

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

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
Revised May 08, 2003

<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-101) FOR SUCH PROPOSALS.)		WELL API NO. <b>30-015-34855</b>
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator LCX Energy, LLC		6. State Oil & Gas Lease No.
3. Address of Operator 110 N. Marienfeld, Ste. 200, Midland, TX 79701		7. Lease Name or Unit Agreement Name: 1724 STATE COM
4. Well Location Unit Letter <u>N</u> : <u>660</u> feet from the <u>SOUTH</u> line and <u>1880</u> feet from the <u>WEST</u> line Section <u>26</u> Township <u>17S</u> Range <u>24E</u> NMPM County <u>EDDY</u>		8. Well Number <b>218885</b>
		9. OGRID Number <b>261</b>
		10. Pool name or Wildcat
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		

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 checked="" 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: <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.

11/23/06 - 11/25/06 NU BOPS AND WELLHEAD, TEST BOPS AND ALL VALVES, 250 PSI LOW AND 2000 PSI HIGH, TEST ANNULAR 250 PSI & 1500 PSI, TEST FLOOR VALVES TO 250 PSI AND 2000 PSI. FUNCTION TEST ACCUMULATOR, OK. TIH W/ 8 3/4" BIT, TAG CEMENT AT 1220', DRILL CEMENT AND PLUG TO 1271', TEST CASING TO 1000 PSI, OK. DRILL CEMENT TO 1308', START DRILLING NEW HOLE. WOC 49.5 HRS BEFORE DRILL OUT.

11/26/06 - 12/4/06 DRILL 8 3/4" HOLE FROM 1308' - 5065' MD. RUN GYRO. RIG UP SCHLUMBERGER, LOG WELL, RUN CN LOGS. RIH W/ OPEN ENDED DRILL PIPE AND SPOT A 500 SX CL H KICK OFF PLUG FROM 5065' - 4163. POOH AND WOC PLUG.

12/5/06 - 12/14/06 WOC 24 HRS, RIH AND TAG PLUG AT 4165'. DRILL CEMENT FROM 4165' TO 4460', POOH. PU DIRECTIONAL TOOLS W/ 7 7/8" BIT AND TIH. DRILL AND BUILD CURVE SECTION FROM 4460' TO 5267', END OF CURVE SECTION.

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

SIGNATURE Kanicia Carrillo TITLE Regulatory Agent DATE 12/18/06

Type or print name KANICIA CARRILLO

Telephone No. 432-262-4013

(This space for State use)

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

DEC 27 2006