District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, 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-101
May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address	OGRID Number	API Number
LCX ENERGY, LLC. 110 NORTH MATIENFELD SUITE 200 MIDLAND, TEXAS 79701	218885	30 - 015-34542

Property Code	Property Name	Well No.
35367	1724 STATE COM.	211

Proposed Pool 1	Proposed Pool 2
COLLINS RANCH-WOLFCAMP (GAS) (75010)	

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	21	17S	24E		660'	SOUTH	760'	EAST	EDDY

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	21	17S	24E		660'	NORTH	760'	EAST	EDDY

Additional Well Information

Work Type Code	Well Type Code	Cable/Rotary	Lease Type Code	Ground Level Elevation
N	G	ROTARY	S	3761'
Multiple	**Proposed Depth**	**Formation**	**Contractor**	**Spud Date**
NO	MD8720 TVD4960'	WOLFCAMP	BIG DOG DRILLING	WHEN APPROVED

Depth to Groundwater 100+ | Distance from nearest fresh water well 5000' | Distance from nearest surface water Eagle Draw 900'

Pit: Liner: Synthetic ☒ 12 mils thick Clay ☐ Pit Volume: 18M bbls | Drilling Method:

Closed-Loop System ☐ | Fresh Water ☒ Brine ☒ Diesel/Oil-based ☐ Gas/Air ☐

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
26"	20"	Conductor	40'	Redi-mix	Surface
17½"	13 3/8"	48#	350'	400 Sx.	Surface
12¼"	9 5/8"	36#	1200'	475 Sx	Surface
8 3/4"-7 7/8"	5½"	15.5#	MD8720'-TVD4960'	600 Sx.	1000' F surface

Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

RECEIVED
JAN 10 2006
OCD-ARTESIA

SEE ATTACHED SHEET

NOTIFY OCD OF SPUD & TIME TO WITNESS CEMENTING OF SURFACE & INTERMEDIATE CASING

Clean Fresh Water Mud To 1200'

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Joe T. Janica

Title: Agent

E-mail Address: joejanica@valornet.com

Date: 01/09/06 | Phone: 505-391-8503

OIL CONSERVATION DIVISION

Approved by: Jim W. Gum

Title: District II Supervisor

Approval Date: JAN 10 2006 | Expiration Date: JAN 10 2007

Conditions of Approval Attached ☐

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

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

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	75010	COLLINS RANCH-WOLFCAMP (GAS)

Property Code	Property Name	Well Number
	1724 STATE COM	211

OGRID No.	Operator Name	Elevation
218885	LCX ENERGY, LLC	3761'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	21	17 S	24 E		660	SOUTH	760	EAST	EDDY

Bottom Hole Location If Different From Surface

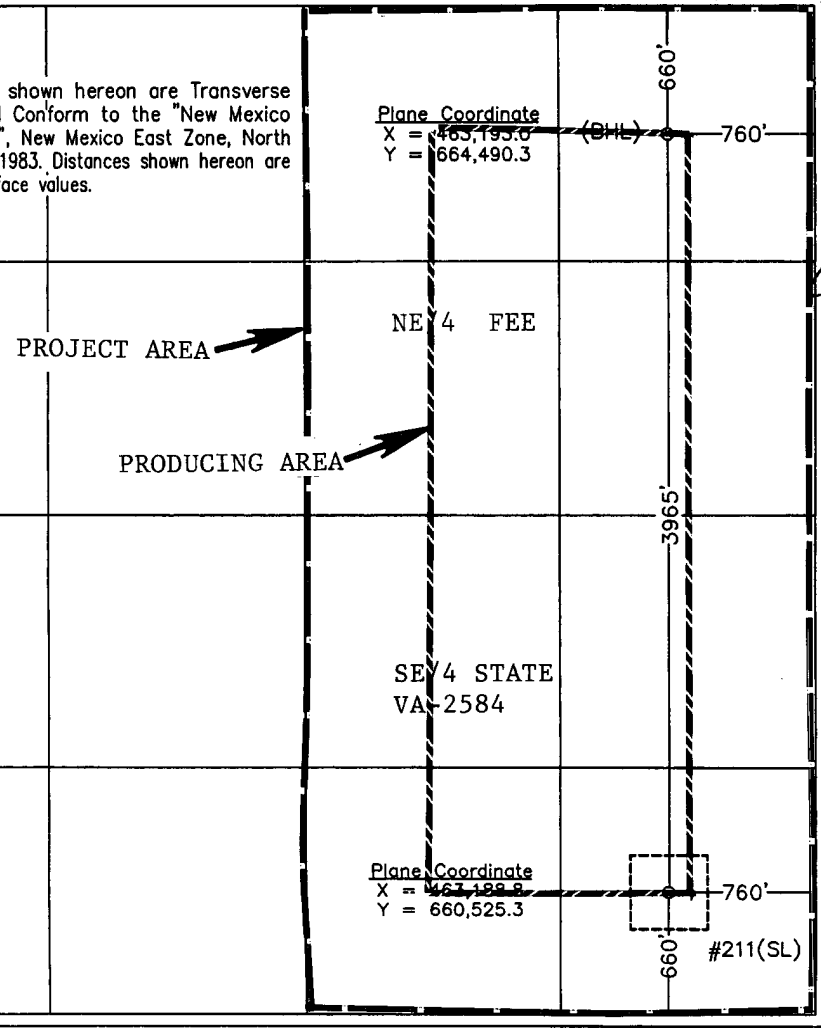
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	21	17 S	24 E		660	NORTH	760	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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.



OPERATOR CERTIFICATION

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

Signature

Joe T. Janica
Printed Name

Agent
Title

01/09/06
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 upervison and that the same is true and orrect to the best of my belief.

December 13, 2005
Date Surveyed JMJ

Signature & Seal of Professional Surveyor

W.O. Num.: 2005-1160

Certificate No. MACON McDONALD 12185

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'.

Contingency String:

If hole conditions dictate running a 7" contingency string in the 8-3/4" hole :

4a. Run approx. 5100 ft 7" 26# J55 or stronger casing to TD. Cement with 700 sx class 'C' cement + add's attempting bringing TOC to approx. 1,000 ft. This may be done in the vertical pilot hole or at the end of the 8-3/4" curve section.

4b. Run whipstock and cut a window in the 7" casing (or drill out with 6-1/8" BHA if 7" set at end of curve). Drill to TD.

5a. Step 5 will be omitted.

6a. Run and set approximately 4400 ft 4-1/2" 11.6# N/L80 liner from TD to approximately 200' above the window/7" casing shoe. Cement with approx. 110 sx C + 200% CaCO3 (acid soluble cement) + add's attempting to bring TOC above liner top.

Fresh water will be used to drill the 350' hole and the 1200' hole.

There is no known presence of any H2S in this area. Other wells have been drilled with no indication of any H2S.

Joe T. Janica

Proposal

Report Date:	December 28, 2005	**Survey / DLS Computation Method:**	Minimum Curvature / Lubinski
Client:	LCX Energy LLC.	**Vertical Section Azimuth:**	0.060°
Field:	Eddy County, NM Nad 83	**Vertical Section Origin:**	N 0.000 ft, E 0.000 ft
Structure / Slot:	1724 ST Com #211 / 1724 ST Com #211	**TVD Reference Datum:**	RKB
Well:	1724 ST Com #211	**TVD Reference Elevation:**	0.0 ft relative to
Borehole:	1724 ST Com #211	**Sea Bed / Ground Level Elevation:**	0.000 ft relative to
UWI/API#:		**Magnetic Declination:**	8.732°
Survey Name / Date:	1724 ST Com #211_r1 / December 28, 2005	**Total Field Strength:**	49441.456 nT
Tort / AHD / DDI / ERD ratio:	90.000° / 3965.34 ft / 5.798 / 0.799	**Magnetic Dip:**	60.687°
Grid Coordinate System:	NAD83 New Mexico State Planes, Eastern Zone, US Feet	**Declination Date:**	December 28, 2005
Location Lat/Long:	N 32 48 55.995, W 104 35 15.766	**Magnetic Declination Model:**	IGRF 2005
Location Grid N/E Y/X:	N 660525.300 ftUS, E 463188.800 ftUS	**North Reference:**	Grid North
Grid Convergence Angle:	-0.13785805°	**Total Corr Mag North -> Grid North:**	+8.870°
Grid Scale Factor:	0.99991608	**Local Coordinates Referenced To:**	Well Head

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)
Tie-In	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06M
KOP	4482.53	0.00	0.06	4482.53	0.00	0.00	0.00	0.00	0.00	0.00	0.06M
	4500.00	2.10	0.06	4500.00	0.32	0.32	0.00	0.32	0.06	12.00	0.06M
	4600.00	14.10	0.06	4598.82	14.38	14.38	0.02	14.38	0.06	12.00	0.00G
	4700.00	26.10	0.06	4692.56	48.67	48.67	0.05	48.67	0.06	12.00	0.00G
	4800.00	38.10	0.06	4777.12	101.71	101.71	0.11	101.71	0.06	12.00	0.00G
	4900.00	50.10	0.06	4848.81	171.17	171.17	0.18	171.17	0.06	12.00	0.00G
	5000.00	62.10	0.06	4904.49	254.01	254.01	0.27	254.01	0.06	12.00	0.00G
	5100.00	74.10	0.06	4941.72	346.63	346.63	0.37	346.63	0.06	12.00	0.00G
	5200.00	86.10	0.06	4958.89	444.96	444.96	0.47	444.96	0.06	12.00	0.00G
EOC	5232.53	90.00	0.06	4960.00	477.46	477.46	0.51	477.46	0.06	12.00	0.00G
PBHL	8720.41	90.00	0.06	4960.00	3965.34	3965.34	4.20	3965.34	0.06	0.00	0.00G

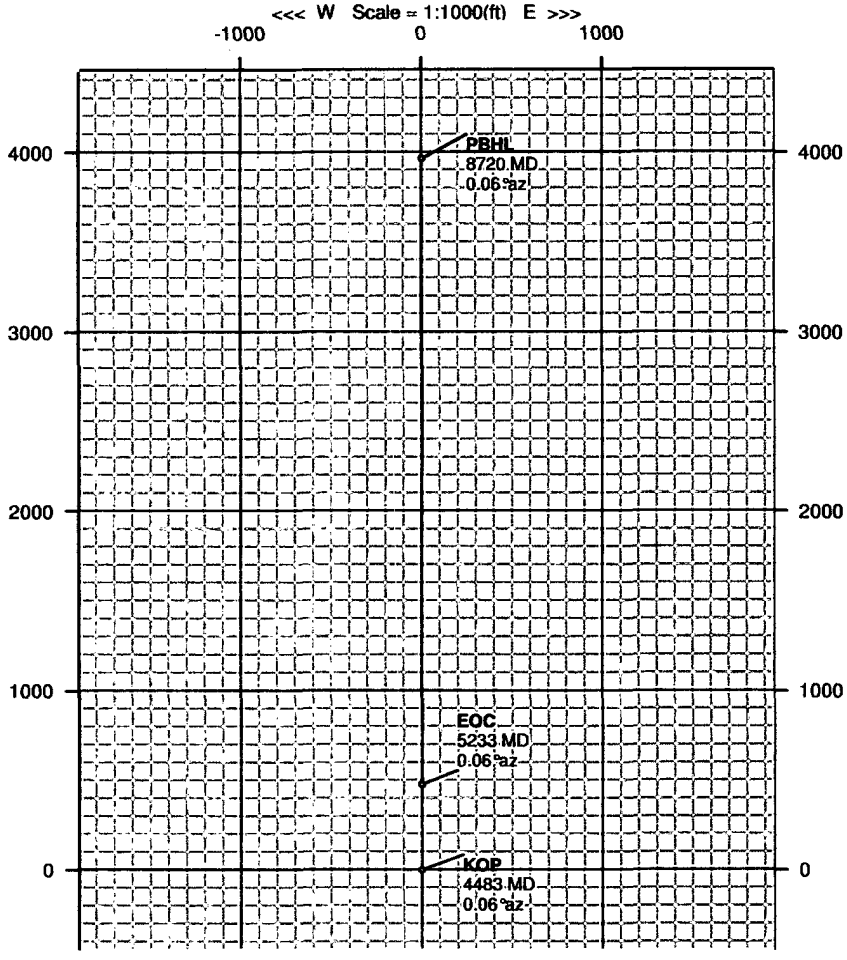
LCX Energy LLC.

WELL	FIELD	STRUCTURE
1724 ST Com #211	Eddy County, NM	1724 ST Com #211

Magnetic Parameters				Surface Location					Miscellaneous			
Model: IGRF 2005	Dip: 60.687°	Date: December 28, 2005		Lat: N32 48 55.985	Northing: 660525.30 ftUS	Grid Conv: -0.13785805°			Slot: 1724 ST Com #211	TVD Ref: RKB (0.00 ft above)		
	Mag Dec: +8.732°	FS: 49441.5 nT		Lon: W104 35 15.766	Easting: 463189.80 ftUS	Scale Fact: 0.9999160846			Plan: 1724 ST Com #211_r1	Srvy Date: Wed 11:29 AM December 28, 2005		

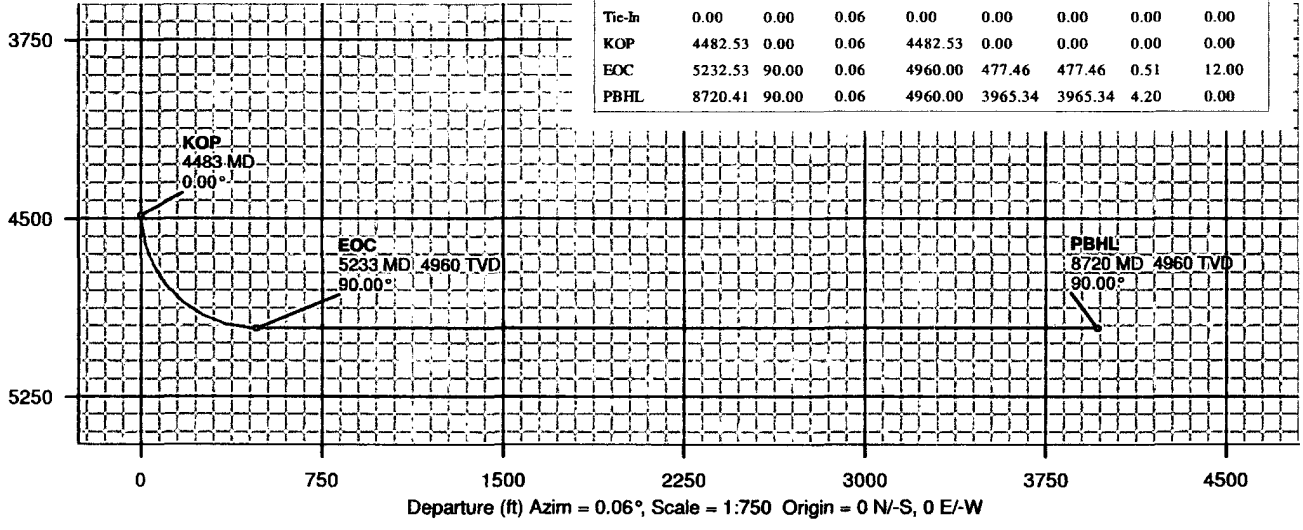
NAD83 New Mexico State Planes, Eastern Zone, US Feet

INTREPID
Directional Drilling Specialists



Critical Points

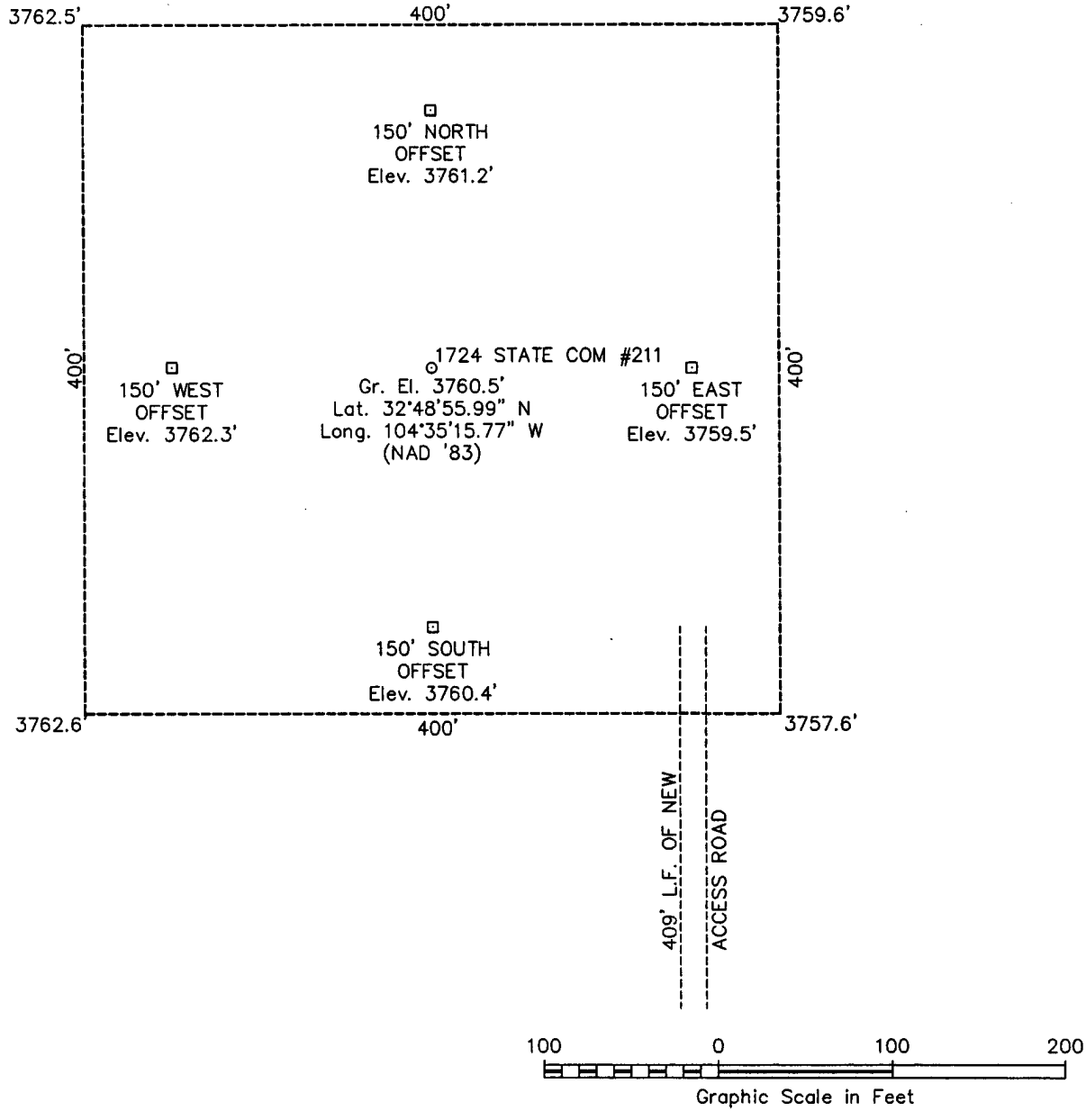
Critical Point	MD	INCL	AZIM	TVD	VSEC	N(+) / S(-)	E(+) / W (-)	DLS
Tie-In	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00
KOP	4482.53	0.00	0.06	4482.53	0.00	0.00	0.00	0.00
EOC	5232.53	90.00	0.06	4960.00	477.46	477.46	0.51	12.00
PBHL	8720.41	90.00	0.06	4960.00	3965.34	3965.34	4.20	0.00



SECTION 21, TOWNSHIP 17 SOUTH, RANGE 24 EAST, N.M.P.M.

EDDY COUNTY NEW MEXICO

L-2005-1160



DRIVING DIRECTIONS

FROM INTERSECTION OF HWY 285 & HWY 82 IN ARTESIA,GO WEST ALONG HWY 82 10 MILES: THEN GO SOUTH ALONG CALICHE LSE. RD 1.8 MILES; CONTINUE SW ALONG SAME LSE. RD. 0.4 MILES ACROSS EAGLE DRAW; THEN GO W – NW ALONG 2 TRACK 0.4 MILES TO LOCATION.

LCX ENERGY, LLC

1724 STATE COM #211

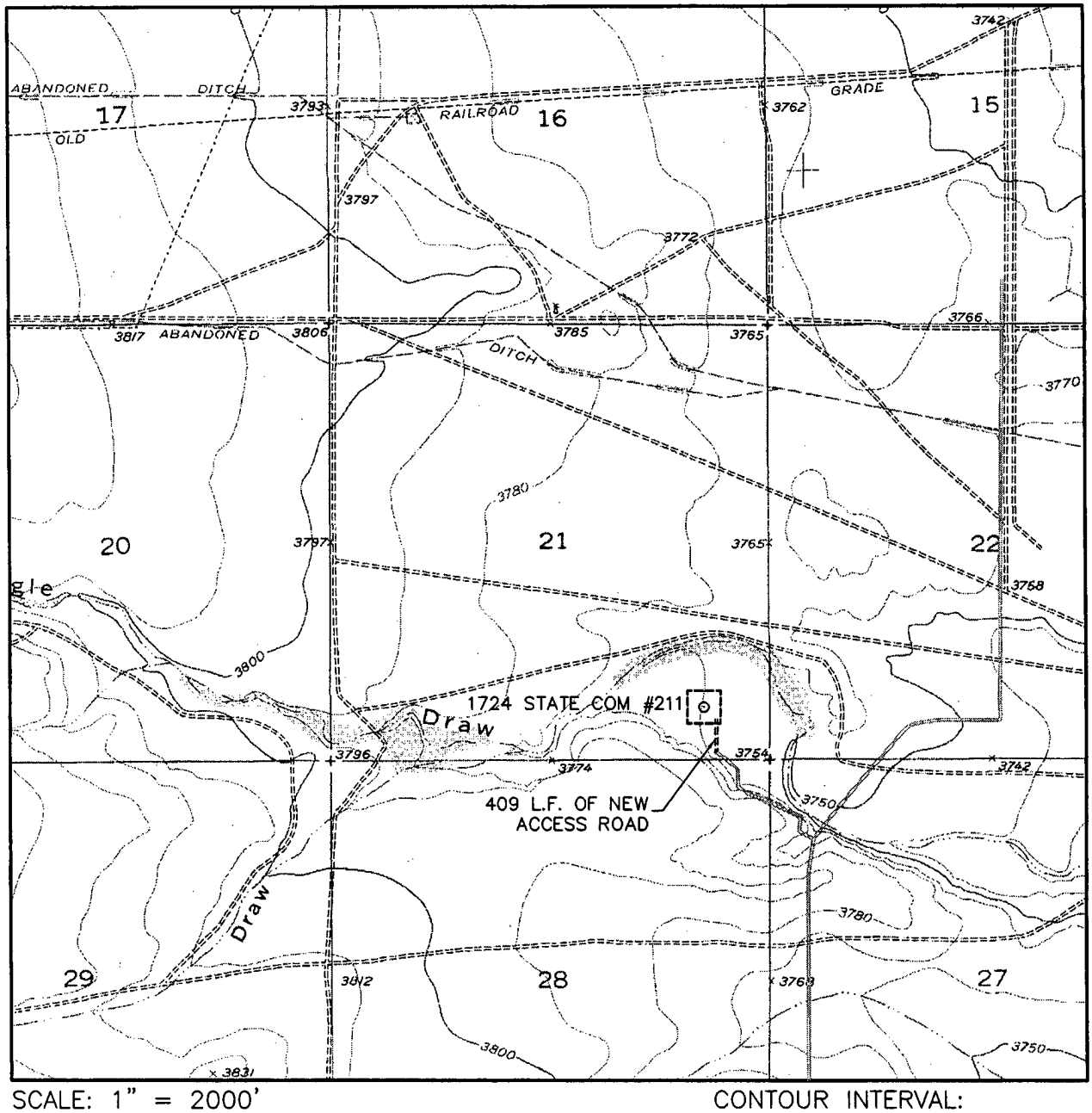
Located 660' FSL & 760' FEL, Section 21
Township 17 South, Range 24 East, N.M.P.M.
Eddy County, New Mexico

Drawn By: JMJ	Date: December 17, 2005
Scale: 1"=100'	Field Book: 326 / 17–21
Revision Date:	Quadrangle: Hope SE
W.O. No: 2005–1160	Dwg. No.: L–2005–1160

WEST COMPANY of Midland, Inc.

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

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
HOPE SE – 10'

SEC. 21 TWP. 17-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 660' FSL & 760' FEL

ELEVATION 3761'

OPERATOR LCX ENERGY, LLC

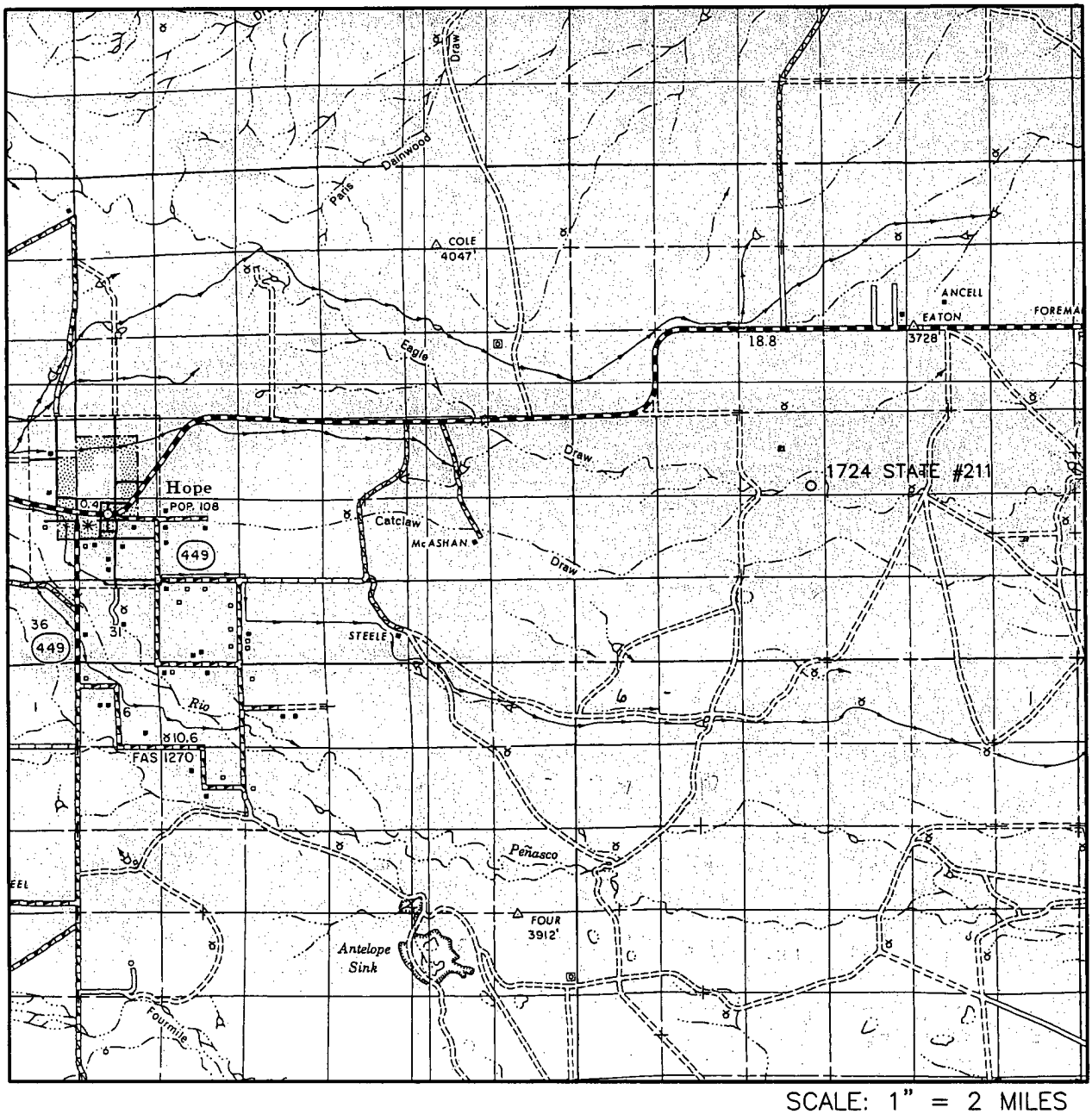
LEASE 1724 STATE COM

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. 21 TWP. 17-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 660' FSL & 760' FEL

ELEVATION 3761'

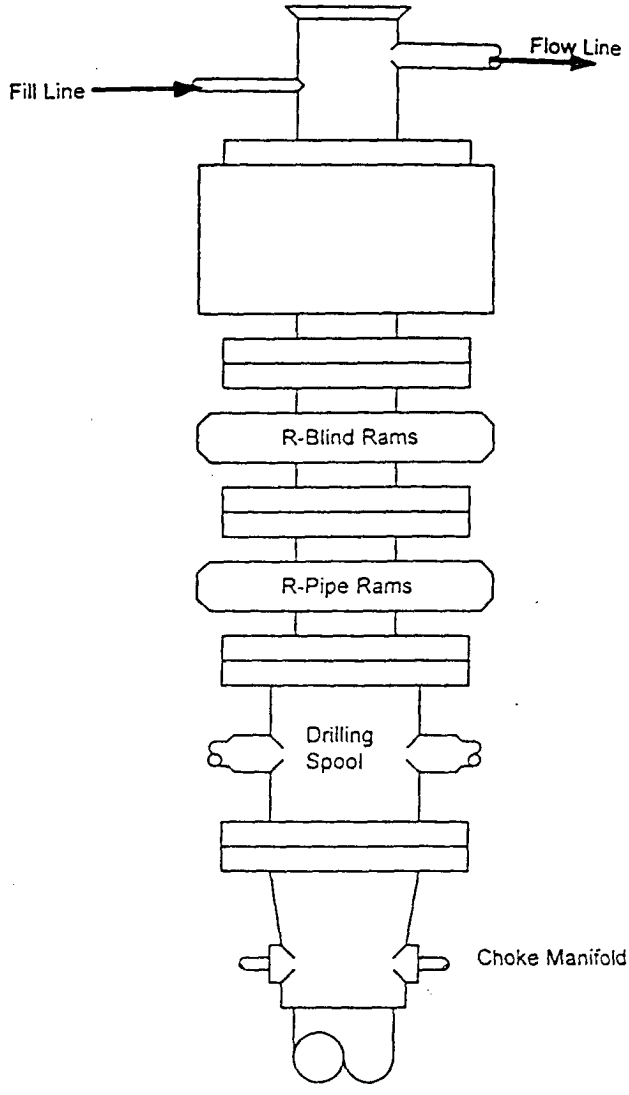
OPERATOR LCX ENERGY, LLC

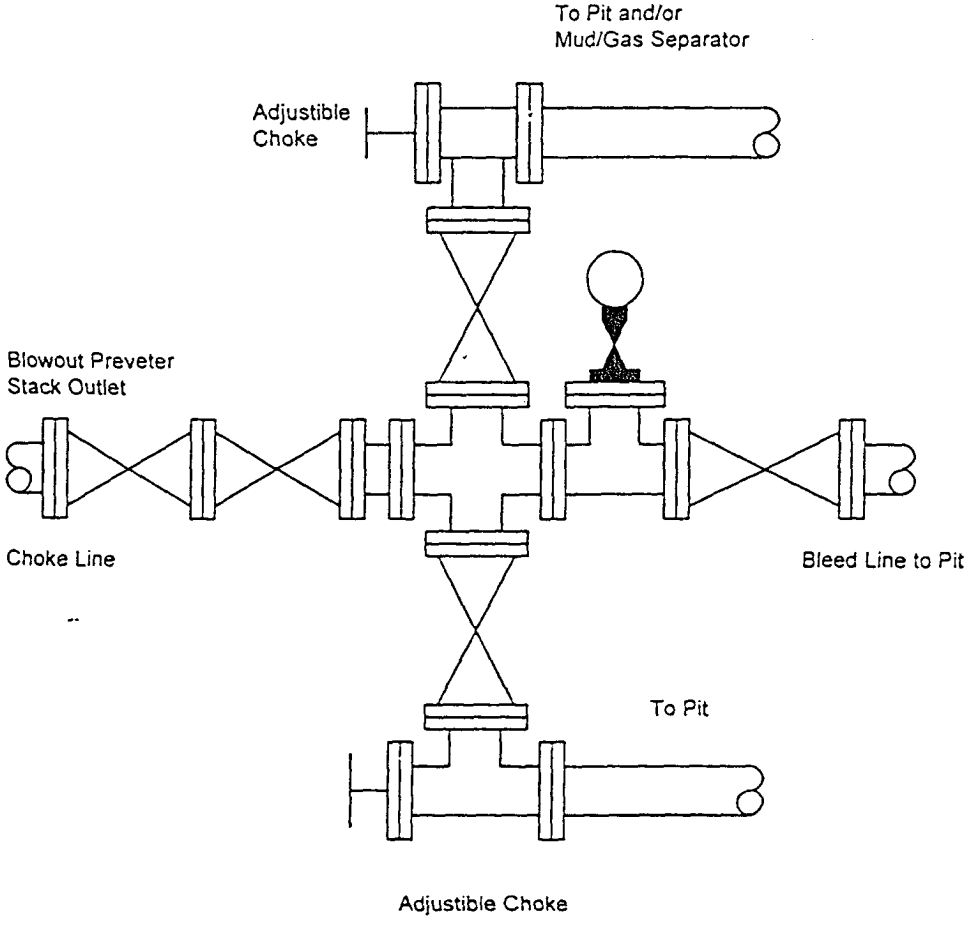
LEASE 1724 STATE COM

WEST COMPANY of Midland, Inc.

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

BLOWOUT PREVENTER SYSTEM



Type 900 Series
3000 psi WP

Choke Manifold Assembly for 3M WP System