OCD-ARTESIA FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007 Form 3160-5 **UNITED STATES** (February 2005) DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT** 5. Lease Serial No. N-90947 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE- Other instructions on reverse side. RECEIVED 1. Type of Well | Oil Well Gas Well Other 8. Well Name and No. FEB 0 2 2006 1625 FEDERAL COM #311 2. Name of Operator LCX Energy, LLC 9 API Well No. 3b. Phone No. (include area code) 30-015-34313 3a. Address 110 N. MARIENFELD, SUITE 200 432-687-1575 10. Field and Pool, or Exploratory Area Cottonwood Creek - Wolfcreek 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State 660' FSL & 1880' FWL SEC. 31 T16S, R25E EDDY, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE. REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Production (Start/Resume) Water Shut-Off Deepen Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Casing Repair New Construction Subsequent Report Recomplete Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Water Disposal Convert to Injection Plug Back 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 recomplete 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 recompletion 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.) 1/9/06 RIG UP BJ SERVICES. FRAC STAGE 1: 8628' - 7880' (60 - 0.42" HOLES) W/ 6174 GAL 15% HCL, 5604 BBLS CO2 FOAMED SLICK WATER W/50K LB 100 MESH WHITE SAND, 50K LBS 20/40 BROWN SAND. 83.5 BPM @ 3116 PSI. ISIP 2010. RUN AND SET FLOW THRU FRAC PLUG AT 7776'. 1/10/06 FRAC STAGE 2: PERFORATE 7700' - 6960' (50 - 0.42" HOLES) W/ 4500 GALS 15% HCL, 5565 BBL SLICK WATER W/ 50K LB 100 MESH WHITE SAND, 50K LBS 20/40 BROWN SAND. 80.1 BPM @ 3605 PSI. ISIP 2200. RUN AND SET FLOW THRU FRAC PLUG AT 6810'. FRAC \$TAGE 3: PERFORATE 6575' - 6030' (50 - 0.42" HOLES) W/ 4500 GALS 15% HCL, 5557 BBL SLICK WATER W/ 50K LB 100 MESH WHITE SAND, 50K LBS 20/40 BROWN SAND. 85 BPM @ 2730 PSI. ISIP 1941 PSI. 1/11/06 SET FLOW THRU FRAC PLUG AT 5930. FRAC STAGE 4: PERFORATE 5845' - 5100' (60 - 0.42" HOLES) W/ 4500 GALS 15% HCL, 5466 BBL SLICK WATER W/ 50K LB 100 MESH WHITE SAND, 50K LBS 20/40 BROWN SAND. 54 BPM @ 2925 PSI. ISIP 2065 PSI. FLOWED BACK WELL 5 HRS, LUBRICATE 5-1/2" ARROWSET PACKER INTO WELL. SET AT 4730'. POOH AND RIG DOWN WIRELINE. 1/16/06 RUN 2 3/8" J55 TUBING IN HOLE. LATCH ONTO PACKER AND SPACE OUT TUBING. ND BOPS, NU WELLHEAD. RIG UP SLICKLINE AND RIH AND PULL PLUG SET IN PROFILE NIPPOLE. 1/17/06 SWAB WELL AND KICK OFF. FLOW TEST WELL AND CLEANUP. ACCEPTED FOR RECORD 1/21/06 SWI WAIT ON PIPELINE CONNECTION. I hereby certify that the foregoing is true and correct Name (Printed/Typed) JAN 3 1 2006 Kanicia David Title Regulatory Agent 01/25/2006 Signature Date PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. 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.

Title

Office

Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

(Instructions on page 2)

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.

Approved by