

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

WELL API NO. 30-015-33053
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: 1724 STATE
8. Well Number 218885
9. OGRID Number 311
10. Pool name or Wildcat

<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-104) FOR PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>	JUL 17 2006
2. Name of Operator LCX Energy, LLC	
3. Address of Operator 110 N. Mariefeld, Ste. 200, Midland, TX 79701	
4. Well Location Unit Letter <u>N</u> : <u>660</u> feet from the <u>SOUTH</u> line and <u>1980</u> feet from the <u>WEST</u> line Section <u>31</u> Township <u>17S</u> Range <u>24E</u> NMPM County <u>EDDY</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3861' GR	

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.

6/16/06 - 6/20/06 RIH W/ 3 7/8" BIT AND 2 3/8' N-80 TBG TO FLOAT COLLAR AT 8564'. CIRCULATE HOLE CLEAN. POOH. RIH W/ BIT AND CASING SCRAPER TO 8564'. PICKLE TUBING W/ 1000 GALS ACID, SPOT 4200 GALS 15% HCL ACID. POOH.

6/21/06 - 6/22/06 TIH W/ TCP GUNS SPACED AS FOLLOWS: 8560" W/ 12 SHOTS, 8400' W/ 11 SHOTS, 8230' W/ 10 SHOTS, 8060' W/ 10 SHOTS AND 7890' W/ 9 SHOTS. PRESSURE UP TO 3500#, GUNS FIRED. STARTED DISPLACING ACID AT 14.5 BPM AT 4990#. POOH W/ GUNS, ALL GUNS FIRED. RIH W/ TUBING, POOH LAYING DOWN. ND BOPS AND NU WELL HEAD CAP. WAIT ON FRAC.

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

SIGNATURE Kanicia David TITLE Regulatory Agent DATE 7/13/06

Type or print name KANICIA DAVID

Telephone No. 432-848-0214

(This space for State use)

APPROVED BY FOR RECORDS ONLY TITLE JUL 17 2006 DATE   
Conditions of approval, if any: