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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**

¹ Operator Name and Address SDX Resources, Inc. PO Box 5061 Midland, TX 79704		² OGRID Number 020451
³ Property Code 009832	⁴ Property Name East Millman Unit	⁵ API Number 30 - 015 - 33667
⁶ Well No. 226		
⁷ Proposed Pool 1 46555 Millman - QN-GB, East		⁸ Proposed Pool 2

⁷ Surface Location Millman ^o gates - S R - @ N - 6 S - 5 A, East									
UL or lot no. I	Section 14	Township 19S	Range 28E	Lot Idn	Feet from the 1650	North/South line South	Feet from the 330	East/West line East	County Eddy

⁸ 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

Additional Well Information				
¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3386
¹⁶ Multiple N	¹⁷ Proposed Depth 3000'	¹⁸ Formation QN-GB-SA	¹⁹ Contractor United	²⁰ Spud Date 10/21/04
Depth to Groundwater >100		Distance from nearest fresh water well >1000		Distance from nearest surface water >1000
Pit: Liner: Synthetic X 12_mils thick Clay <input type="checkbox"/> Pit Volume: 8000_bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine X Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#	350'	350 sx	Surf
7-7/8"	5-1/2"	14#	2800'	350 Lite + 350 C	Surf

²² 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.

Plan to drill a 12-1/4" hole to appx 350' & set 8-5/8" surf csg to 350'. Circ CI C cmt. Drill 7-7/8" hole to TD (3000'). Run OH logs.

Run 5-1/2" csg & circ cmt. Perf the QN-GB-SA zone & stimulate as necessary for optimum production.

Anticipated H2S levels are not expected to be high enough to require an H2S Contingency Plan

RECEIVED
OCT 07 2004
OCD-ARTESIA

²³ 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 X, a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: Bonnie Atwater <i>Bonnie Atwater</i>		Approved by:	TIM W. GUM
Title: Regulatory Tech		Title:	DISTRICT II SUPERVISOR
E-mail Address: batwater@sdresources.com		Approval Date: OCT 12 2004	Expiration Date: OCT 12 2005
Date: 10/7/04	Phone: 432/685-1761	Conditions of Approval Attached <input type="checkbox"/>	

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2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, N M 87505

Revised March 17, 1999
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 46555	Pool Name Millman - QN-GB-SA, East
Property Code 009832	Property Name EAST MILLMAN UNIT	Well Number 226
OGRID No. 020451	Operation Name SDX RESOURCES, INC.	Elevation 3386

Surface Location

UL or Lot No. I	Section 14	Township 19-S	Range 28-E	Lot Idn.	Feet from the 1650	North/South line SOUTH	Feet from the 330	East/West line EAST	County EDDY
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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
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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

	<p>OPERATOR CERTIFICATION</p> <p>I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.</p>
	<p>Signature <i>Bonnie Atwater</i></p> <p>Printed Name Bonnie Atwater</p> <p>Title Regulatory Tech</p> <p>Date 10/5/04</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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 SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.</p>
	<p>SEPTEMBER 29, 2004</p> <p>Date of Survey</p> <p>Signature and Seal of Registered Surveyor</p> <p>NEW MEXICO 5412 REGISTERED LAND SURVEYOR NM PE&PS #5412 Certificate Number</p>

