

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 311
9. OGRID Number 218885
10. Pool name or Wildcat

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.)

1. Type of Well:
 Oil Well Gas Well 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 N : 660 feet from the SOUTH line and 1980 feet from the WEST line
 Section 31 Township 17S Range 24E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3861' GR

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
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 checked="" type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: FRACTURE TREAT WELL <input checked="" 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.

- TIH W/ 2 7/8" DRILL PIPE AND SPEAR, SPEAR LINER HANGER, RELAEASE AND POOH W/ LINER HANGER AND 4 1/2" SLOTTED LINER.
- RIH AND CLEAN OUT HORIZONTAL HOLE TO 8609'. POOH.
- RUN 4 1/2" GUIDE SHOE, 1 JT 4 1/2" 11.6# CASING, FLOAT COLLAR, 8565' - 4 1/2" 11.6# CASING. SET CASING 8609'.
- CEMENT 4 1/2" CASING W/ 255 SX.
- FRACTURE TREAT WELL IN FOUR STAGES WITH A TOTAL OF 18,000 GALS 15% NEFE HCL ACID, 148,000 GALS 10# BRINE WATER, 214,000 GALS SLICK WATER 32,000 LB 20/40 SAND, 32,000 LB 14/30 LITE PROP MIXED W/ 240 TONS CO2.

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)

FOR RECORDS ONLY

APPROVED BY _____ TITLE _____ DATE JUL 17 2006

Conditions of approval, if any: _____