

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 87410

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

May 27, 2004

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)</p>		<p>WELL API NO. <b>30-015-34247</b></p>
<p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/></p>
<p>2. Name of Operator LCX ENERGY, LLC</p>		<p>6. State Oil &amp; Gas Lease No. -----</p>
<p>3. Address of Operator 110 N Marienfeld Ste. 200, Midland, TX 79701</p>		<p>7. Lease Name or Unit Agreement Name 1724 Osbourn</p>
<p>4. Well Location BHL 1880' FEL &amp; 660' FSL Sec. 10 SL Unit Letter <u>B</u> : <u>200</u> feet from the <u>North</u> line and <u>1880</u> feet from the <u>East</u> line Section <u>10</u> Township <u>17S</u> Range <u>24E</u> NMPM County <u>Eddy</u></p>		<p>8. Well Number <u>101</u></p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3720'</p>		<p>9. OGRID Number 218885</p>
<p>Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/></p>		<p>10. Pool name or Wildcat Undes Eagle Creek-Wolfcamp</p>
<p>Pit type <u>Drilling</u> Depth to Groundwater <u>100'</u> Distance from nearest fresh water well <u>.5</u> Distance from nearest surface water <u>2.5</u> miles Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume <u>18M</u> bbls; Construction Material <u>Earth</u></p>		

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☒  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: ☐

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- Move location from 1880' FEL & 660' FNL to 1800' FEL & 200' FNL Sec. 10, T17S-R24E. The reason for this move is to avoid residential dwellings at the original location.
- See attached Drilling and Casing program.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Sharon Windman TITLE Regulatory Agent DATE 12/21/2005

Type or print name  
For State Use Only

E-mail address:

Telephone No.

**DENIED**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE DEC 28 2005

Conditions of Approval (if any): Please refer to Rule 104 for gas wells Wolfcamp or deeper.

1. Drill 26" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17-1/2" hole to 350'. Run and set 350' of 13-3/8" 48# H-40 ST&C casing. Cement with 200 sx 35/65 Poz/C + 6% gel and tail in with 200 sx of Class "C" cement + 2% CaCl, circulate cement to surface.
3. Drill 12-1/4 hole to 1200'. Run and set 1200' of 9-5/8" 36# J-55 ST&C casing. Cement with 375 sx of 35/65 Poz/C + 5% NaCl + 6% Bentonite, tail in with 100 sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
4. Drill 8-3/4" hole to approx. 5100'. Set cement kick-off plug from TD to approx. 4800 ft with 150 sx H + 0.7% dispersant.
5. Dress cement top to desired kick-off point. Drill 8-3/4" curve and land lateral in pay zone (approx. 4900 ft TVD). Pickup lateral drilling assembly with an 8-3/4" or 7-7/8" bit and drill a +/-4000' lateral to 660' from lease line (approx. 4000 ft vertical section).
6. Run and set 5-1/2" 15.5# N80 or stronger production casing. Cement 5-1/2" with acid soluble cement through the lateral and 400 sx 50/50 Poz/C + 10% gel and tail in with 200 sx C + 200% CaCO<sub>3</sub> (acid soluble cement) + fluid loss additive + retarder (as required), attempting to bring top of cement to 1,000'.

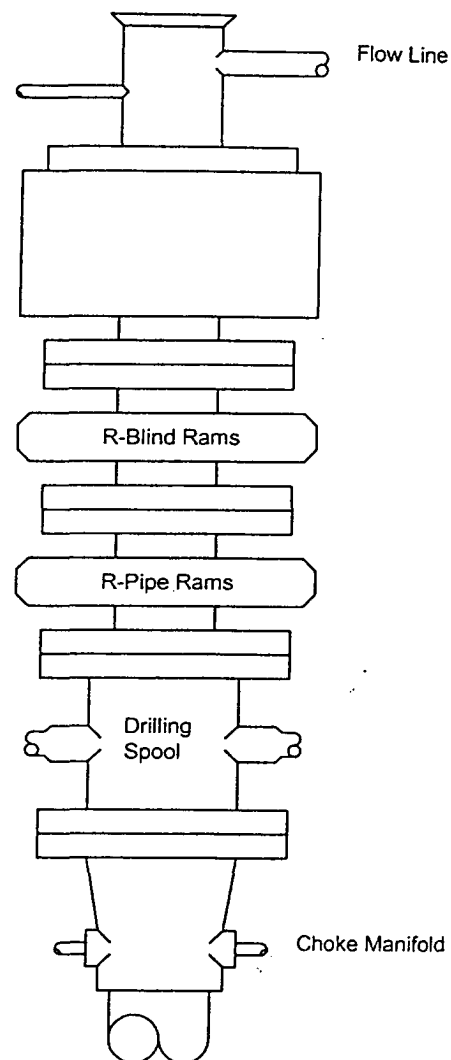
Drill surface hole and intermediate hole to 4800'± with fresh water.  
Drill from 4800'± to TD with cut-brine.

No H<sub>2</sub>S has been encountered in any other wells drilled in this area and the BLM does not have any record of any H<sub>2</sub>S occurring in this area.

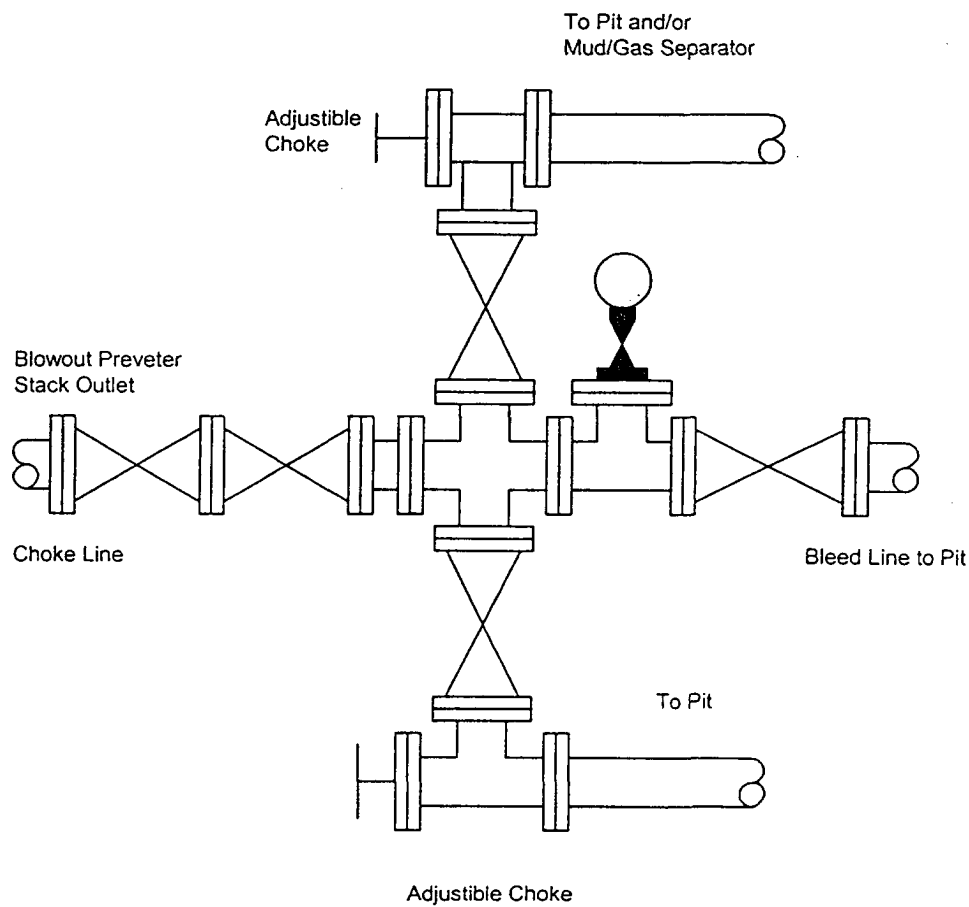
# BLOWOUT PREVENTER SYSTEM

Fill Line

Flow Line



## Choke Manifold Assembly for 5M WP System



DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-34247	Pool Code 96622	Pool Name UNDES, EAGLE CREEK-WOLFCAMP
Property Code 34965	Property Name 1724 OSBOURN	Well Number 101
OGRID No. 218885	Operator Name LCX ENERGY, LLC	Elevation 3720

Surface Location

UL or lot No. B	Section 10	Township 17 S	Range 24 E	Lot Idn	Feet from the 200	North/South line NORTH	Feet from the 1880	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No. O	Section 10	Township 17 S	Range 24 E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 1880	East/West line EAST	County EDDY
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Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

NOTE:  
1) Plane Coordinates shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1983. Distances shown hereon are mean horizontal surface values.

*Project Area* →

*Producing Area* →

RECEIVED  
DEC 22 2005  
OCD-ARTESIA

MAÇON McDONALD  
NEW MEXICO  
REGISTERED PROFESSIONAL SURVEYOR  
12185

Plane Coordinate  
X = 467,407.8  
Y = 675,525.0

Plane Coordinate  
X = 467,374.1  
Y = 671,102.2

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

*Sharon Hindman*  
Signature  
Sharon Hindman  
Printed Name  
Regulatory Agent  
Title  
12/21/2005  
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

December 12, 2005

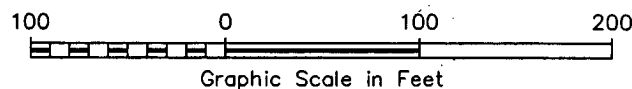
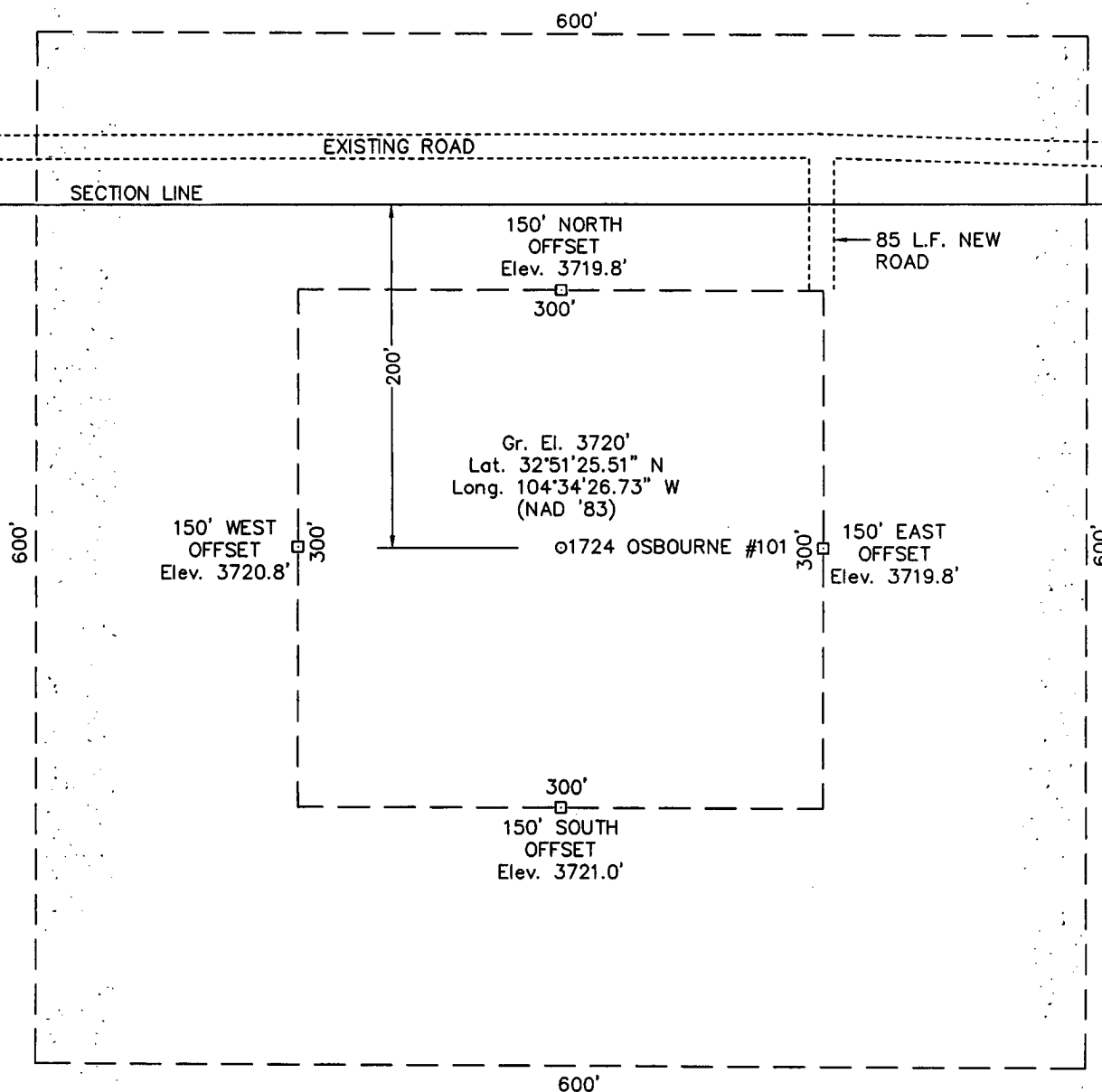
Date Surveyed JSR  
Signature & Seal of Professional Surveyor  
*Maçon McDonald*  
W.O. Num. 2005-0649  
Certificate No. MAÇON McDONALD 12185

# SECTION 10, TOWNSHIP 17 SOUTH, RANGE 24 EAST, N.M.P.M.

EDDY COUNTY

NEW MEXICO

L-2005-0649



## DRIVING DIRECTIONS

FROM HIGHWAY INTERSECTION 285 & 82 IN ARTESIA, DRIVE WEST ALONG HIGHWAY 82 ABOUT 9.6 MILES, THEN TURN RIGHT AND GO NORTH ON EXISTING LEASE ROAD FOR 1.0 MILES TO A POINT, THEN LEFT AND GO WEST FOR 0.6 MILES TO A POINT. THE LOCATION IS SOUTH 230 FEET.

# LCX ENERGY, LLC

## 1724 OSBOURN #101

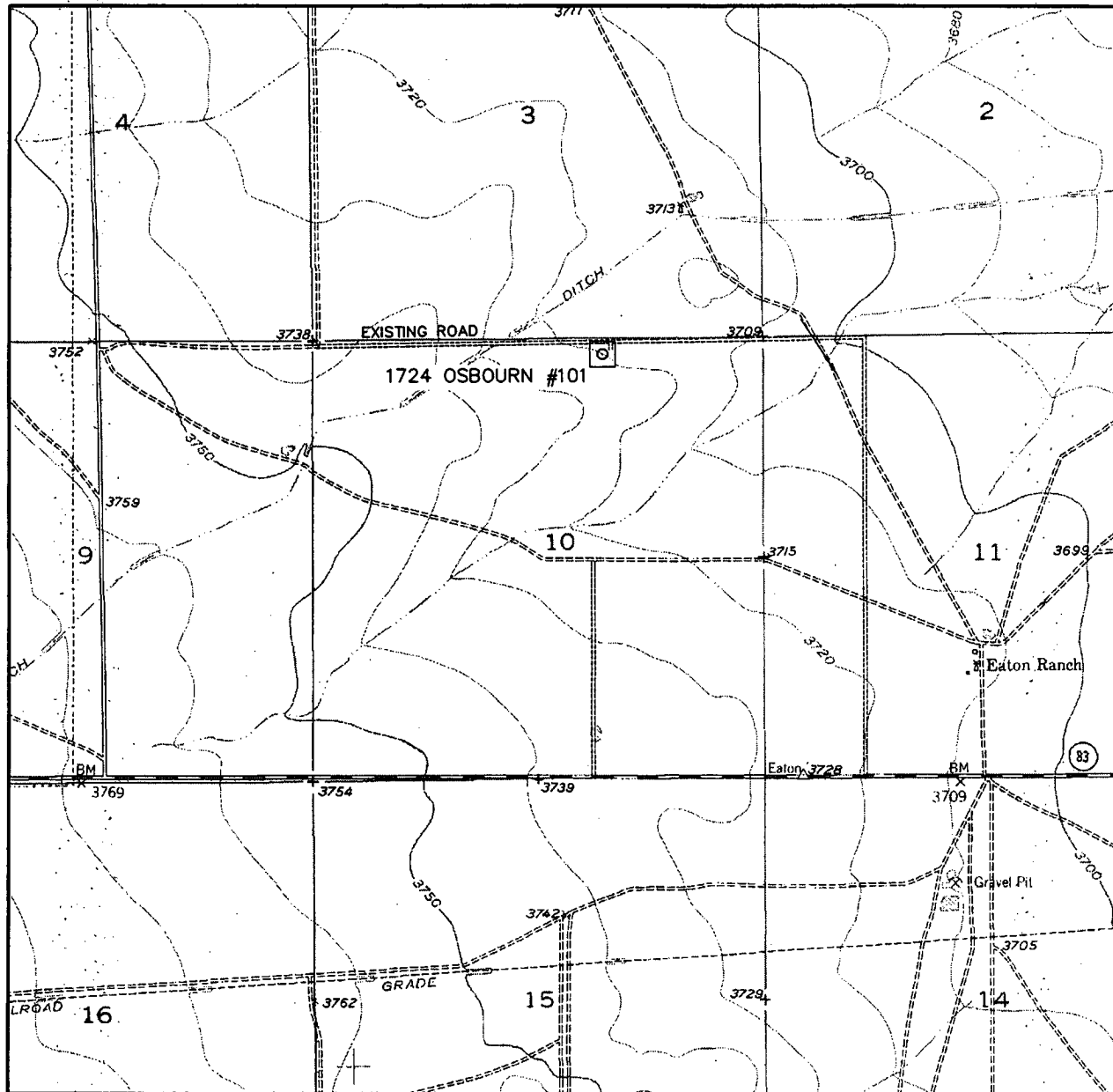
Located 200' FNL & 1880' FEL, Section 10  
Township 17 S, Range 24 E, N.M.P.M.  
Eddy County, New Mexico

Drawn By: JSR	Date: December 15, 2005
Scale: 1"=100'	Field Book: 303 / 19-26
Revision Date:	Quadrangle: Hope SE
W.O. No: 2005-0649	Dwg. No.: L-2005-0649

**WEST**  
**COMPANY**  
of Midland, Inc.

110 W. LOUISIANA, STE. 110  
MIDLAND TEXAS, 79701  
(432) 687-0865 - (432) 687-0868 FAX

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
HOPE SE - 20'

SEC. 10 TWP. 17-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 200' FNL & 1880' FEL

ELEVATION 3720'

OPERATOR LCX ENERGY, LLC

LEASE 1724 OSBOURN #101

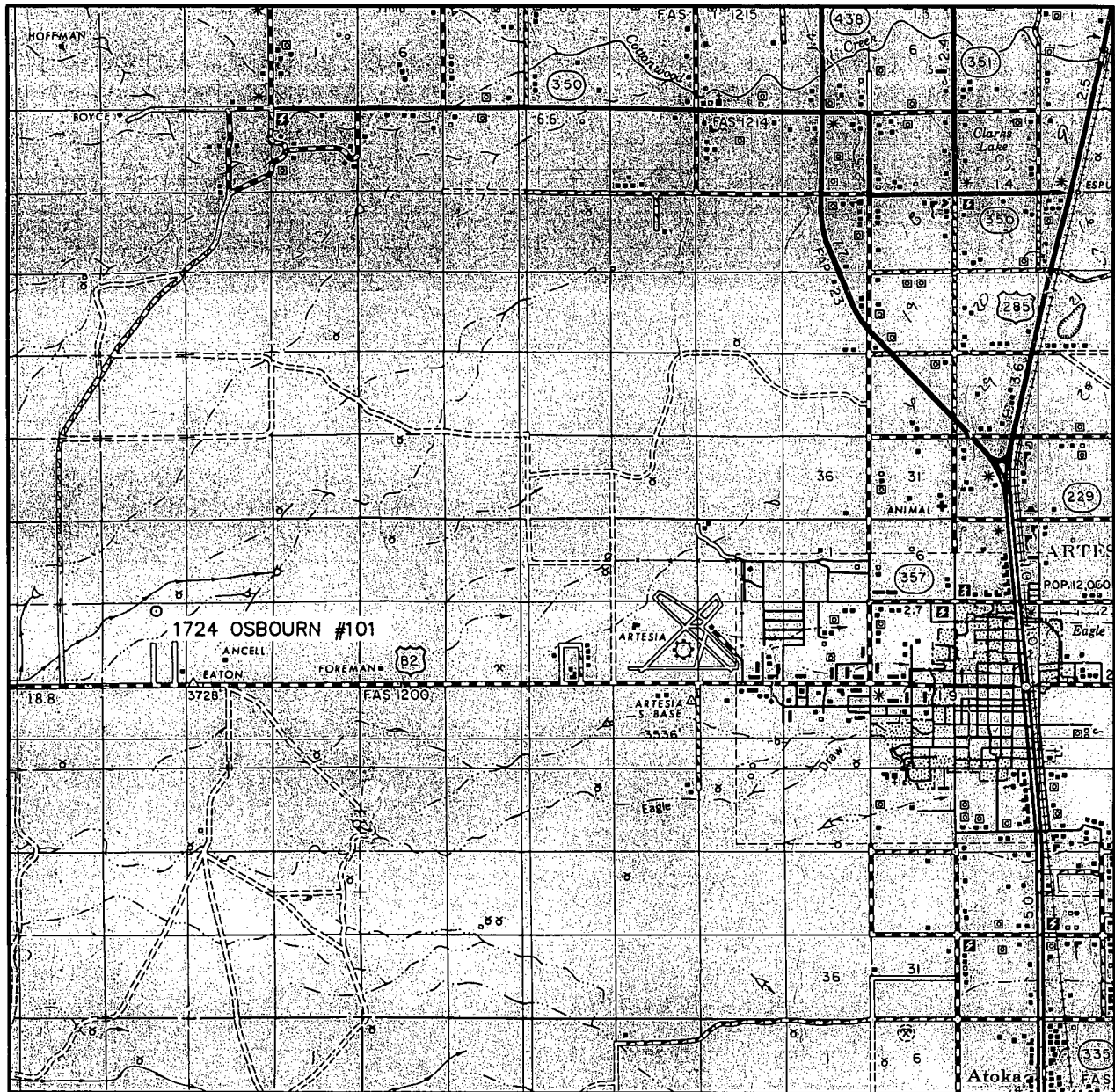
U.S.G.S. TOPOGRAPHIC MAP  
HOPE SE, N.M.



**WEST  
COMPANY**  
of Midland, Inc.

110 W. LOUISIANA, STE. 110  
MIDLAND TEXAS, 79701  
(432) 687-0865 - (432) 687-0868 FAX

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 10 TWP. 17-S RGE. 24-E  
 SURVEY N.M.P.M.  
 COUNTY EDDY  
 DESCRIPTION 200' FNL & 1880' FEL  
 ELEVATION 3720'  
 OPERATOR LCX ENERGY, LLC  
 LEASE 1724 OSBOURN #101



**WEST  
COMPANY**  
 of Midland, Inc.

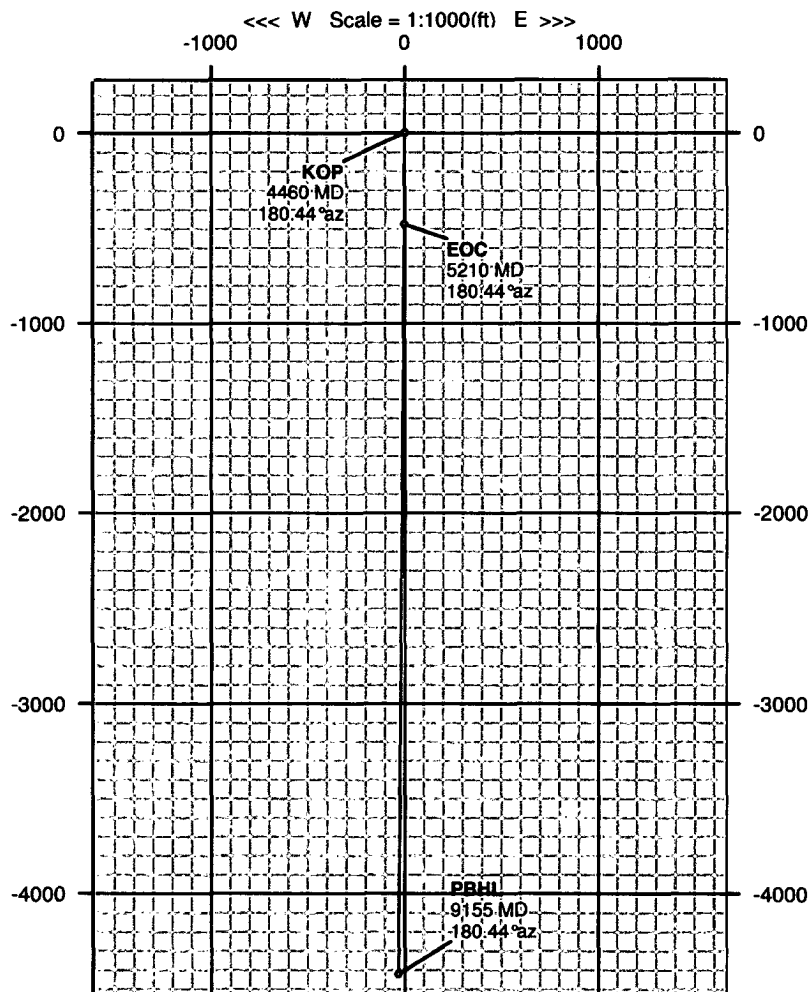
110 W. LOUISIANA, STE. 110  
 MIDLAND TEXAS, 79701  
 (432) 687-0865 - (432) 687-0868 FAX

# LCX Energy LLC.

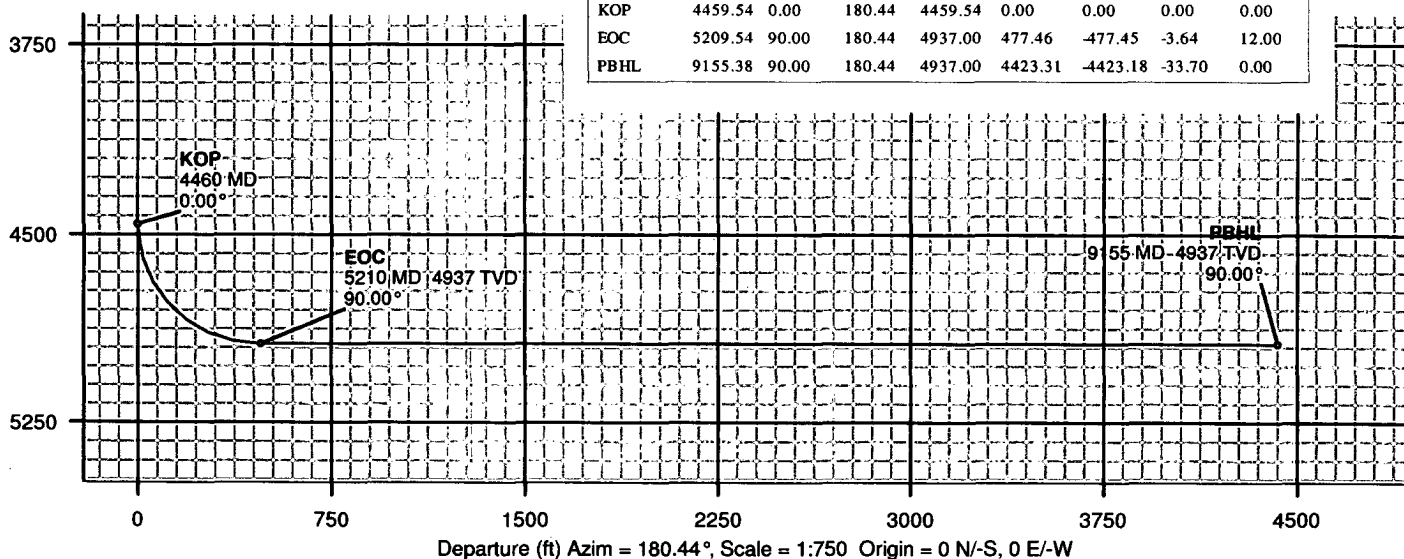
WELL	1724 Osbourn #101	FIELD	Eddy County, NM	STRUCTURE	1724 Osbourn #101
Magnetic Parameters		Surface Location		Miscellaneous	
Model: IGRF 2005	Dip: 60.736° Mag Dec: -5.780°	Date: July 26, 2005 FS: 49508.6 nT	Lat: N32 51 24.515 Lon: W104 34 26.727	NAD83 New Mexico State Planes, Eastern Zone, US Feet Northing: 875525.00 HUS Easting: 467407.80 HUS Grid Conv: -0.13052145° Scale Fact: 0.9999153496	Sk: 1724 Osbourn #101 Plan: 1724 Osbourn #101 .r3 TVI Ref: RKB (0.00 ft above) Srvy Date: Tue 02:35 PM December 20, 2005



**INTREPID**  
Directional Drilling Specialists



Critical Points								
Critical Point	MD	INCL	AZIM	TVD	YSEC	N(+) / S(-)	E(+) / W(-)	DLS
Tie-In	0.00	0.00	180.44	0.00	0.00	0.00	0.00	0.00
KOP	4459.54	0.00	180.44	4459.54	0.00	0.00	0.00	0.00
EOC	5209.54	90.00	180.44	4937.00	477.46	-477.45	-3.64	12.00
PBHL	9155.38	90.00	180.44	4937.00	4423.31	-4423.18	-33.70	0.00





# Proposal

<b>Report Date:</b> December 20, 2005 <b>Client:</b> LCX Energy LLC. <b>Field:</b> Eddy County, NM Nad 83 <b>Structure / Slot:</b> 1724 Osbourn #101 / 1724 Osbourn #101 <b>Well:</b> 1724 Osbourn #101 <b>Borehole:</b> 1724 Osbourn #101 <b>UWI/API#:</b> <b>Survey Name / Date:</b> 1724 Osbourn #101_r3 / December 20, 2005 <b>Tort / AHD / DDI / ERD ratio:</b> 90.000° / 4423.31 ft / 5.868 / 0.896 <b>Grid Coordinate System:</b> NAD83 New Mexico State Planes, Eastern Zone, US Feet <b>Location Lat/Long:</b> N 32 51 24.515, W 104 34 26.727 <b>Location Grid N/E Y/X:</b> N 675525.000 rUS, E 467407.800 rUS <b>Grid Convergence Angle:</b> -0.13062148° <b>Grid Scale Factor:</b> 0.99991535	<b>Survey / DLS Computation Method:</b> Minimum Curvature / Lubinski <b>Vertical Section Azimuth:</b> 180.440° <b>Vertical Section Origin:</b> N 0.000 ft, E 0.000 ft <b>TVD Reference Datum:</b> RKB <b>TVD Reference Elevation:</b> 0.0 ft relative to <b>Sea Bed / Ground Level Elevation:</b> 0.000 ft relative to <b>Magnetic Declination:</b> 8.780° <b>Total Field Strength:</b> 49508.847 nT <b>Magnetic Dip:</b> 60.736° <b>Declination Date:</b> July 26, 2005 <b>Magnetic Declination Model:</b> IGRF 2005 <b>North Reference:</b> Grid North <b>Total Corr Mag North -&gt; Grid North:</b> +8.911° <b>Local Coordinates Referenced To:</b> Well Head
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Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	Closure (ft)	Closure Azimuth (deg)	DLS (deg/100 ft)	Tool Face (deg)
ie-In	0.00	0.00	180.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-179.56M
OP	4459.54	0.00	180.44	4459.54	0.00	0.00	0.00	0.00	0.00	0.00	-179.56M
	4500.00	4.86	180.44	4499.95	1.71	-1.71	-0.01	1.71	180.44	12.00	-179.56M
	4600.00	16.86	180.44	4597.98	20.51	-20.51	-0.16	20.51	180.44	12.00	0.00G
	4700.00	28.86	180.44	4689.96	59.28	-59.28	-0.45	59.28	180.44	12.00	0.00G
	4800.00	40.86	180.44	4771.87	116.33	-116.33	-0.89	116.33	180.44	12.00	0.00G
	4900.00	52.86	180.44	4840.13	189.16	-189.15	-1.44	189.16	180.44	12.00	0.00G
	5000.00	64.86	180.44	4891.76	274.59	-274.58	-2.09	274.59	180.44	12.00	0.00G
	5100.00	76.86	180.44	4924.49	368.89	-368.88	-2.81	368.89	180.44	12.00	0.00G
	5200.00	88.86	180.44	4936.90	467.93	-467.92	-3.57	467.93	180.44	12.00	0.00G
OC	5209.54	90.00	180.44	4937.00	477.46	-477.45	-3.64	477.46	180.44	12.00	0.00G
BHL	9155.38	90.00	180.44	4937.00	4423.31	-4423.18	-33.70	4423.31	180.44	0.00	0.00G