

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E.
Director
Oil Conservation Division

February 10, 2006

Dear Mr. Gillete,

I need for you to submit as I requested on 1/24/2006 supporting documentation that the bottom hole location of the 1625 State # 221 gas well, that is operated by LCX Energy, LLC and located in Section 22-16S-25E, Eddy County New Mexico is standard according to NMOCD Rule 19.15.3.104(C)(2)(a)? Or what you described to me over the phone, I need supporting documentation (field reports, etc.) that some type of plug device has been set inside the well bore that the before mentioned rule is complied with. Please provide as soon as possible so that you do not have to shut this well in by 2/14/2006. Please call if you have any questions.

Yours truly,

Bryan Arrant PES 505-748-1283.103

cc: Tim Gum- District Supervisor, Artesia Michael Stogner-NSL Approval, Santa Fe

Daniel Sanchez-Enforcement & Compliance Manager-Santa Fe

Arrant, Bryan, EMNRD

From: Sent: Larry Gillette [Larryg@eeronline.com] Friday, February 10, 2006 1:38 PM

To: Subject: Arrant, Bryan, EMNRD 1625 State Com 221



Bryan,

Please find the attached documentation showing that this well is an orthodox location.

The original plat shows that the section is slightly larger. The north line is 5382' long. The final projected BHL footages show the hole 83'N and 4021' W of the surface location. This puts our BHL at 700' from the west line without any corrections and 677' from the north line. Also attached is a casing detail showing the float collar at 8790' MD or PBTD. The casing float joint is 43' long. This is full of cement and was not drilled out. Also attached is the report showing the bottom most perforation at 8656'.

Please let me know if you need any further information concerning this well.

Thanks,

Larry Gillette LCX Energy LLC

----Original Message----

From: kyocera c3130@eeronline.com [mailto:kyocera c3130@eeronline.com]

Sent: Friday, February 10, 2006 2:05 PM

To: Larry Gillette

Subject: X3e 35D12206 has been scanned

The following document has been scanned on the Fiery and attached to this email:

X3e 35D12206.pdf