

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, 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-101
May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address LCX ENERGY, LLC. 110 NORTH MARIENFELD SUITE 200 MIDLAND, TEXAS 79701		2 OGRID Number 218885
Property Code 35357		Property Name 1625 SALLEE
Proposed Pool 1 COTTONWOOD CREEK-WOLFCAMP (GAS) - EAST		Proposed Pool 2 75255

7 Surface Location									
UL or lot no. M	Section 14	Township 16S	Range 25E	Lot Idn	Feet from the 760'	North/South line SOUTH	Feet from the 660'	East/West line WEST	County EDDY

8 Proposed Bottom Hole Location If Different From Surface									
UL or lot no. P	Section 14	Township 16S	Range 25E	Lot Idn	Feet from the 760'	North/South line SOUTH	Feet from the 660'	East/West line WEST	County EDDY

Additional Well Information

11 Work Type Code G	12 Well Type Code N	13 Cable/Rotary ROTARY	14 Lease Type Code P	15 Ground Level Elevation 3464'
16 Multiple NO	17 Proposed Depth TVD-4900' MD-8750'	18 Formation WOLFCAMP	19 Contractor BIG DOG DRILLING	20 Spud Date WHEN APPROVED
Depth to Groundwater 100 +		Distance from nearest fresh water well 1 Mi		Distance from nearest surface water 2.5
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 18M bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight foot	Setting Depth	Sacks of Cement	Estimated TOC
26"	20"	Conductor	40'	Redi-mix	Surface
17 1/2"	13 3/8"	48#	350'	400 Sx	Surface
12 1/4"	9 5/8"	36#	1200'	475 Sx.	Surface
8 3/4" - 7 7/8"	5 1/2"	15.5#	8725'	600 Sx.	1000' FS

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on Describe the blowout prevention program, if any. Use additional sheets if necessary.

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

SEE ATTACHED SHEET

NOTIFY OCD OF SPUD & TIME TO
WITNESS CEMENTING OF
SURFACE & INTERMEDIATE
CASING

CEMENT TO COVER ALL OIL,
GAS AND WATER BEARING
ZONES

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/>		OIL CONSERVATION DIVISION Approved by: TIM W. GUM DISTRICT II SUPERVISOR	
Printed name: Joe T. Janica		Title: JAN 04 2006	
Title: Agent		Approval Date: JAN 04 2006 Expiration Date: JAN 04 2007	
E-mail Address: joejanica@valornet.com			
Date: 12/28/05	Phone: 505-391-8503	Conditions of Approval Attached <input type="checkbox"/>	

LCX ENERGY, LLC.
1625 SALLEE #141
SHL 760' FSL & 660' FWL
BHL 760' FSL & 660' FEL
SECTION 14 T16S-R25E
EDDY CO, NEW MEXICO

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% CaCO₃ (acid soluble cement) + fluid loss additive + retarder (as required), attempting to bring top of cement to 1,000'.

Contingency String:

If hole conditions dictate running a 7" contingency string in the 8-3/4" hole :

- 4a. Run approx. 5100 ft 7" 26# J55 or stronger casing to TD. Cement with 700 sx class 'C' cement + add's attempting bringing TOC to approx. 1,000 ft. This may be done in the vertical pilot hole or at the end of the 8-3/4" curve section.
- 4b. Run whipstock and cut a window in the 7" casing (or drill out with 6-1/8" BHA if 7" set at end of curve). Drill to TD.
- 5a. Step 5 will be omitted.
- 6a. Run and set approximately 4400 ft 4-1/2" 11.6# N/L80 liner from TD to approximately 200' above the window/7" casing shoe. Cement with approx. 110 sx C + 200% CaCO₃ (acid soluble cement) + add's attempting to bring TOC above liner top.

Fresh water will be used to drill to 1200'±.

H₂S does not exist in the area where this well is being drilled, two offset wells did not encounter and H₂S while drilling.

Joe T. Garcia

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	Pool Code 75255	Pool Name COTTONWOOD CREEK-WOLFCAMP EST
Property Code	Property Name 1625 SALLEE	Well Number 141
OGRID No. 218885	Operator Name LCX ENERGY, LLC	Elevation 3464'

Surface Location

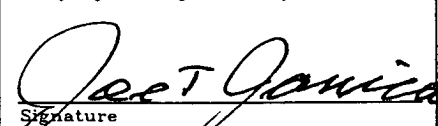
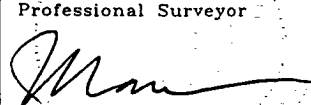
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	14	16 S	25 E		760	SOUTH	660	WEST	EDDY

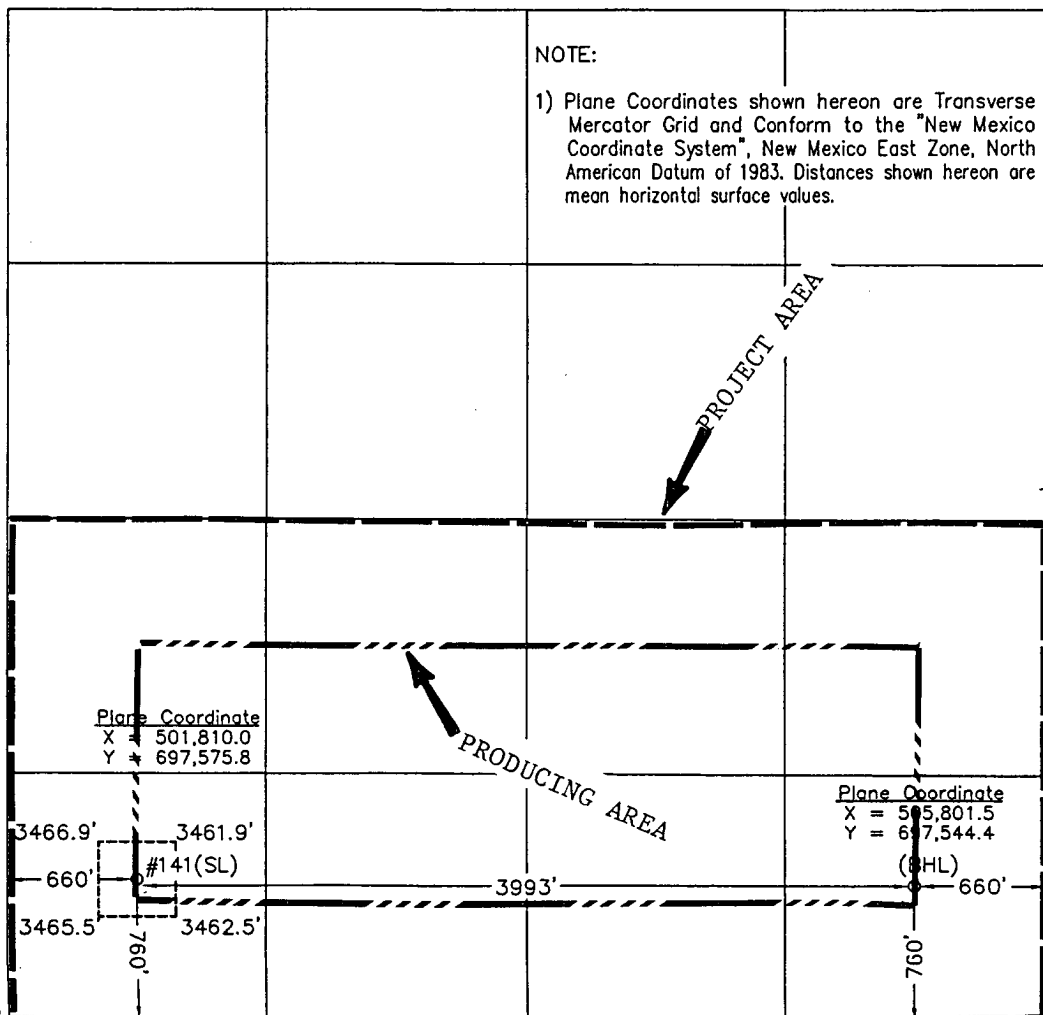
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	14	16 S	25 E		760	SOUTH	660	EAST	EDDY

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.	
			OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature Joe T. Janica Printed Name Agent Title 12/28/05 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 upervision and that the same is true and orrect to the best of my belief. December 10, 2005 Date Surveyed Signature & Seal of Professional Surveyor  W.O. Num. 2005-1162 Certificate No. MACON McDONALD 12185

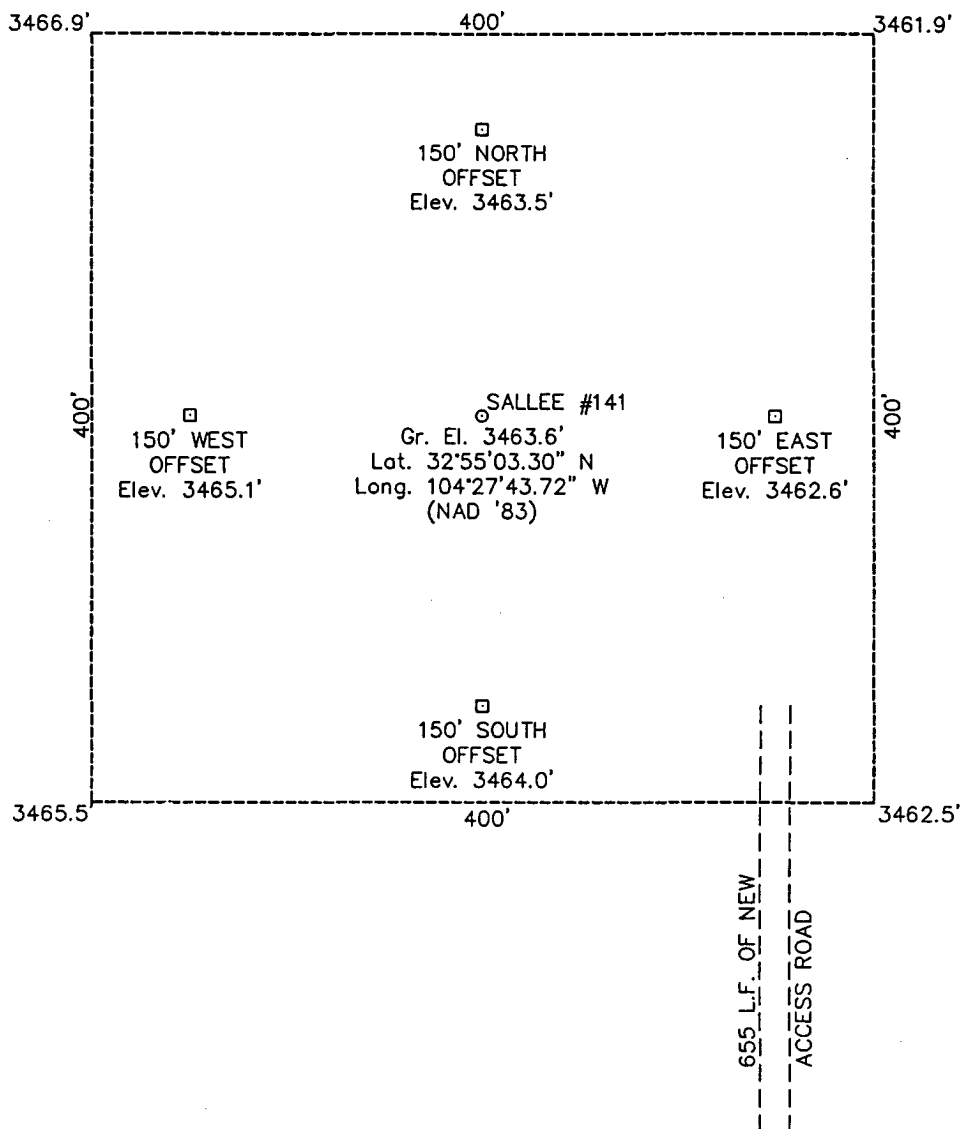


SECTION 14, TOWNSHIP 16 SOUTH, RANGE 25 EAST, N.M.P.M.

EDDY COUNTY

NEW MEXICO

L-2005-1162



DRIVING DIRECTIONS

FROM INTERSECTION OF HWY 285 & HWY 82 IN ARTESIA, GO WEST ALONG HWY 82 1.8 MILES; THEN GO NORTH ALONG 26TH STREET 3.5 MILES; THEN GO WEST ALONG FRANCO ROAD FOR 1.0 MILE TO CATTLE GUARD AND LEASE RD; THEN GO NORTH ALONG LEASE ROAD 1.5 MILES; THEN GO WEST ALONG LEASE ROAD 0.9 MILES TO A POINT WHICH LIES ABOUT 760' SOUTH OF LOCATION.

**WEST
COMPANY**
of Midland, Inc.

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

LCX ENERGY, LLC

1625 SALLEE #141

Located 760' FSL & 660' FWL, Section 14
Township 16 South, Range 25 East, N.M.P.M.
Eddy County, New Mexico

Drawn By: JMJ	Date: December 19, 2005
Scale: 1"=100'	Field Book: 326 / 9-13
Revision Date:	Quadrangle: Espuela
W.O. No: 2005-1162	Dwg. No.: L-2005-1162

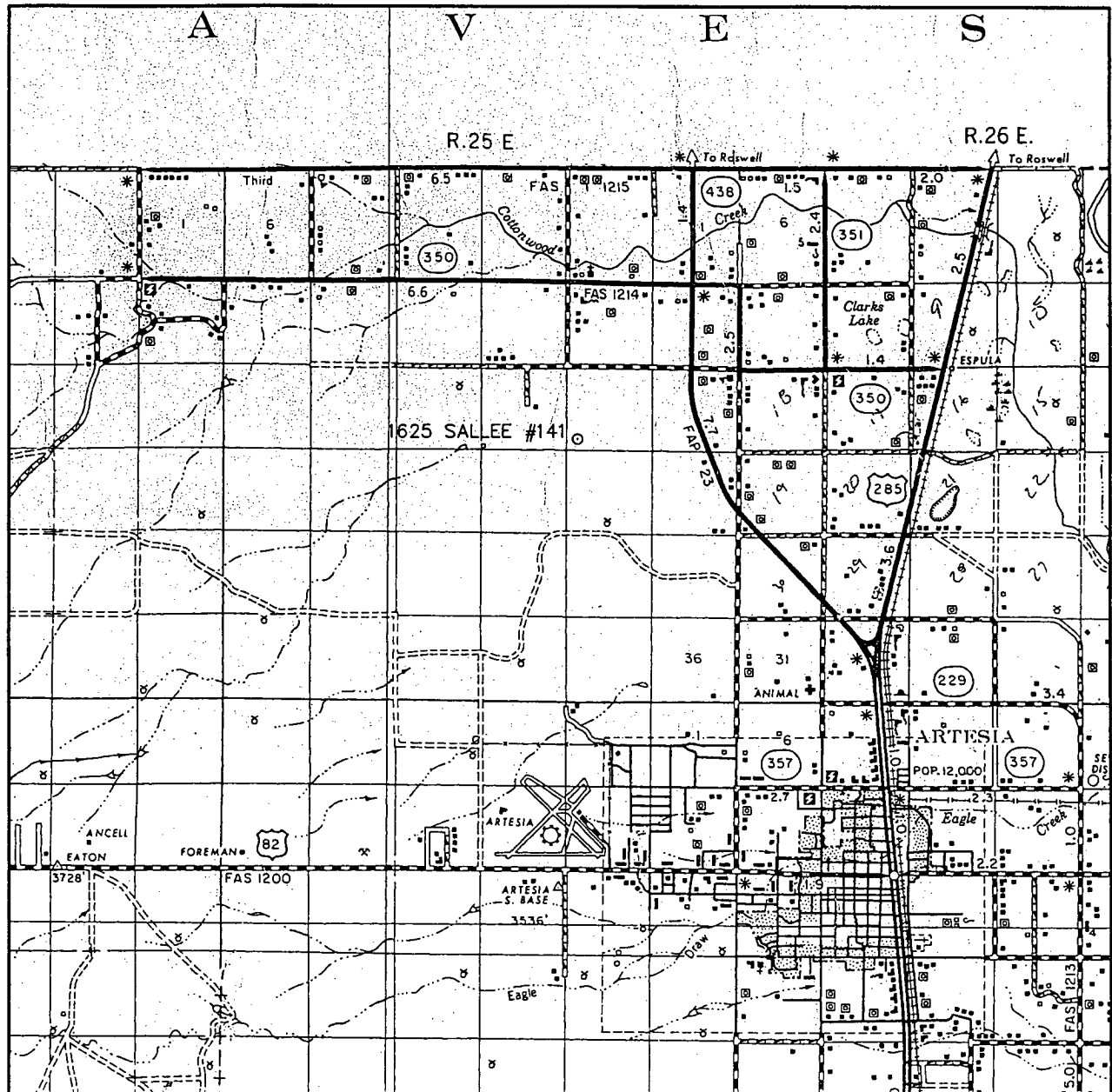
CONTOUR INTERVAL:
ESPUELA - 10'

U.S.G.S. TOPOGRAPHIC MAP
ESPUELA, N.M.

**WEST
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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. 14 TWP. 16-S RGE. 25-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 760' FSL & 660' FWL

ELEVATION 3464'

OPERATOR LCX ENERGY, LLC

LEASE 1625 SALLEE



**WEST
COMPANY**
of Midland, Inc.

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

Proposal

Report Date: December 20, 2005 Client: LCX Energy LLC. Field: Eddy County, NM Nad 83 Structure / Slot: 1625 Sallee #141 / 1625 Sallee #141 Well: 1625 Sallee #141 Borehole: 1625 Sallee #141 UWI/API#: Survey Name / Date: 1625 Sallee #141_r1 / December 20, 2005 Tort / AHD / DDI / ERD ratio: 90.000° / 3991.99 ft / 5.803 / 0.809 Grid Coordinate System: NAD83 New Mexico State Planes, Eastern Zone, US Feet Location Lat/Long: N 32 55 3.303, W 104 27 43.724 Location Grid N/E Y/X: N 697575.800 ftUS, E 501810.000 ftUS Grid Convergence Angle: -0.07000079° Grid Scale Factor: 0.99991088	Survey / DLS Computation Method: Minimum Curvature / Lubinski Vertical Section Azimuth: 90.450° Vertical Section Origin: N 0.000 ft, E 0.000 ft TVD Reference Datum: RKB TVD Reference Elevation: 0.0 ft relative to Sea Bed / Ground Level Elevation: 0.000 ft relative to Magnetic Declination: 8.689° Total Field Strength: 49521.260 nT Magnetic Dip: 60.806° Declination Date: December 20, 2005 Magnetic Declination Model: IGRF 2005 North Reference: Grid North Total Corr Mag North -> Grid North: +8.759° Local Coordinates Referenced To: Well Head
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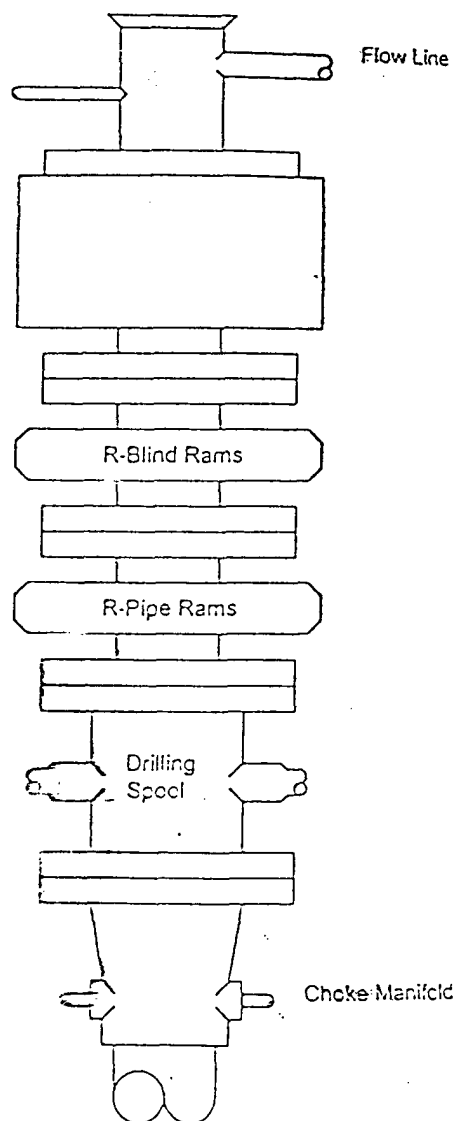
Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	Closure (ft)	Closure Azimuth (deg)	DLS (deg/100 ft)	Tool Face (deg)
Tie-In	0.00	0.00	90.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90.45M
KOP	4459.54	0.00	90.45	4459.54	0.00	0.00	0.00	0.00	0.00	0.00	90.45M
	4500.00	4.86	90.45	4499.95	1.71	-0.01	1.71	1.71	90.45	12.00	90.45M
	4600.00	16.86	90.45	4597.98	20.51	-0.16	20.51	20.51	90.45	12.00	0.00G
	4700.00	28.86	90.45	4689.96	59.28	-0.47	59.28	59.28	90.45	12.00	0.00G
	4800.00	40.86	90.45	4771.87	116.33	-0.92	116.33	116.33	90.45	12.00	0.00G
	4900.00	52.86	90.45	4840.13	189.16	-1.49	189.15	189.16	90.45	12.00	0.00G
	5000.00	64.86	90.45	4891.76	274.59	-2.16	274.58	274.59	90.45	12.00	0.00G
	5100.00	76.86	90.45	4924.49	368.89	-2.90	368.88	368.89	90.45	12.00	0.00G
	5200.00	88.86	90.45	4936.90	467.93	-3.68	467.92	467.93	90.45	12.00	0.00G
EOC	5209.54	90.00	90.45	4937.00	477.46	-3.76	477.45	477.46	90.45	12.00	0.00G
PBHL	8724.06	90.00	90.45	4937.00	3991.99	-31.40	3991.86	3991.99	90.45	0.00	0.00G

BLOWOUT PREVENTER SYSTEM

3000 PSI

Fill Line

Flow Line



900 SERIES
3000 PSI WP

Choke Manifold Assembly for 5M WP System:

