

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 87240  
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

Form C-103  
Revised May 08, 2003

<b>SUNDRY NOTICES AND REPORTS ON WELL 3037</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.)		WELL API NO. 30-015-34856
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator LCX Energy, LLC		6. State Oil & Gas Lease No.
3. Address of Operator 110 N. Marienfeld, Ste. 200, Midland, TX 79701		7. Lease Name or Unit Agreement Name: COLLINS RANCH UNIT
4. Well Location Unit Letter <u>A</u> : <u>660</u> feet from the <u>NORTH</u> line and <u>760</u> feet from the <u>EAST</u> line Section <u>31</u> Township <u>17S</u> Range <u>24E</u> NMPM County <u>EDDY</u>		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3883' GR		9. OGRID Number 218885
		10. Pool name or Wildcat

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data			
<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
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"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: SPUD <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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

12/30/06 - 01/04/07 SPUD WELL AT 5:30 AM. DRILL 17 1/2" HOLE TO 374'. POOH AND CHANGE HOLE SIZE TO 12 1/4". TIH W/ 12 1/4" BIT, DRILL FROM 374' TO 1308'. SWEEP HOLE, POOH TO RUN 9 5/8" CASING. RUN 9 5/8" CASING AS FOLLOWS: 9 5/8" GUIDE SHOE, 1 JT 9 5/8" 36# J55 CSG, FLOAT COLLAR, 30 JTS 9 5/8" 36# CASING. RAN 5 CENTRALIZERS ON PIPE. SET CASING AT 1308'. CEMENTED CASING W/ 180 SX CLH+10%A10+10#LCM+1/4#CELLOFLK +1%CA CL, 14.6#/G, 408 SX 35:65:6 CLC+5%SALT+1/4#CELLOFLK+8#KOLSEAL, 12.4#/G. BUMPED PLUG W/ 460#, HELD OK. DID NOT CIRC CEMENT. WOC. RUN TEMP SURVEY, TOC AT 580'. 1/5/07 - 1/6/07 RIH W/ 1" TBG, TAG AT 315'. RIGGED UP BJ PUMP TRUCK AND PUMPED THROUGH 1" IN AN ATTEMPT TO WASH DEEPER, SOLID. TALKED W/ TIM GUM AT 9:50 AM 1/5/07, GAVE PERMISSION TO GO AHEAD AND CEMENT. CEMENT THROUGH 1" W/ CLC NEAT+3-4% CACL AT 14.8#/G; STAGE 1, SPOT 50 SX, WOC 3 HOURS, TAG AT 268', STAGE 2, SPOT 50 SX, WOC 3 HOURS, TAG AT 268', STAGE 3, SPOT 100 SX, WOC 3 HOURS, TAG 265', STAGE 4, SPOT 50 SX, WOC 3 HOURS, TAG AT 263', STAGE 5, SPOT 50 SX WOC 3 HOURS, TAG AT 261', STAGE 6, SPOT 50 SX, WOC 3 HOURS, TAG AT 250', STAGE 7, SPOT 50 SX, WOC 3 HOURS, TAG AT 204', STAGE 8, SPOT 50 SX, WOC 3 HOURS, TAG AT 158', STAGE 9, SPOT 50 SX, WOC 3 HOURS, TAG AT 115', STAGE 10, SPOT 162 SX, WOC 3 HOURS CIRCULATE 10 SX TO PIT. CUT OFF AND WELD ON HEAD, TEST TO 1000 PSI, OK.

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

SIGNATURE [Signature] TITLE Regulatory Agent DATE 01/15/07

Type or print name KANICIA CARRILLO Telephone No. 432-262-4013

(This space for State use)

APPROVED BY [Signature] TITLE Accepted for record - NMOC DATE 1/31/07  
Conditions of approval, if any:

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WELL API NO. 30-015-34856
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6. State Oil & Gas Lease No.

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1/7/07 - 1/12/07 NIPPLE UP BOPS AND WELLHEAD. TEST BOP RAMS & ANNULAR & ALL VALVES: 300 LOW AND 2000 HIGH. TEST FLOOR VALVES & MUD LINE TO 2000 PSI. PICK UP MOTOR AND 8 3/4" BIT AND REST OF BHA. TIH. DRILL CEMENT FROM 1242' - 1289', TEST CASING TO 1000 PSI, HELD OK. CONTINUE DRILLING VERTICAL HOLE.  
NOTE: WOC 35 HOURS BEFORE DRILL OUT.

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

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