sacks @ 5080'. WOC'ed. Tagged TOC @ 4982'.

POH with tubing. Rigged up wire line. RIH and Perforated @ 3950'.

POH and rigged down wire line. RIH with tubing and 7" packer. Set packer @ 3490'.

Loaded hole and set packer. Instantly pressured to 1000psi holding steady.

Released packer and ran down to 4016'. Circulated well with 14 Bbls of 9 lbs mud. Pumped a 36 sack balanced plug. Shut down for the night.

4/20/12 RIH and tagged TOC @ 3886', 76' to low. Loaded hole with 9 lbs mud. Pumped 13 sacks cement @ 3886'. WOC'ed. Tagged TOC @ 3806'. POH laying down tubing.

Rigged up wire line. RIH and Perforated @ 2565'. POH and rigged down wire line.

RIH with tubing and 7" packer. Set packer @ 2440'. Loaded hole and tried to set packer. Would not set.

Closed the pipe rams and pressured to 1800psi. Held steady for 10 minutes.

Open rams and dropped down to 2615'. Spot a 29 sack balanced plug. WOC'ed.

Rigged up wire line and perforating gun. RIH and tagged TOC @ 2460'. Pulled line tight and perforated.

Rigged down wire line. RIH with tubing and 7" packer.

Loaded hole and tried to set packer @ 2051'. Packer would not set.

Closed pipe rams and was able to establish an injection rate of 1 Bbls a minute @ 1500psi. Shut down for the day.

4/21/12 POH with tubing and old packer. Picked up new 7" packer and RIH. Set packer @ 2051'. Pump and squeezed 45 sacks of cement. WOC'ed.

Rigged up wire line and perforating gun. RIH and tagged TOC @ 2415'. POH and rigged down wire line. Pulled up hole to 790' laying down tubing.

Rigged up wire line and perforating gun. RIH and perforated @ 1200'. Rigged down wire line. Loaded hole and set packer @ 790'. Starting pumping 60 sacks cement.

The cement pump kept losing prime until reversing out was the only option. Circulated well clean. Dan Johnson shut the crew down until Monday.

4/23/12 Ran in hole to see where cement top is. Tagged TOC @ 792'. POH and stood back work string.

Stood by for reverse unit and drill collars. Equipment arrived too late, shut down for the day.

4/24/12 Picked up 6, 4 3/4" drill collars and a 6 1/8" bit. RIH and tagged TOC. Rigged up swivel and pump. Drilled out 140' cement plug. Circulated well bottom up.

Rigged down swivel and reverse unit. Ran on down and tagged cement plug @ 2415'. Circulated well with 70 Bbls 9 lbs mud.

POH laying down tubing and drill collars. Picked up 7" packer and RIH. Set packer @ 784'.

Loaded hole and tried to get an injection rate. Perforations were tight. Established an injection rate of 1/2 Bbls a minute @ 1300 psi. Dan Johnson wasn't comfortable with this so rigged up wire line.

RIH with perforating gun and perforated again @ 1200 psi. Shut down for the day.

4/25/12 Waited for Shack Energy Services, new pump company, to arrive and get rigged up. Loaded hole and set packer.

Squeezed 8 Bbls of mud @ 1 Bbls a minute. Pump and squeezed 60 sacks cement. Displaced with 15 Bbls of mud. Shut well in with 1100 psi. WOC'ed.

Opened tubing valve to release pressure. Was flowing back a solid 2" stream of displacement mud. Called Wesley to discuss options.

Tried to release packer; packer stuck.

Rigged up wire line and sinker bar. RIH to tag TOC. Hit solid @ 340'. POH.

Green cement was on wire line and all over sinker bar. Tried to pump down tubing. Locked up @ 900 psi. Discussed again with Wesley.

Was given approval to twist out of packer and perforate 10' above @ 784'.

Tied on to casing and reversed wellbore clean.

Rigged up wire line and perforating gun. RIH and tagged TOC @ 745'. Pulled up to 740" and perforated.

POH and rigged down wire line.

RIH with packer and 1 joint of tubing.

Set packer and was able to break circulation through the 9 5/8" casing.

Pumped about 5 Bbls of fresh water. Pressure continued to climb.

Stopped pumping when pressure reached 1500 psi. Called and discussed problem with Wesley.

We opted to go back down to packer and spot a balance plug across perms and continue as approved.

Shut down for the day.

4/26/12 RIH with tubing and tagged packer. Stood by for Shack Energy to get on location.

4/27/12 perms at 550' was able to pump cement from 550' to surface filling annulus and 7".

Cut wellhead and witnessed cement at surface.

Most of this Information provided by Marlan Deaton as he witnessed all work Performed.