

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. 30-015-33055
5. Indicate Type of Lease STATE ☒ FEE ☐
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

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	RECEIVED FEB 24 2006 OIL CONSERVATION DIVISION
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 <u>Eddy</u> 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:

- PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: REDRILL HORIZONTAL HOLE ☒

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
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.

THIS WELL WAS DRILLED AND COMPLETED IN 2004. IN 10/05 LCX PULLED THE OLD SLOTTED LINER OUT OF THE HORIZONTAL HOLE. WHILE ATTEMPTING TO CLEAN OLD HOLE OUT, THE DRILL STRING PARTED AT 4635' MD, LEAVING BIT, BIT SUB, X-OVER AND 4 JTS 2 7/8" DRILL PIPE IN THE HOLE. FROM 11/08/05 THROUGH 2/13/06, SEVERAL ATTEMPTS TO RETRIEVE OR DRILL BY THE FISH HAVE BEEN MADE WITHOUT SUCCESS. DRILLED BACK TO 4699' MD. PROPOSED OPERATION:

1.) MIRU DRILLING RIG. PICKUP DRILL PIPE AND RIH TO 4600', SPOT 200 SX CL H CEMENT, TOC SHOULD BE AT 4100' MD. CASING WINDOW IS AT 4025'. WOC. 2.) RIH W/ 7 7/8" BIT, DIRECTIONAL MOTOR AND REST OF BHA. DRILL CEMENT AND KICK WELL OFF AS ATTACHED DIRECTIONAL PLAN SHOWS. WILL BUILD CURVE IN WOLFCAMP ZONE AT 4330' TVD. CONTINUE TO DRILL NEW HORIZONTAL HOLE TO PBTD OF 8100' MD. 3.) RUN 4 1/2" GUIDE SHOE, 1 JT 4 1/2" 11.6# N80 CASING, FLOAT COLLAR, 4 1/2" 11.6# N80 CASING, AND BAKER LINER HANGER. HANG CASING OFF AND CEMENT IN PLACE W/ 425 SX CEMENT. 4.) RELEASE RIG. MIRU PULLING UNIT. CLEAN WELL OUT. PERFORATE AND STIMULATE PAY ZONES. 5.) PUT WELL ON PRODUCTION.

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 2/23/06

Type or print name KANICIA DAVID

Telephone No. 432-687-1575

(This space for State use)

FOR RECORDS ONLY

MAR 01 2006

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

Proposal

Report Date: February 23, 2006 Client: LCX Energy Field: Eddy County, NM Nad 83 Structure / Slot: 1624 State #291 / 1624 State #291 Well: 1624 State #291 Borehole: 1624 State #291 UWI/API#: Survey Name / Date: 1624 State #291_r1 / February 23, 2006 Tort / AHD / DDI / ERD ratio: 90.239° / 3962.79 ft / 5.830 / 0.915 Grid Coordinate System: NAD83 New Mexico State Planes, Eastern Zone, US Feet Location Lat/Long: N 32 53 56.434, W 104 36 48.604 Location Grid N/E Y/X: N 690908.000 ftUS, E 455346.800 ftUS Grid Convergence Angle: -0.15217672° Grid Scale Factor: 0.99991756	Survey / DLS Computation Method: Minimum Curvature / Lubinski Vertical Section Azimuth: 180.000° Vertical Section Origin: N 0.000 ft, E 0.000 ft TVD Reference Datum: TVD Reference Elevation: 0.0 ft relative to Sea Bed / Ground Level Elevation: 0.000 ft relative to Magnetic Declination: 8.733° Total Field Strength: 49473.904 nT Magnetic Dip: 60.757° Declination Date: February 23, 2006 Magnetic Declination Model: IGRF 2005 North Reference: Grid North Total Corr Mag North -> Grid North: +8.885° Local Coordinates Referenced To: Well Head
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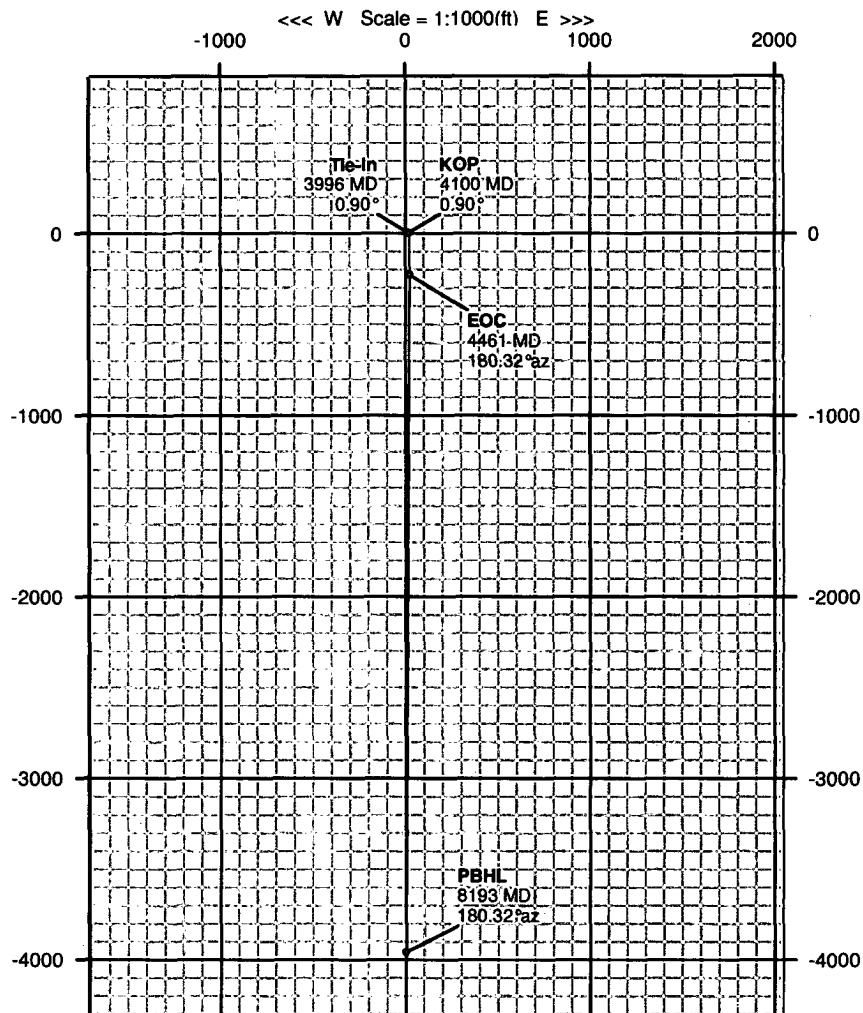
Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	Closure (ft)	Closure Azimuth (deg)	DLS (deg/100 ft)	Tool Face (deg)
Tie-In	3996.00	0.90	74.90	3995.90	-0.50	0.50	16.90	16.91	88.31	0.00	74.90M
KOP	4100.00	0.90	74.90	4099.89	-0.93	0.93	18.48	18.50	87.13	0.00	-179.68M
	4200.00	24.77	178.44	4196.82	20.15	-20.15	19.83	28.27	135.46	25.00	2.07G
	4300.00	49.77	179.58	4275.77	80.22	-80.22	20.69	82.85	165.54	25.00	1.14G
	4400.00	74.76	180.08	4321.94	168.03	-168.03	20.90	169.33	172.91	25.00	0.90G
EOC	4460.96	90.00	180.32	4330.00	228.27	-228.27	20.69	229.21	174.82	25.00	0.00G
PBHL	8192.78	90.00	180.32	4330.00	3960.03	-3960.03	0.00	3960.03	180.00	0.00	0.00G

LCX Energy

WELL	1624 State #291	FIELD	Eddy County, NM	STRUCTURE	1624 State #291
Magnetic Parameters Model: IGRF 2005	Dip: 60.757° Mag Dec: +8.733°	Date: February 23, 2006 FS: 49473.9 m	Surface Location Lat: N32 53 56.434 Lon: W104 35 48.804	NAD83 New Mexico State Plane, Eastern Zone, US Feet Northing: 690908.00 BUS Easting: 455345.80 BUS Grid Conv: -0.15217672° Scale Fact: 0.999175584	Miscellaneous Slot: 1624 State #291 Plan: 1624 State #291.d1 TVD Ref: (0.00 ft above) Srv Date: Thu 11:15 AM February 23, 2006



INTREPID
Directional Drilling Specialists



Critical Points								
Critical Point	MD	INCL	AZIM	TVD	VSEC	N(+) / S(-)	E(+) / W(-)	DLS
Tie-In	3996.00	0.90	74.90	3995.90	-0.50	0.50	16.90	0.00
KOP	4100.00	0.90	74.90	4099.89	-0.93	0.93	18.48	0.00
EOC	4460.96	90.00	180.32	4330.00	228.27	-228.27	20.69	25.00
PBHL	8192.78	90.00	180.32	4330.00	3960.03	-3960.03	0.00	0.00

