

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
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
May 27, 2004

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

WELL API NO. 30-015-34248
5. Indicate Type of Lease STATE ☐ FEE ☒
6. State Oil & Gas Lease No. -----
7. Lease Name or Unit Agreement Name 1724 Kincaid
8. Well Number 111
9. OGRID Number 218885
10. Pool name or Wildcat Undes, Eagle Creek-Wolfcamp

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3699' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Drilling Depth to Groundwater 100' Distance from nearest fresh water well 250' Distance from nearest surface water 4 miles

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume 18M bbls; Construction Material Earth

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☒	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
OTHER: ☐		OTHER: ☐	

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.

1. Move location from 660' FNL & 760' FWL to 259' FNL & 990' FWL, Sec. 11, T17S-R24E. The reason for this move is to avoid residential dwellings at the original location.
2. See attached Revised Drilling and Casing program.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Sharon Hindman TITLE Regulatory Agent DATE 12/21/2005

Type or print name
For State Use Only

E-mail address:

Telephone No.

APPROVED BY: DENIED TITLE DENIED DATE DEC 28 2005

Conditions of Approval (if any): Please refer to Rule 104 for gas wells Wolfcamp, deeper

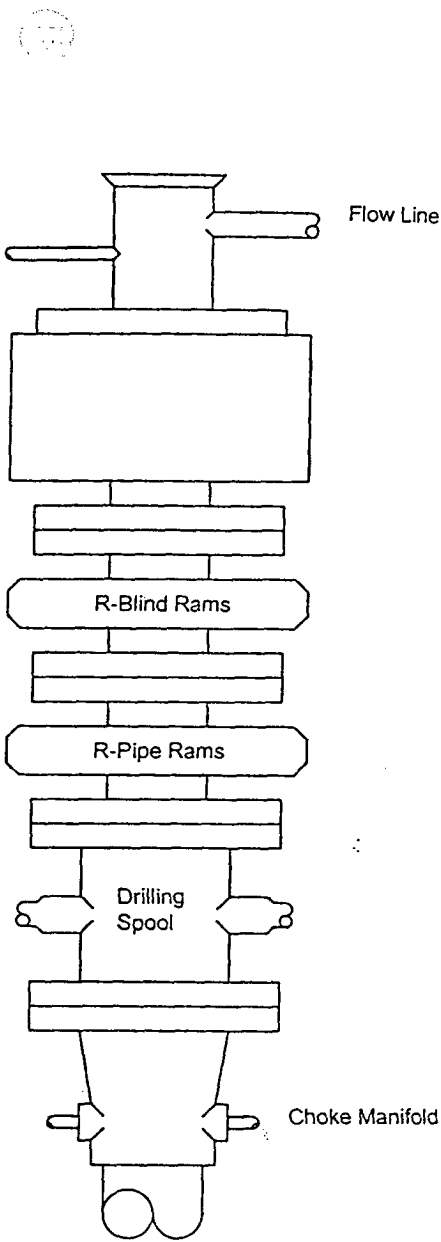
1. Drill 26" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17-1/2" hole to 350'. Run and set 350' of 13-3/8" 48# H-40 ST&C casing. Cement with 200 sx 35/65 Poz/C + 6% gel and tail in with 200 sx of Class "C" cement + 2% CaCl, circulate cement to surface.
3. Drill 12-1/4" hole to 1200'. Run and set 1200' of 9-5/8" 36# J-55 ST&C casing. Cement with 375 sx of 35/65 Poz/C + 5% NaCl + 6% Bentonite, tail in with 100 sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
4. Drill 8-3/4" hole to approx. 5100'. Set cement kick-off plug from TD to approx. 4800 ft with 150 sx H + 0.7% dispersant.
5. Dress cement top to desired kick-off point. Drill 8-3/4" curve and land lateral in pay zone (approx. 4900 ft TVD). Pickup lateral drilling assembly with an 8-3/4" or 7-7/8" bit and drill a +/-4000' lateral to 660' from lease line (approx. 4000 ft vertical section).
6. Run and set 5-1/2" 15.5# N80 or stronger production casing. Cement 5-1/2" with acid soluble cement through the lateral and 400 sx 50/50 Poz/C + 10% gel and tail in with 200 sx C + 200% CaCO₃ (acid soluble cement) + fluid loss additive + retarder (as required), attempting to bring top of cement to 1,000'.

Drill surface hole and intermediate hole to 4800'± with fresh water.
Drill from 4800'± to TD with cut-brine.

No H₂S has been encountered in any other wells drilled in this area and the BLM does not have any record of any H₂S occurring in this area.

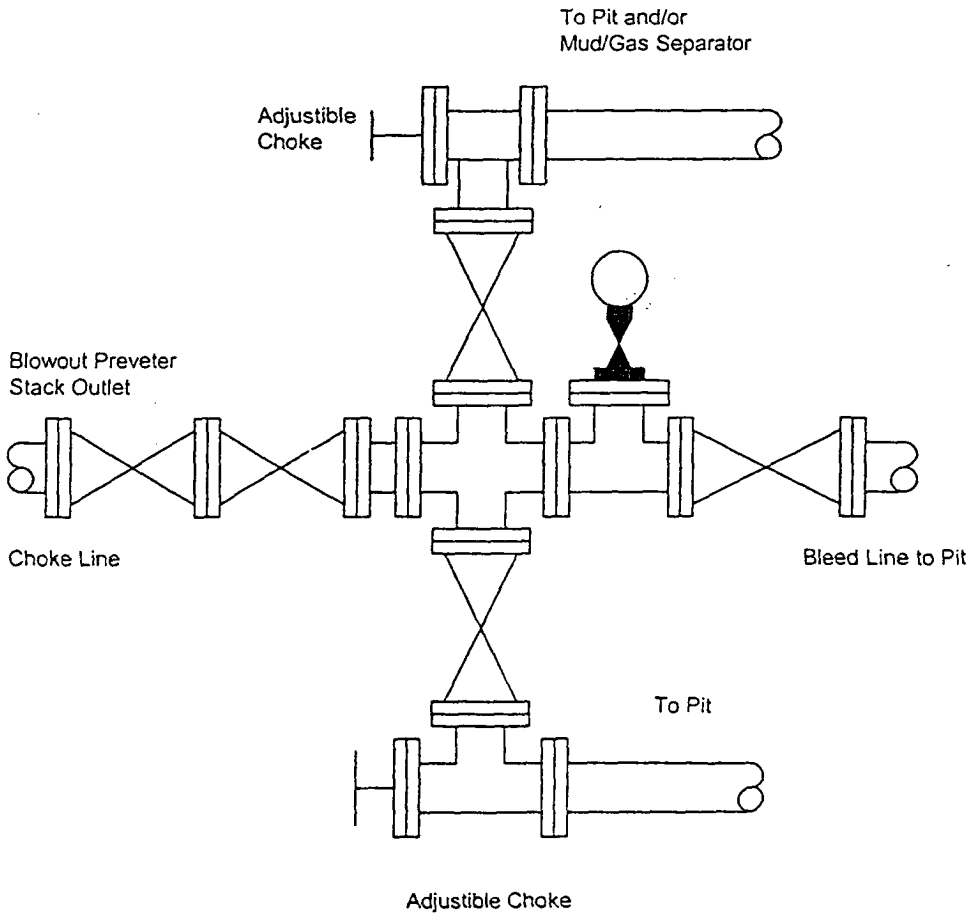
BLOWOUT PREVENTER SYSTEM

3000 PSI



900 SERIES
3000 PSI WP

Choke Manifold Assembly for 5M WP System



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-34248	Pool Code	Pool Name Undes, Eagle Creek-Wolfcamp
Property Code	Property Name 1724 KINCAID	Well Number 111
OGRID No. 218885	Operator Name LCX ENERGY, LLC	Elevation 3699

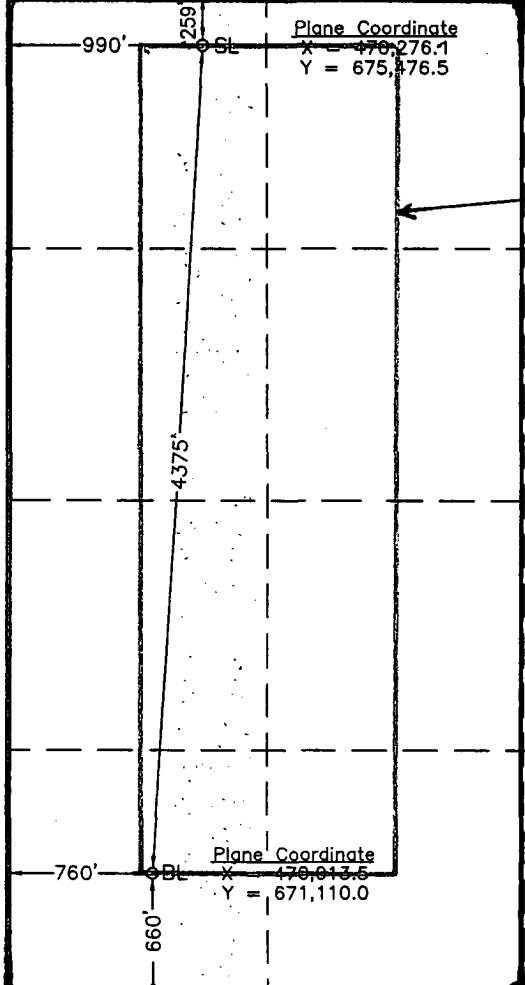
Surface Location

UL or lot No. D	Section 11	Township 17 S	Range 24 E	Lot Idn	Feet from the 259	North/South line NORTH	Feet from the 990	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No. M	Section 11	Township 17 S	Range 24 E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 760	East/West line WEST	County EDDY
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

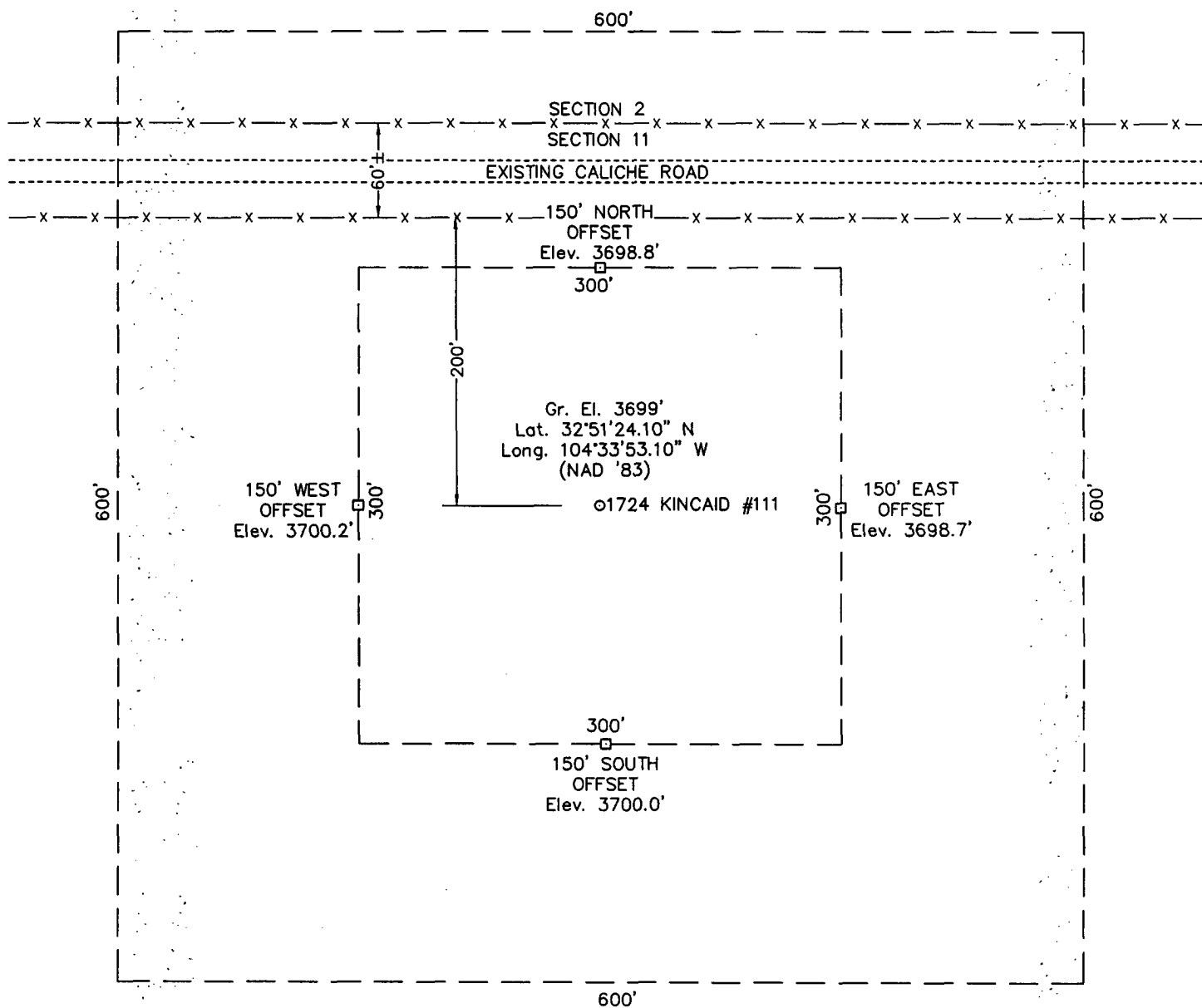
	NOTE: 1) Plane Coordinates shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1983. Distances shown hereon are mean horizontal surface values. RECEIVED DEC 22 2005 OOD-ARTESIA	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>Sharon Hindman</i> Signature Sharon Hindman Printed Name Regulatory Agent Title 12/21/2005 Date SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my upervision and that the same is true and orrect to the best of my belief. December 12, 2005 Date Surveyed Signature & Seal of Professional Surveyor <i>JSR</i> W.O. Num. 2005-0650 Certificate No. MACON McDONALD 12185
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SECTION 11, TOWNSHIP 17 SOUTH, RANGE 24 EAST, N.M.P.M.

EDDY COUNTY

NEW MEXICO

L-2005-0650



DRIVING DIRECTIONS

FROM HIGHWAY INTERSECTION 285 & 82 IN ARTESIA, DRIVE WEST ALONG HIGHWAY 82 ABOUT 9.6 MILES, THEN TURN RIGHT AND GO NORTH ON EXISTING LEASE ROAD FOR 0.95 MILES TO A POINT. THE LOCATION IS WEST 330 FEET.

LCX ENERGY, LLC

1724 KINCAID #111

Located 259' FNL & 990' FWL, Section 11
Township 17 S, Range 24 E, N.M.P.M.
Eddy County, New Mexico

Drawn By: JSR	Date: December 15, 2005
Scale: 1"=100'	Field Book: 303 / 19-26
Revision Date:	Quadrangle: Hope SE
W.O. No: 2005-0650	Dwg. No.: L-2005-0650

WEST
COMPANY
of Midland, Inc.

110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687-0865 - (432) 687-0868 FAX

This topographic map depicts the Eaton Ranch area, characterized by numerous contour lines indicating elevation. Key features include:

- Section Numbers:** The map is divided into sections numbered 1, 2, 3, 10, 11, 12, 13, 14, and 15.
- Topography:** Contour lines are labeled with values such as 3680, 3700, 3720, 3739, 3742, 3755, 3760, 3765, 3770, 3775, 3780, 3785, 3790, 3795, 3800, 3805, 3810, 3815, 3820, 3825, 3830, 3835, 3840, 3845, 3850, 3855, 3860, 3865, 3870, 3875, 3880, 3885, 3890, 3895, 3900, 3905, 3910, 3915, 3920, 3925, 3930, 3935, 3940, 3945, 3950, 3955, 3960, 3965, 3970, 3975, 3980, 3985, 3990, 3995, 4000, 4005, 4010, 4015, 4020, 4025, 4030, 4035, 4040, 4045, 4050, 4055, 4060, 4065, 4070, 4075, 4080, 4085, 4090, 4095, 4100, 4105, 4110, 4115, 4120, 4125, 4130, 4135, 4140, 4145, 4150, 4155, 4160, 4165, 4170, 4175, 4180, 4185, 4190, 4195, 4200, 4205, 4210, 4215, 4220, 4225, 4230, 4235, 4240, 4245, 4250, 4255, 4260, 4265, 4270, 4275, 4280, 4285, 4290, 4295, 4300, 4305, 4310, 4315, 4320, 4325, 4330, 4335, 4340, 4345, 4350, 4355, 4360, 4365, 4370, 4375, 4380, 4385, 4390, 4395, 4400, 4405, 4410, 4415, 4420, 4425, 4430, 4435, 4440, 4445, 4450, 4455, 4460, 4465, 4470, 4475, 4480, 4485, 4490, 4495, 4500, 4505, 4510, 4515, 4520, 4525, 4530, 4535, 4540, 4545, 4550, 4555, 4560, 4565, 4570, 4575, 4580, 4585, 4590, 4595, 4600, 4605, 4610, 4615, 4620, 4625, 4630, 4635, 4640, 4645, 4650, 4655, 4660, 4665, 4670, 4675, 4680, 4685, 4690, 4695, 4700, 4705, 4710, 4715, 4720, 4725, 4730, 4735, 4740, 4745, 4750, 4755, 4760, 4765, 4770, 4775, 4780, 4785, 4790, 4795, 4800, 4805, 4810, 4815, 4820, 4825, 4830, 4835, 4840, 4845, 4850, 4855, 4860, 4865, 4870, 4875, 4880, 4885, 4890, 4895, 4900, 4905, 4910, 4915, 4920, 4925, 4930, 4935, 4940, 4945, 4950, 4955, 4960, 4965, 4970, 4975, 4980, 4985, 4990, 4995, 5000, 5005, 5010, 5015, 5020, 5025, 5030, 5035, 5040, 5045, 5050, 5055, 5060, 5065, 5070, 5075, 5080, 5085, 5090, 5095, 5100, 5105, 5110, 5115, 5120, 5125, 5130, 5135, 5140, 5145, 5150, 5155, 5160, 5165, 5170, 5175, 5180, 5185, 5190, 5195, 5200, 5205, 5210, 5215, 5220, 5225, 5230, 5235, 5240, 5245, 5250, 5255, 5260, 5265, 5270, 5275, 5280, 5285, 5290, 5295, 5300, 5305, 5310, 5315, 5320, 5325, 5330, 5335, 5340, 5345, 5350, 5355, 5360, 5365, 5370, 5375, 5380, 5385, 5390, 5395, 5400, 5405, 5410, 5415, 5420, 5425, 5430, 5435, 5440, 5445, 5450, 5455, 5460, 5465, 5470, 5475, 5480, 5485, 5490, 5495, 5500, 5505, 5510, 5515, 5520, 5525, 5530, 5535, 5540, 5545, 5550, 5555, 5560, 5565, 5570, 5575, 5580, 5585, 5590, 5595, 5600, 5605, 5610, 5615, 5620, 5625, 5630, 5635, 5640, 5645, 5650, 5655, 5660, 5665, 5670, 5675, 5680, 5685, 5690, 5695, 5700, 5705, 5710, 5715, 5720, 5725, 5730, 5735, 5740, 5745, 5750, 5755, 5760, 5765, 5770, 5775, 5780, 5785, 5790, 5795, 5800, 5805, 5810, 5815, 5820, 5825, 5830, 5835, 5840, 5845, 5850, 5855, 5860, 5865, 5870, 5875, 5880, 5885, 5890, 5895, 5900, 5905, 5910, 5915, 5920, 5925, 5930, 5935, 5940, 5945, 5950, 5955, 5960, 5965, 5970, 5975, 5980, 5985, 5990, 5995, 6000, 6005, 6010, 6015, 6020, 6025, 6030, 6035, 6040, 6045, 6050, 6055, 6060, 6065, 6070, 6075, 6080, 6085, 6090, 6095, 6100, 6105, 6110, 6115, 6120, 6125, 6130, 6135, 6140, 6145, 6150, 6155, 6160, 6165, 6170, 6175, 6180, 6185, 6190, 6195, 6200, 6205, 6210, 6215, 6220, 6225, 6230, 6235, 6240, 6245, 6250, 6255, 6260, 6265, 6270, 6275, 6280, 6285, 6290, 6295, 6300, 6305, 6310, 6315, 6320, 6325, 6330, 6335, 6340, 6345, 6350, 6355, 6360, 6365, 6370, 6375, 6380, 6385, 6390, 6395, 6400, 6405, 6410, 6415, 6420, 6425, 6430, 6435, 6440, 6445, 6450, 6455, 6460, 6465, 6470, 6475, 6480, 6485, 6490, 6495, 6500, 6505, 6510, 6515, 6520, 6525, 6530, 6535, 6540, 6545, 6550, 6555, 6560, 6565, 6570, 6575, 6580, 6585, 6590, 6595, 6600, 6605, 6610, 6615, 6620, 6625, 6630, 6635, 6640, 6645, 6650, 6655, 6660, 6665, 6670, 6675, 6680, 6685, 6690, 6695, 6700, 6705, 6710, 6715, 6720, 6725, 6730, 6735, 6740, 6745, 6750, 6755, 6760, 6765, 6770, 6775, 6780, 6785, 6790, 6795, 6800, 6805, 6810, 6815, 6820, 6825, 6830, 6835, 6840, 6845, 6850, 6855, 6860, 6865, 6870, 6875, 6880, 6885, 6890, 6895, 6900, 6905, 6910, 6915, 6920, 6925, 6930, 6935, 6940, 6945, 6950, 6955, 6960, 6965, 6970, 6975, 6980, 6985, 6990, 6995, 7000, 7005, 7010, 7015, 7020, 7025, 7030, 7035,

CONTOUR INTERVAL:
HOPE SE - 20'

LEASE : 1724 KINCAID #111

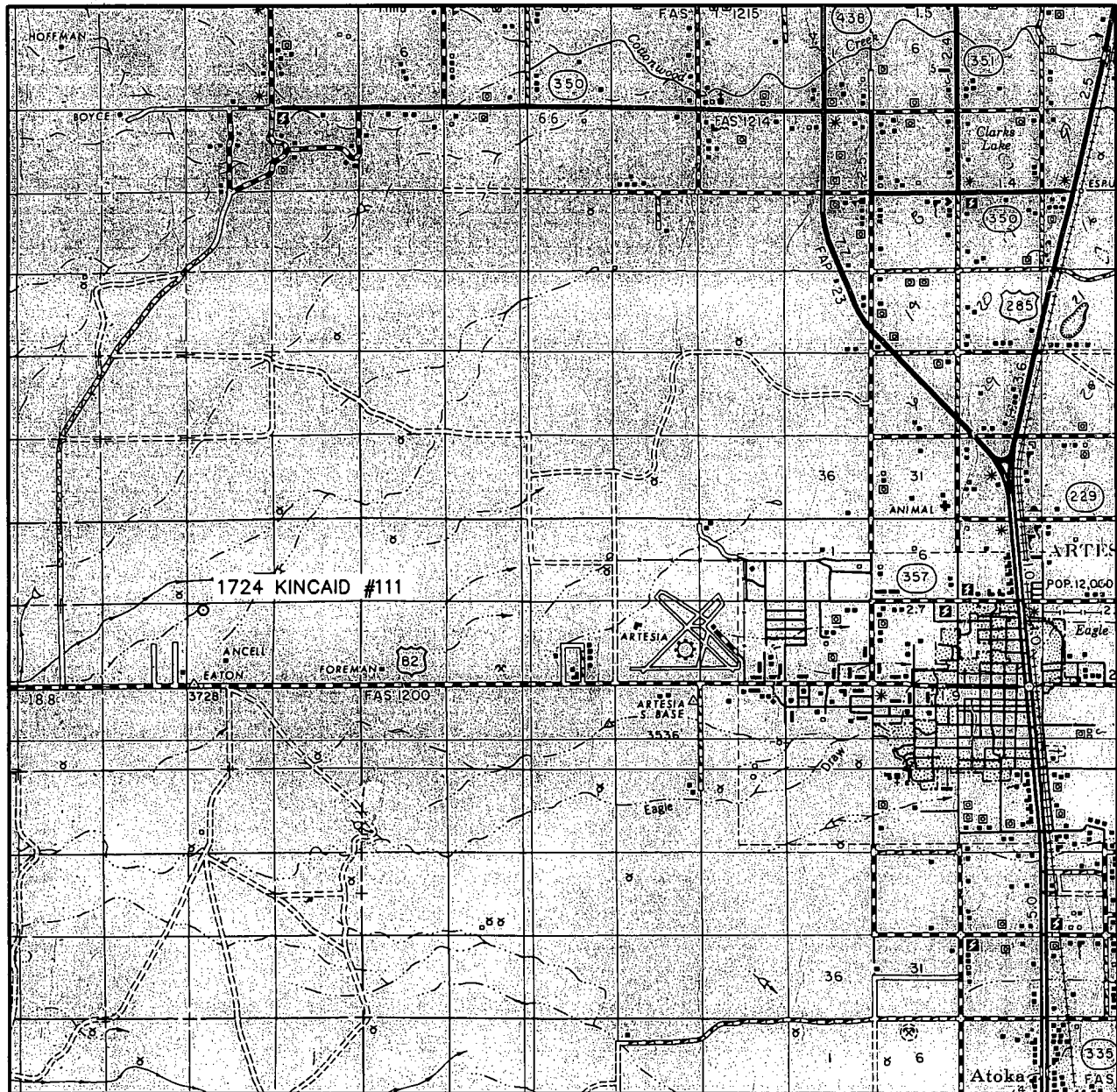
U.S.G.S. TOPOGRAPHIC MAP
HOPE SE, N.M.



**WEST
COMPANY**
of Midland, Inc.

110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687-0865 - (432) 687-0868 FAX

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 11 TWP. 17-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 259' FNL & 990' FWL

ELEVATION 3699'

OPERATOR LCX ENERGY, LLC

LEASE 1724 KINCAID #111



**WEST
COMPANY**
of Midland, Inc.

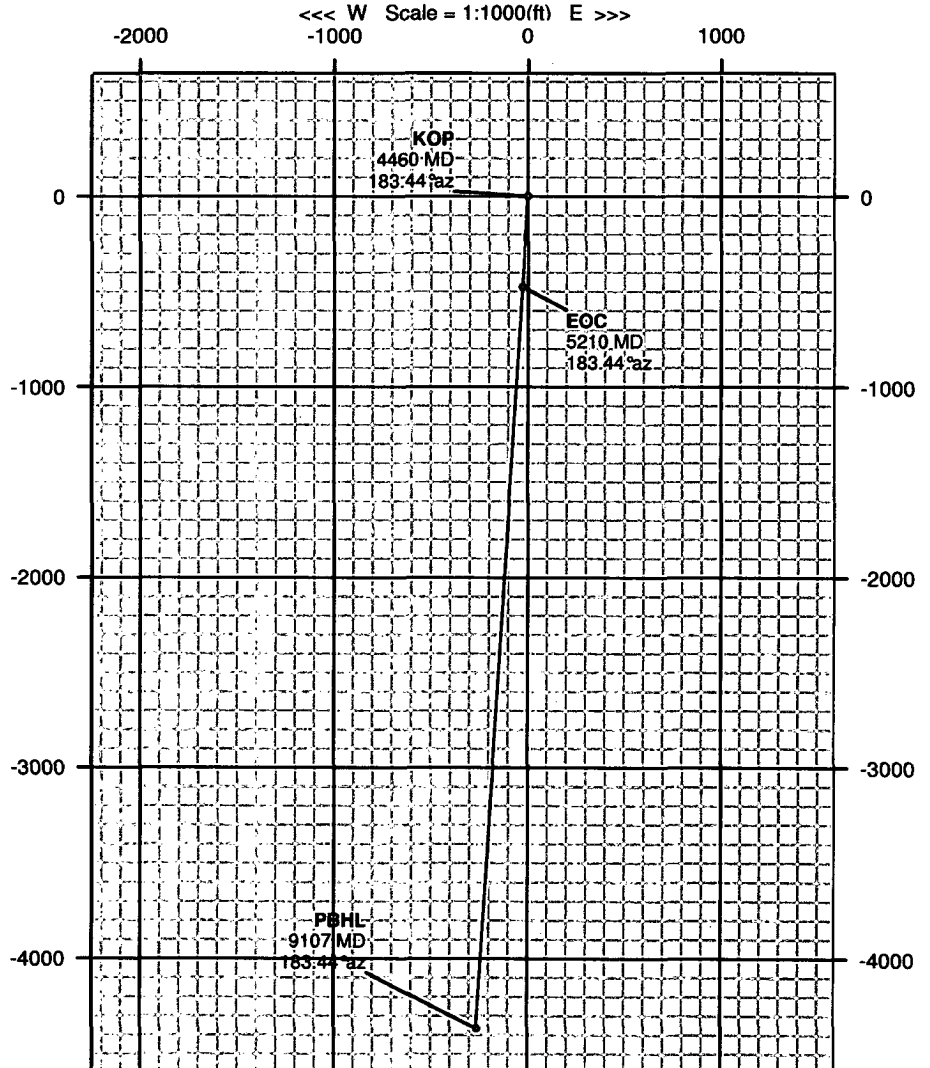
110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
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LCX Energy LLC.

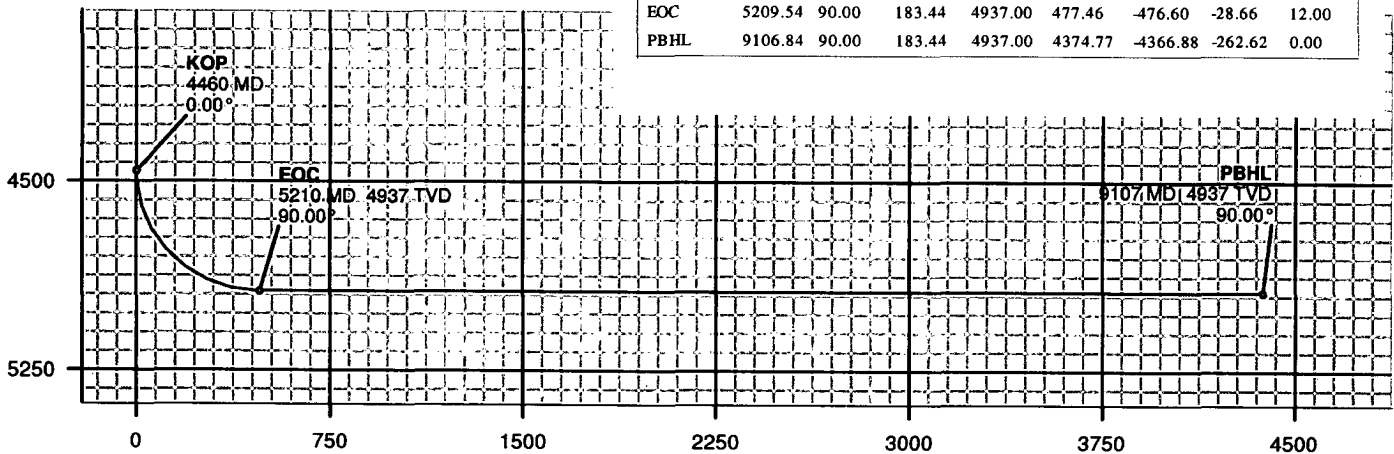
WELL	1724 Kincaid #111	FIELD	Eddy County, NM	STRUCTURE	1724 Kincaid #111
Magnetic Parameters		Surface Location		Miscellaneous	
Model: IGRF 2005	Dip: 60.736° Mag Dec: +8.775°	Date: July 26, 2005 FS: 49510.0 nT	Lat: N32 51 24.099 Lon: W104 33 53.099	NAD83 New Mexico State Planes, Eastern Zone, US Feet Northing: 675476.50 ftUS Easting: 470276.10 ftUS Grid Conv: -0.12555308° Scale Fact: 0.9999148735	Slot: 1724 Kincaid #111 Plan: 1724 Kincaid #111 r2 TVD Ref: FKB (0.00 ft above) Srvy Date: Tue 02:48 PM December 20, 2005



INTREPID
Directional Drilling Specialists



Critical Points								
Critical Point	MD	INCL	AZIM	TYD	VSEC	N(+) / S(-)	E(+) / W(-)	DLS
Tie-In	0.00	0.00	183.44	0.00	0.00	0.00	0.00	0.00
KOP	4459.54	0.00	183.44	4459.54	0.00	0.00	0.00	0.00
EOC	5209.54	90.00	183.44	4937.00	477.46	-476.60	-28.66	12.00
PBHL	9106.84	90.00	183.44	4937.00	4374.77	-4366.88	-262.62	0.00



Departure (ft) Azim = 183.44°, Scale = 1:750 Origin = 0 N/-S, 0 E/-W

Proposal

Report Date: December 20, 2005 Client: LCX Energy LLC. Field: Eddy County, NM Nad 83 Structure / Slot: 1724 Kincaid #111 / 1724 Kincaid #111 Well: 1724 Kincaid #111 Borehole: 1724 Kincaid #111 UWI/API#: Survey Name / Date: 1724 Kincaid #111_r2 / December 20, 2005 Tort / AHD / DDI / ERD ratio: 90.000° / 4374.77 ft / 5.861 / 0.886 Grid Coordinate System: NAD83 New Mexico State Planes, Eastern Zone, US Feet Location Lat/Long: N 32 51 24.099, W 104 33 53.099 Location Grid N/E Y/X: N 675476.500 ftUS, E 470276.100 ftUS Grid Convergence Angle: -0.1255308° Grid Scale Factor: 0.99991487	Survey / DLS Computation Method: Minimum Curvature / Lubinski Vertical Section Azimuth: 183.440° Vertical Section Origin: N 0.000 ft, E 0.000 ft TVD Reference Datum: RKB TVD Reference Elevation: 0.0 ft relative to Sea Bed / Ground Level Elevation: 0.000 ft relative to Magnetic Declination: 8.775° Total Field Strength: 49509.962 nT Magnetic Dip: 60.738° Declination Date: July 26, 2005 Magnetic Declination Model: IGRF 2005 North Reference: Grid North Total Corr Mag North -> Grid North: +8.901° Local Coordinates Referenced To: Well Head
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Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	Closure (ft)	Closure Azimuth (deg)	DLS (deg/100 ft)	Tool Face (deg)
ie-In	0.00	0.00	183.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-176.56M
OP	4459.54	0.00	183.44	4459.54	0.00	0.00	0.00	0.00	0.00	0.00	-176.56M
	4500.00	4.86	183.44	4499.95	1.71	-1.71	-0.10	1.71	183.44	12.00	-176.56M
	4600.00	16.86	183.44	4597.98	20.51	-20.48	-1.23	20.51	183.44	12.00	0.00G
	4700.00	28.86	183.44	4689.96	59.28	-59.18	-3.56	59.28	183.44	12.00	0.00G
	4800.00	40.86	183.44	4771.87	116.33	-116.12	-6.98	116.33	183.44	12.00	0.00G
	4900.00	52.86	183.44	4840.13	189.16	-188.82	-11.36	189.16	183.44	12.00	0.00G
	5000.00	64.86	183.44	4891.76	274.59	-274.10	-16.48	274.59	183.44	12.00	0.00G
	5100.00	76.86	183.44	4924.49	368.89	-368.22	-22.14	368.89	183.44	12.00	0.00G
	5200.00	88.86	183.44	4936.90	467.93	-467.09	-28.09	467.93	183.44	12.00	0.00G
OC	5209.54	90.00	183.44	4937.00	477.46	-476.60	-28.66	477.46	183.44	12.00	0.00G
BHL	9106.84	90.00	183.44	4937.00	4374.77	-4366.88	-262.62	4374.77	183.44	0.00	0.00G