

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. 30-015-33055 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. 33039 |
| 7. Lease Name or Unit Agreement Name: State 1624 |
| 8. Well Number 291 |
| 9. OGRID Number 218885 |
| 10. Pool name or Wildcat Cottonwood Creek; Wolfcamp |

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|---|---|
| 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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other | RECEIVED JUL 19 2006 OCD-ARTESIA |
| 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>C</u> : <u>660</u> feet from the <u>North</u> line and <u>1980</u> feet from the <u>West</u> line Section <u>29</u> Township <u>16S</u> Range <u>24E</u> NMPM Eddy County | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) | |

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 type="checkbox"/> | MULTIPLE COMPLETION <input type="checkbox"/> | CASING TEST AND CEMENT JOB <input type="checkbox"/> | |
| OTHER: <input type="checkbox"/> | | OTHER: FRAC CONTINUED <input checked="" 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.

06/28/06 FRAC STAGE 3: 6005' - 5460' (50 - 0.42" HOLES) W/ 4500 GALS 15% HCL ACID, 37,800 GALS 10# BRINE WATER, 4246 GALS SLICK WATER, 2072 LB SACKED SAND, 7284 LBS LITE PROP 20/40. MAX PRESSURE 3020 PSI. MAX RATE 80 BPM. AVERAGE PRESSURE 2509 PSI. AVERAGE RATE 79 BPM. ISIP 1049 PSI. SET PLUG AT 5400'.

FRAC STAGE 4: 5310' - 4590' (50 - 0.42" HOLES) W/ 4500 GALS 15% HCL ACID, 37,800 GALS 10# BRINE WATER, 49,158 GALS SLICK WATER, 1,911 LBS SACKED SAND, 3,330 LBS LITE PROP 20/40. MAX PRESSURE 2389 PSI. MAX RATE 79 BPM. AVERAGE PRESSURE 2365 PSI. AVERAGE RATE 79 BPM. ISIP 913 PSI. RD FRAC EQUIPMENT.

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 7/17/06

Type or print name KANICIA DAVID

Telephone No. 432-848-0214

(This space for State use)

FOR RECORDS ONLY

APPROVED BY _____ TITLE _____ DATE JUL 19 2006
Conditions of approval, if any: