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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 API Number 30 - 015 - 33668
⁵ Property Name East Millman Unit		⁶ Well No. 227
⁹ Proposed Pool 1 46555 Millman - ON-GB-SA East		¹⁰ Proposed Pool 2

Millman - GATES - SR - QN - GB - SA, East ⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	14	19S	28E		2310	North	330	East	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 3397
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 ☐ Pit Volume: 8000_bbls Drilling Method: Closed-Loop System ☐ Fresh Water ☐ Brine X Diesel/Oil-based ☐ Gas/Air ☐				

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

OOD-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 ☐, or an (attached) alternative OCD-approved plan ☐.

OIL CONSERVATION DIVISION

Approved by:

Printed name: Bonnie Atwater

Bonnie Atwater

Title:

TIM W. GUM
 DISTRICT II SUPERVISOR

Title: Regulatory Tech

Approval Date: OCT 12 2004

Expiration Date: OCT 12 2005

E-mail Address: batwater@sdresources.com

Date: 10/7/04

Phone: 432/685-1761

Conditions of Approval Attached ☐

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

District I
1625 N. French Dr. Hobbs, NM 88240District II
811 South First, Artesia, NM 88210District III
1000 Rio Brazos Rd., Aztec NM 87410District IV
2040 South Pacheco, Santa Fe, NM 87505State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, N M 87505

☐ 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 227
OGRID No. 020451	Operation Name SDX RESOURCES, INC.	Elevation 3397

Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
H	14	19-S	28-E		2310	NORTH	330	EAST	EDDY

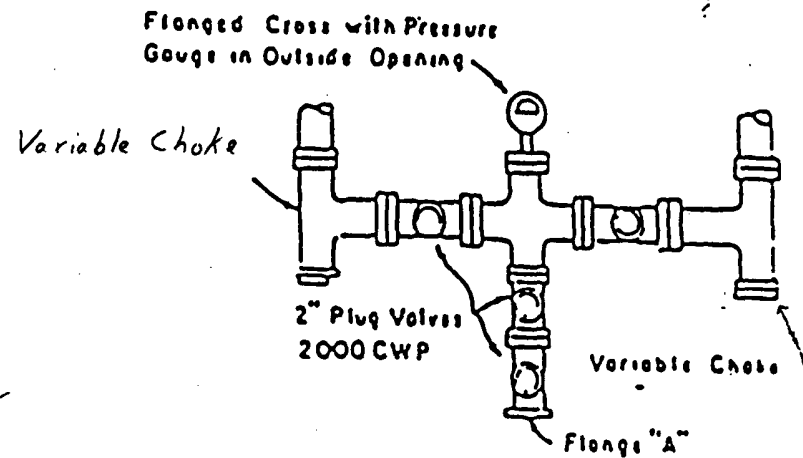
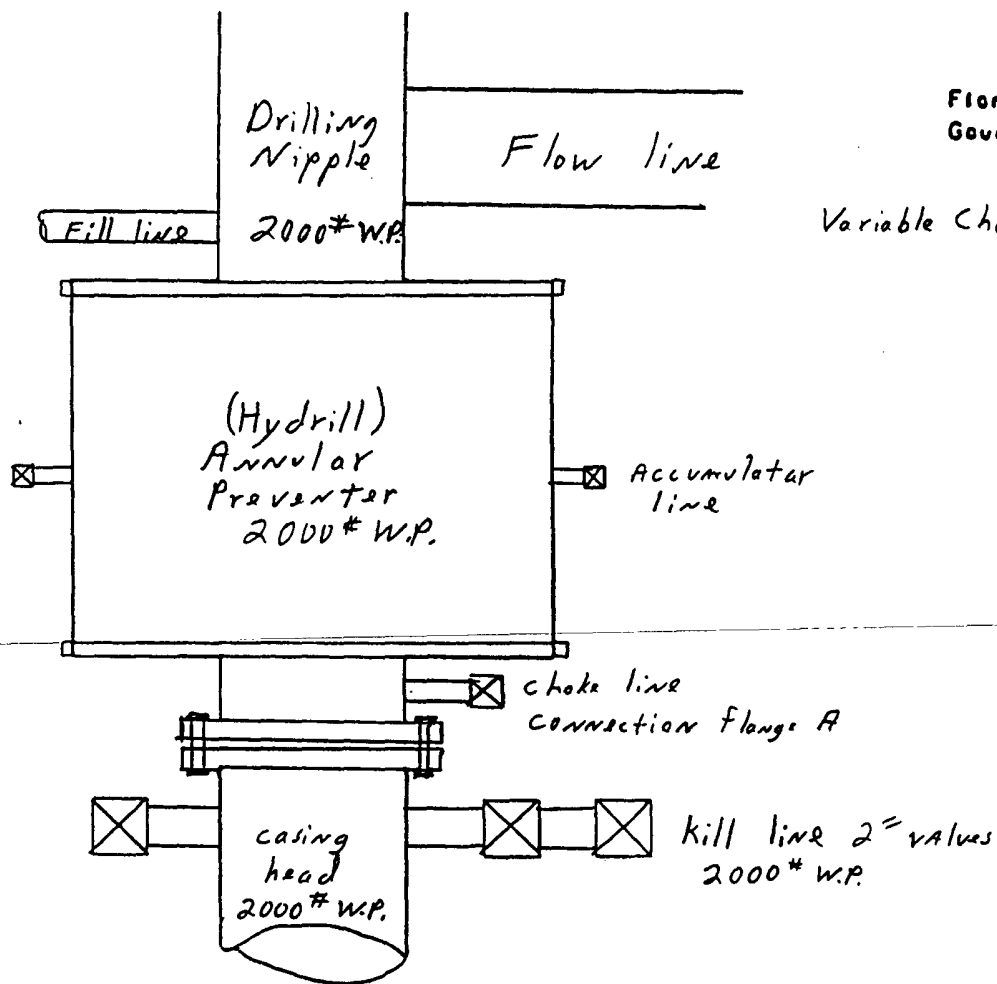
Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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

LAT N 32°39'42.5" LON W 104°08'23.9"	OPERATOR CERTIFICATION I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
	Signature <i>Bonnie Atwater</i> Printed Name Bonnie Atwater Title Regulatory Tech Date 10/5/04
	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 SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
	SEPTEMBER 29, 2004 Date of Survey Signature and Seal of Professional Surveyor NM PE&PS #5412 Certificate Number



PLAN VIEW-CHOKE MANIFOLD