

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

Form C-103
Revised May 08, 2003

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

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| WELL API NO. 30-015-34155 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. 34222 |
| 7. Lease Name or Unit Agreement Name: 1625 State |
| 8. Well Number 221 |
| 9. OGRID Number 218885 |
| 10. Pool name or Wildcat Cottonwood Creek: Wolfcamp |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3473' GR |

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.)

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|---|
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other |
| 2. Name of Operator LCX Energy, LLC |
| 3. Address of Operator 110 N. Marienfeld, Ste. 200, Midland, TX 79701 |
| 4. Well Location Unit Letter <u>A</u> : <u>760</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>East</u> line Section <u>22</u> Township <u>16S</u> Range <u>25E</u> NMPM <u>Eddy</u> County |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3473' GR |

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

| | |
|--|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> |
| PULL OR ALTER CASING <input checked="" type="checkbox"/> | MULTIPLE COMPLETION <input type="checkbox"/> |
| OTHER: <input type="checkbox"/> | |

SUBSEQUENT REPORT OF:

| | |
|---|---|
| REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| CASING TEST AND CEMENT JOB <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.

The 7" casing & 4-1/2" liner will be omitted. An 8-3/4" hole will be drilled vertical to 5100' TVD. The well will be logged & the horizontal pay defined. A cement kick off plug will be set to 4800' w/ 150 sx C1 H cement. The plug will be dressed off and the 8-3/4" curve will be drilled & landed lateral in the prospective pay zone at 4900' TVD. Pick up horizontal drilling equipment & drill either a 8-3/4" or 7-7/8" 4000' lateral hole to 660' from lease line. Will then run 5-1/2" 17# N80 casing & cement with sufficient volume to bring cement back to 1000'.

RECEIVED
SEP 14 2005
OCD-ARTESIA

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

SIGNATURE Lisa Hunt TITLE Regulatory Analyst DATE 9/9/05
Type or print name Lisa Hunt Telephone No. 432 848-0214
(This space for State Use) District II Supervisor
APPROVED BY District II Supervisor TITLE District II Supervisor DATE SEP 14 2005
Conditions of approval, if any: