

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 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.)		WELL API NO. <b>30-015-34855</b>
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 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: 1724 STATE COM
4. Well Location Unit Letter <u>N</u> : <u>660</u> feet from the <u>SOUTH</u> line and <u>1880</u> feet from the <u>WEST</u> line Section <u>26</u> Township <u>17S</u> Range <u>24E</u> NMPM County <u>EDDY</u>		8. Well Number 261
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3725' GR		9. OGRID Number 21885
		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 checked="" type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input 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.

12/15/06 - 12/26/06 DRILL LATERAL FROM 5267' TO 8731' TD. RUN 5 1/2" CASING, RUN 5 1/2" FS, 1 JT 5 1/2" 17# P110 ULTRA FJ CASING, 5 1/2" FC, 107 JTS 5 1/2" 17# P110 ULTRA FJ, 1 X-OVER, 98 JTS 5 1/2" 17# N80 LT&C, TOTAL 8732', SET CASING. RAN 19 CENTRALIZERS. CEMENTED W/ 600 SX 50/50 POZ+10%D20+0.125 PPSD130+0.2%D46+10%D44+0.3%D112 MIXED AT 12.9#/G & 2.01 CU FT/SK, FOLLOWED BY 700 SX PVL+100%D151+2%D174+2%D112+0.6%D65+0.2%D46+2%S1. DISPLACE CEMENT, BUMP PLUG TO 2100#, RELEASE PRESSURE, FLOATS HELD OK. CIRCULATED 23 SX CEMENT TO SURFACE. WOC, HANG CASING OFF, ND BOPS, NU WELLHEAD. RELEASE RIG. WO FRAC.

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

SIGNATURE Kin Carrillo TITLE Regulatory Agent DATE 12/27/06

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

(This space for State use)

APPROVED BY Accepted for record - NMOCD TITLE  DATE 1/2/07  
Conditions of approval, if any: