

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FEB 08 2008
OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1 Type of Well
☐ Oil Well ☐ ☒ Gas Well ☐ Other

2 Name of Operator
LCX ENERGY, LLC

3a Address
110 N. Marienfeld, Suite 200, Midland, TX 79701

3b Phone No (include area code)
432-262-4014

4 Location of Well (Footage, Sec, T, R, M., or Survey Description)

**SURFACE: SL: 660 FSL AND 700 FEL, UL D, SEC 26, T16S, R25E
BOTTOM HOLE LOCATION: 683 FNL AND 765 FEL, UL A, SEC 26, T16S, R25E**

5 Lease Serial No
NM-93180

6 If Indian, Allottee or Tribe Name

7 If Unit or CA/Agreement, Name and/or No

8 Well Name and No
FEDERAL COM 1625 #261

9 API Well No
30-015-33435

10 Field and Pool, or Exploratory Area
Cottonwood Creek - Wolfcamp

11 County or Parish, State
EDDY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

1. Set CIBP @ 4900' w/35' cmt
2. Spot a 25 sx plug 3200-3100'
3. Spot a 55 sx plug 1700-1300'
4. Spot a 45 sx plug 600-330
5. Spot a 25 sx plug 60'-surface
6. Install Dry Hole Marker

ACCEPTED FOR RECORD

FEB 12 2008

Gerry Guye, Deputy Field Inspector
NMOCD-District II ARTESIA

14 I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Jenifer Sorley

Title **Regulatory Analyst**

Signature

Date

02/06/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

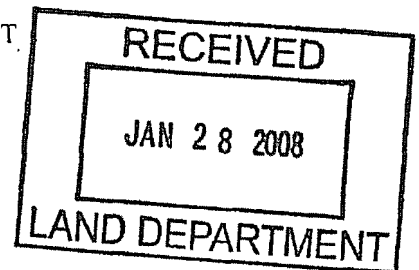
Title 18 USC Section 1001 and Title 43 USC Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287



IN REPLY REFER TO:
NM-111799
3105.2 (513)

January 24, 2008

CERTIFIED-RETURN RECEIPT REQUESTED
7001 1940 0006 3695 3453

LCX Energy LLC
110 North Marienfeld, Suite 200
Midland, TX 79701-4421

Gentlemen:

A review of our files concerning your Well No. 261-Federal Com 1625, Federal Lease NM-93180, Communitization Agreement (CA) NM-111799, SE $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 26, T. 16 S., R. 25 E., Eddy County, New Mexico, shows that the well last produced during November 2004. This CA, which includes lease NM-93180, became effective August 28, 2004 for two years and so long as communitized substances are or can be produced in paying quantities. Under 43 CFR 3107.2-3 such production shall be continued unless and until suspended by the State Director, or it will expire effective the date of receipt of this letter.

Under 43 CFR 3107.2-2, you are allowed 60 days from receipt of this letter within which to commence reworking or drilling operations on the CA. The CA will remain in full force and effect if approved operations are commenced within the 60-day period and are continued with reasonable diligence until the well is placed on continuous production.

If you believe that the CA is capable of production in paying quantities, you must place the well on continuous production within 60 days of receipt of this letter to this office. If you have any further questions regarding this letter, please contact David Glass of this office at phone (575) 627-0275.

If reworking or drilling operations are not commenced or the well is not placed on continuous production within 60 days of receipt of this letter, the CA will automatically terminate. A Notice of Intention to Abandon (NIA) must be filed within 90 days of receipt of this letter. Lease NM-93180 committed to the CA is eligible for a two year extension under 43 CFR 3107.4 since this is the last production on this lease.

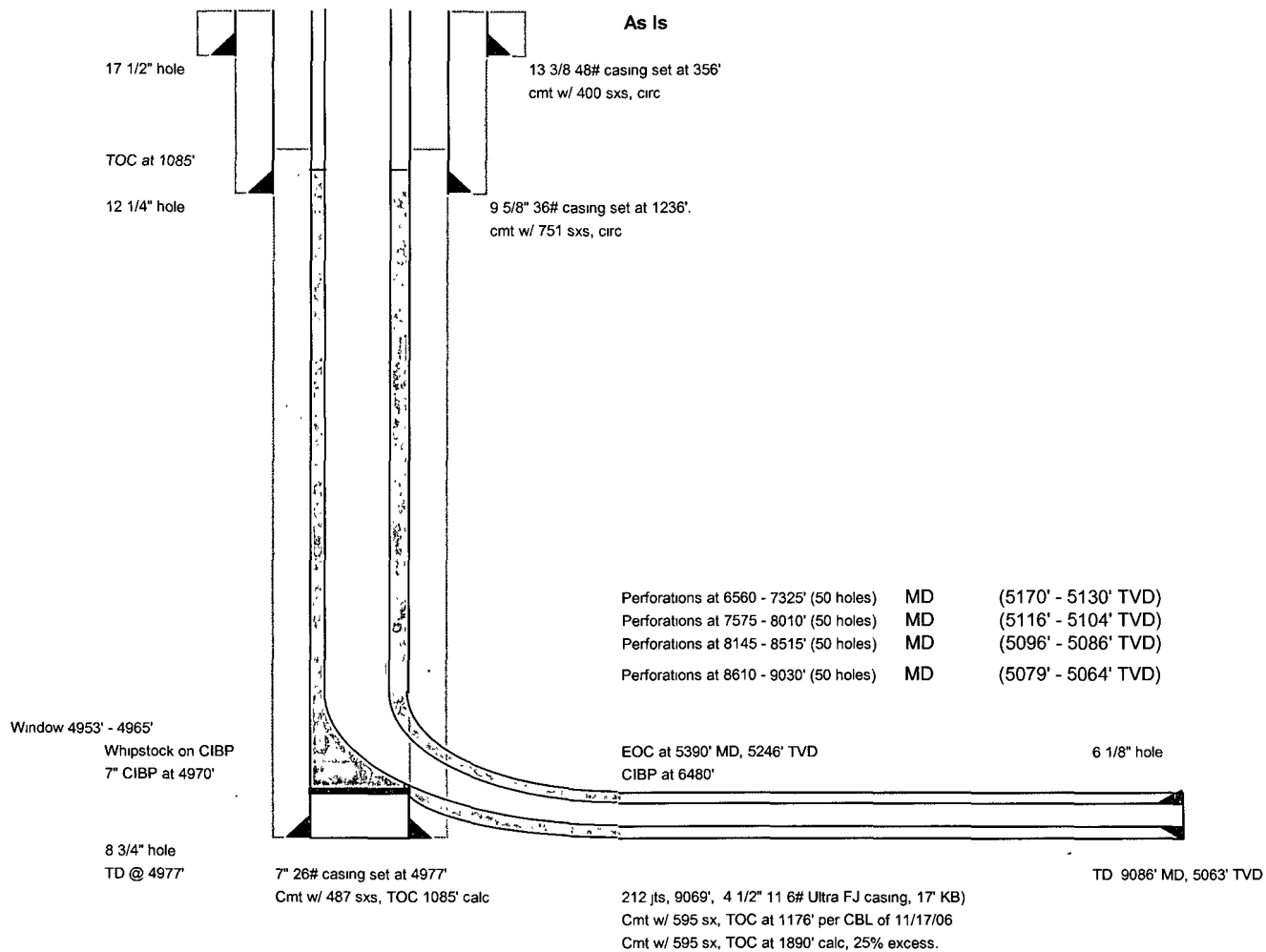
The aforementioned information is furnished so you may take such action as you consider appropriate. You are further reminded that no production tests or other operations should be conducted on the CA without prior approval of the Carlsbad Field Office at 620 East Greene, Carlsbad, New Mexico 88220-6292 or phone (575) 234-5972.

Sincerely,

For: Angel Mayes
Assistant Field Manager,
Lands and Minerals

1625 Fed Com 261

Surface Location 660' FSL & 700' FEL Sec 26 BLK T-16-S & R-25-E, Eddy Co., New Mex.



LCX Energy, LLC

1625 Fed Com 261

API# 30-015-33435

Surface Location 660' FSL & 700' FEL Sec 26 BLK T-16-S & R-25-E, Eddy Co., New Mex.

