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Submit 1 Copy To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87110
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
October 13, 2009

SUNDY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)		WELL API NO. 30-0235-24287
1. Type of Well Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator DE Energy LLC		6. State Oil & Gas Lease No. 306783
3. Address of Operator 105 CROSBY LANE, DALLAS TEXAS 75202		7. Lease Name or Unit Agreement Name CROSBY Deep
4. Well Location Unit Letter C Section 37 Township 37 Range NMPM County Lea		8. Well Number 2
11. Elevation (Show whether DR, RKB, RI, GR, etc.)		9. OGRID Number 260210
		10. Pool name or Wildcat Crosby Fusselman

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:			SUBSEQUENT REPORT OF:		
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>		
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS <input type="checkbox"/>	P AND A <input type="checkbox"/>		
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input checked="" type="checkbox"/>			
DOWNHOLE COMMINGLE <input type="checkbox"/>		OTHER <input checked="" type="checkbox"/>			

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 19.15.7.14 NMAC. For Multiple Completions, Attach wellbore diagram of proposed completion or recompletion

See Attached Results page.

Spud Date

Rig Release Date

I hereby certify that the information above is true and complete to the best of my knowledge and belief

SIGNATURE [Signature] TITLE mgr B&E DATE 7/21/2010
Type or print name Dave Johnson E-mail address davejohnson@nmsr.com PHONE 720 157 2115
For State Use Only

APPROVED BY [Signature] TITLE STATE MGR DATE 7-21-10
Conditions of Approval (if any).

**DC Energy LLC
Crosby Deep #2
Lea County, New Mexico
Sec 33, T 25 S, R 37 E**

Objective: Raise cement above the San Andres zone (3900'-4682')

Well Data: 13 3/8", 48# H-40 csg @ 504'; 500 sks class C, circulated
9 5/8", 36# K-55 csg @ 3812'; 2300 sks (1050 sks 1st stage, 1250 sks 2nd
stage) circulated
5 1/2", 17# J-55 & N-80 csg @ 10,445; 890 sks (350 sks 1st stage, 540 sks
2nd stage) TOC@7030'
Spud 11/15/72, Completed 1/31/73,
Fusselman Perfs: 8780'-8790, 20 holes, .33", 250 g 15% w ball sealers.

Report: Monday 7/19/10 – Wed 7/20/10

Monday 7/19/10:

1. MIRU, well had 0 psi on tbgs and csg.
2. Set CBP @ 5500', loaded csg w 7 bbls fresh water and tested to 500 psi for 10 minutes, held.
3. RIH w perf guns and perforate 4 squeeze holes at 5197', test squeeze holes at 500 psi, can't inject and well had 550 psi on csg. Increase pressure to 750 psi, had small leak around well head near nipple on production csg. Dug out around csg and have a vacuum truck suck the spill of ~ 2 bbls. Close production csg valve and install a bull plug. Pressure to 500 psi. Csg held and did not have any leaks at surface. Still can not pump into squeeze hole perfs. Well has 500 psi.
4. RU wireline and run a CBL from 3300' to 5400' without pressure, repeat 200'. Pressure up to 500 psi and log 3300'-5400'. Well has sufficient amount of cmt above and below San Andres interval. OCD approves of CBL and does not require cmt squeeze.

Tue 7/20/10

5. RIH w 4 3/4" bit, 4- 3.5" DC, and 2 7/8" tbgs and tag CBP at 5500'. RU swivel and drill out CBP and clean out to 6460'. Vacuum truck on location entire time to recover water and oil most likely from SA w the 4 squeeze hole perfs shot yesterday. Less than 5 bbls of oil recovered. Well went on vacuum and lost circulation after 1.5' of CBP drilled. SD

Wed 7/21/10

6. POH and LD tbg and DC. Close well in SD and RD. Wait on permit from OCD before attempting integrity test. The well will be acidized and put on injection after the well passes the integrity test.