

Submit 3 Copies 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 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

SUNDRY 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. 30-015-34248
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" 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 1724 Kincaid
4. Well Location BHL 660' FSL & 760' FWL Sec. 11 SL Unit Letter <u>D</u> : <u>259</u> feet from the <u>North</u> line and <u>990</u> feet from the <u>West</u> line Section <u>11</u> Township <u>17S</u> Range <u>24E</u> NMPM County <u>Eddy</u>		8. Well Number 111
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3699' GR		9. OGRID Number 218885
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Undes, Eagle Creek-Wolfcamp
Pit type <u>Drilling</u> Depth to Groundwater <u>100'</u> Distance from nearest fresh water well <u>250'</u> Distance from nearest surface water <u>4 miles</u> Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume <u>18M</u> bbls; Construction Material <u>Earth</u>		

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 ☐
OTHER: ☐

SUBSEQUENT REPORT OF:
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
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.
1. Move location form 660' FNL & 760' FWL to 259' FNL & 990' FWL, Sec. 11, T17S-R24E. The reason for this move is to avoid residential dwellings at the original location.
 2. See attached Revised Drilling and Casing program.

Amended - :

For Drill only. NSL Approval required to produce

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 NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

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

Type or print name
For State Use Only

E-mail address:

Telephone No.

APPROVED BY: Jim W. Green DATE JAN 25 2006

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

LCX ENERGY LLC
110 N. Marienfeld St., Suite 200
Midland, TX 79701
(432) 687-1575
December 20, 2005

Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attn: Michael Stogner

Re: Request for exception to unorthodox location/ penetration point
1724 Kincaid # 111 Horizontal well
Section 11, T-17-S, R-24-E, SL 259' FNL & 990' FWL
BHL 660' FSL & 760' FWL
Eddy Co., New Mexico

Dear Mr. Stogner;


Please find the attached original permit, plats, directional plan and a copy of the recently sent sundry notice to change the location of this well.

This well is permitted in the Eagle Creek-Wolfcamp Gas field which requires a 660' distance from any lease line. This well had to be staked at 259' from the north line because of the proximity of the drill site to an existing residence on the property. There were no other options because of the development in the area. This new location will leave 1061' between the well and the residence.

LCX Energy is seeking an exception to 19.15.3.111 for unorthodox location where the penetration point is less than the required stand off distance of 660'. The top of the Wolfcamp pay zone runs around 4950' and the bottom is at 5000'. This is our target to be horizontal in. This will be drilled and 5 ½" casing run and cemented through it. We would perforate the pay zone so that the top perforation would be at least 660' from any lease line. As the horizontal cross section plan shows we will be at least 450' horizontal by the time the wellbore angle is built out to 90°. This would put the wellbore at this point 709' from the north lease line. The measured depth for the top perf would be around 5210'+.

Please grant this exception for the penetration point. Please call if you need any other information concerning this matter. Larry Gillette, 432-848-0218.

Thank you,


Larry Gillette
Operations Manager
LCX Energy LLC