

Form 3160-3
(February 2005)
 UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

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 | NM-10938 | 108938 | DM |
| 6 | If Indian, Allottee or Tribe Name | | | |
| 7 | If Unit or CA/Agreement, Name and/or No | | | |
| 8 | Well Name and No | 1823 FEDERAL COM #181 | | |
| 9 | API Well No | 30-015-35227 | | |
| 10 | Field and Pool, or Exploratory Area | WILDCAT - WOLFCAMP | | |
| 11 | County or Parish, State | EDDY | | |

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

| | | | | | |
|----|---|---|--|--------------------------------|--------------|
| 1 | Type of Well | <input type="checkbox"/> Oil Well | <input checked="" type="checkbox"/> Gas Well | <input type="checkbox"/> Other | JUL - 9 2007 |
| 2 | Name of Operator | LCX ENERGY, LLC | | | |
| 3a | Address | 110 N. MARIENFELD, SUITE 200 | | | |
| 3b | Phone No (include area code) | 432-687-1575 | | | |
| 4 | Location of Well (Footage, Sec, T, R, M, or Survey Description) | 660 FSL & 1880 FEL SECTION 18 T18S R23E | | | |

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 checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input checked="" 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 type="checkbox"/> Other |
| | <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 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.)

02/26/07 - 02/27/07 MIRU. NU BOPS, RIH W/ 4 3/4" BIT & 2 7/8" TBG. TAG UP AT 7970', WASH DOWN TO FC AT 7975'. DRILL FC AND 15' OF CEMENT TO MAKE PBTD AT 7990'. POOH. RIH W/ 5 1/2" CASING SCRAPER TO 7980'. TEST CASING TO 5000 PSI, PICKLE TUBING W/ 1000 GALS PICKLE ACID, SPOT 5000 GALS 15% HCL AT 7980'. POOH. 02/28/07 - 03/01/07 RIH W/TCP GUNS, PERFORATE AT 7880' (12H), 7775' (11H), 7570' (11H), 7365' (10H), 7160' (10H), DO BREAK DOWN ACID JOB AT AN AVG 21.6 BPM & 4200 PSI, IDSP 1450 PSI. POOH. NU FRAC VALVE, SD TILL FRAC. 03/29/07 MIRU FRAC EQUIPMENT. FRAC 1ST STAGE W/4500 GALS 15% HCL, 46145 GALS SLICK BRINE WATER, 41248 GALS SLICK FRESH WATER, 2276# 20/40 SAND AND 11721# LITE PROP 125 20/40. 66 TONS CO2. PUMPED AT AN AVG RATE OF 80 BPM AT 3600 PSI. ISDP 1892 PSI. RIH W/ FRAC PLUG AND PERF GUNS, SET PLUG AT 7055', PERF 6955' (14H), 6750' (13H), 6545' (12H) AND 6340' (11H). FRAC STAGE #2 W/ 8000 GALS 15% HCL, 46011 GALS SLICK BRINE WATER, 39715 GALS SLICK FRESH WATER, 2071# 20/40 SAND AND 11825# LITE PROP 125 20/40. 65 TONS CO2. PUMPED AT AN AVERAGE RATE OF 80 BPM AT 4763 PSI. ISDP 1920 PSI. RU WIRELINE, RIH W/FRAC PLUG AND GUNS FOR STAGE #3, SET FRAC PLUG AT 6235', PERF 6135' (14H), 5930' (13H), 5755' (12H), 5550' (11H). FRAC STAGE 3 W/ 8000 GALS 15% HCL, 45885 GALS SLICK BRINE WATER, 39711 GALS SLICK FRESH WATER, 2166# 20/40 SAND AND 11655# LITE PROP 125 20/40. 68 TONS CO2. PUMPED AT AN AVG RATE OF 82 BPM AT 3200 PSI. ISDP 2000 PSI. RIH W/ FRAC PLUG AND GUNS FOR FRAC STAGE 4, SET FRAC PLUG AT 5450', PERF AT 5340' (14H), 5140' (13H), 4905' (12H) & 4695' (11H). FRAC STAGE #4 W/ 8000 GALS 15% HCL, 44877 GALS SLICK BRINE WATER, 39715 GALS SLICK FRESH WATER, 1789# 20/40 SAND AND 11487# LITE PROP 125 20/40. 73 TONS CO2. PUMPED AT AN AVG RATE OF 81 BPM AT 3450 PSI. ISDP 1906 PSI. RD, START WELL FLOW BACK.

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

KANICIA CARRILLO

Title REGULATORY ANALYST

Signature

Date

04/27/2007

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

JUL 4 2007

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

 WESLEY W. INGRAM
 PETROLEUM ENGINEER

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)

Accepted for record - NMOCD

7/16/07