

strict 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

Form C-101
 May 27, 2004

Oil Conservation Division
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Month - Year Submit to appropriate District Office
 FEB 26 2007
 OCD - ARTESIA, NM

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 34318	⁴ Property Name Sedona	⁵ API Number 30 - 015 - 35450
⁹ Proposed Pool 1 Artesia, GL-YE 96830		⁶ Well No. 3
¹⁰ Proposed Pool 2		

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
I	21	17S	28E		1780	South	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 Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3654'
¹⁶ Multiple N	¹⁷ Proposed Depth 4000'	¹⁸ Formation Yeso	¹⁹ Contractor United Drig	²⁰ Spud Date 5/1/07
Depth to Groundwater >50 <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#	4000'	750 sx	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 Cl C cmt. Drill 7-7/8" hole to TD (4000'). Run OH logs. Run 5-1/2" csg & circ cmt. Perf the Yeso zone & stimulate as necessary for optimum production.

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

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:

BRYAN G. ARRANT

DISTRICT II GEOLOGIST

Printed name: Bonnie Atwater

Bonnie Atwater

Title:

Title: Regulatory Tech

2/23/07

Approval Date:

FEB 28 2007

Expiration Date:

FEB 28 2008

E-mail Address: batwater@sdresources.com

Date:

Phone: 432/685-1761

Conditions of Approval Attached

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505



OIL CONSERVATION DIVISION
 1220 SOUTH ST. FRANCIS DR.
 Santa Fe, New Mexico 87505



Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code 96830	Pool Name Artesia, GL-YE
Property Code 34318	Property Name SEDONA	Well Number 3
OGRID No. 020451	Operator Name SDX RESOURCES, INC.	Elevation 3654'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	21	17-S	28-E		1780	SOUTH	330	EAST	EDDY

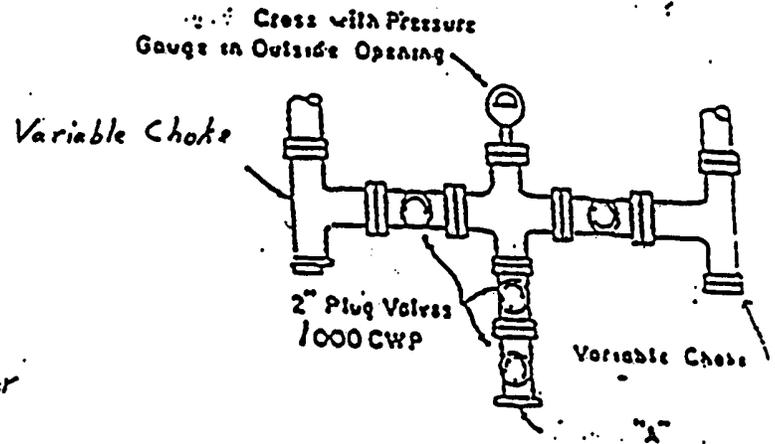
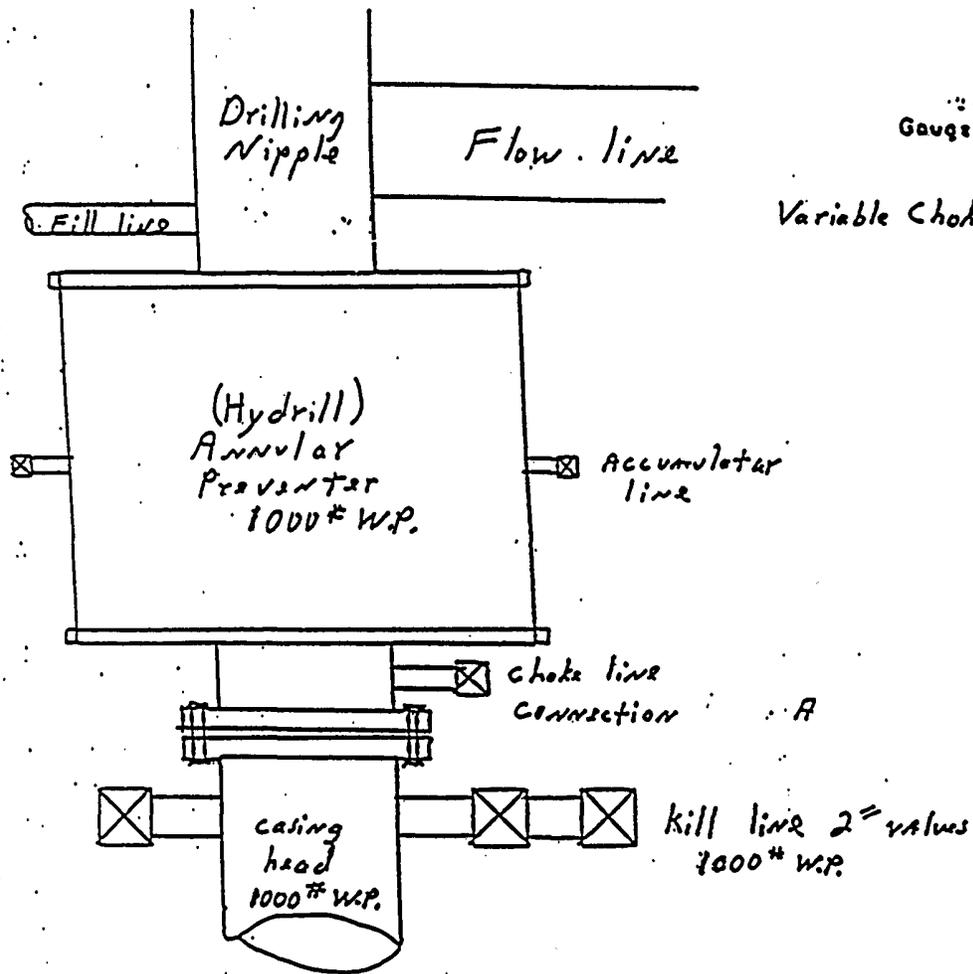
Bottom Hole Location If Different From Surface

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 INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

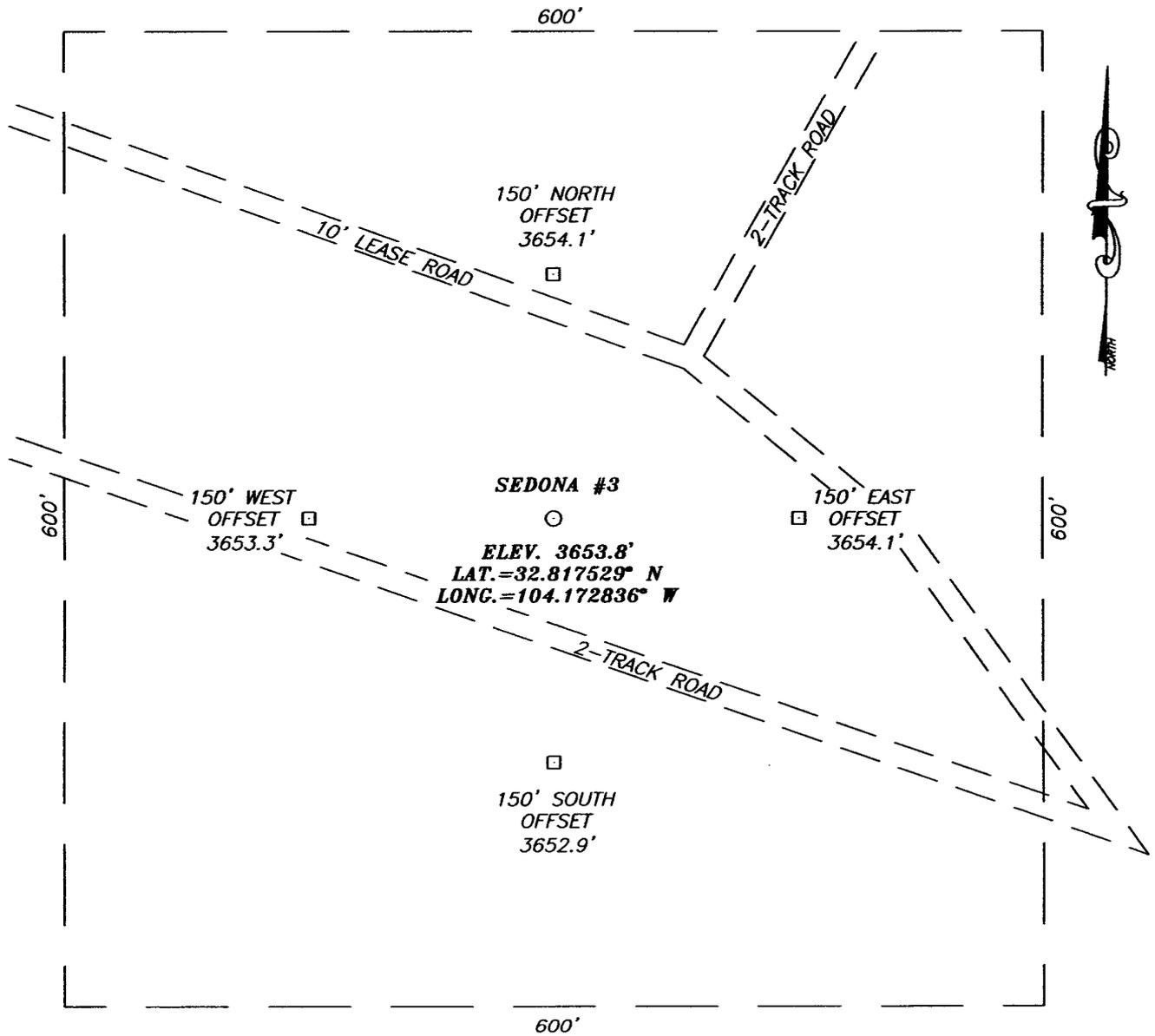
<p>GEODETIC COORDINATES NAD 27 NME Y=661165.4 N X=549306.9 E LAT.=32.817529° N LONG.=104.172836° W</p>	<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>Bonnie Atwater</i> 2/23/07 Signature Date Bonnie Atwater Printed Name</p>
	<p>SURVEYOR CERTIFICATION</p> <p><i>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 belief.</i></p> <p>FEBRUARY 9, 2007 Date Surveyed AR Signature & Seal of Professional Surveyor <i>Ronald J. Edson</i> 02/09/07 07.11.0189</p>
	<p>Certificate No. GARY EDSON 12641 RONALD J. EDSON 3239</p>



PLAN VIEW-CHOKER MANIFOLD

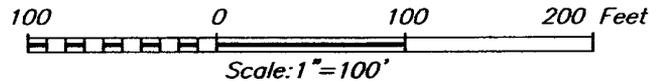
Exhibit #1

SECTION 21, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

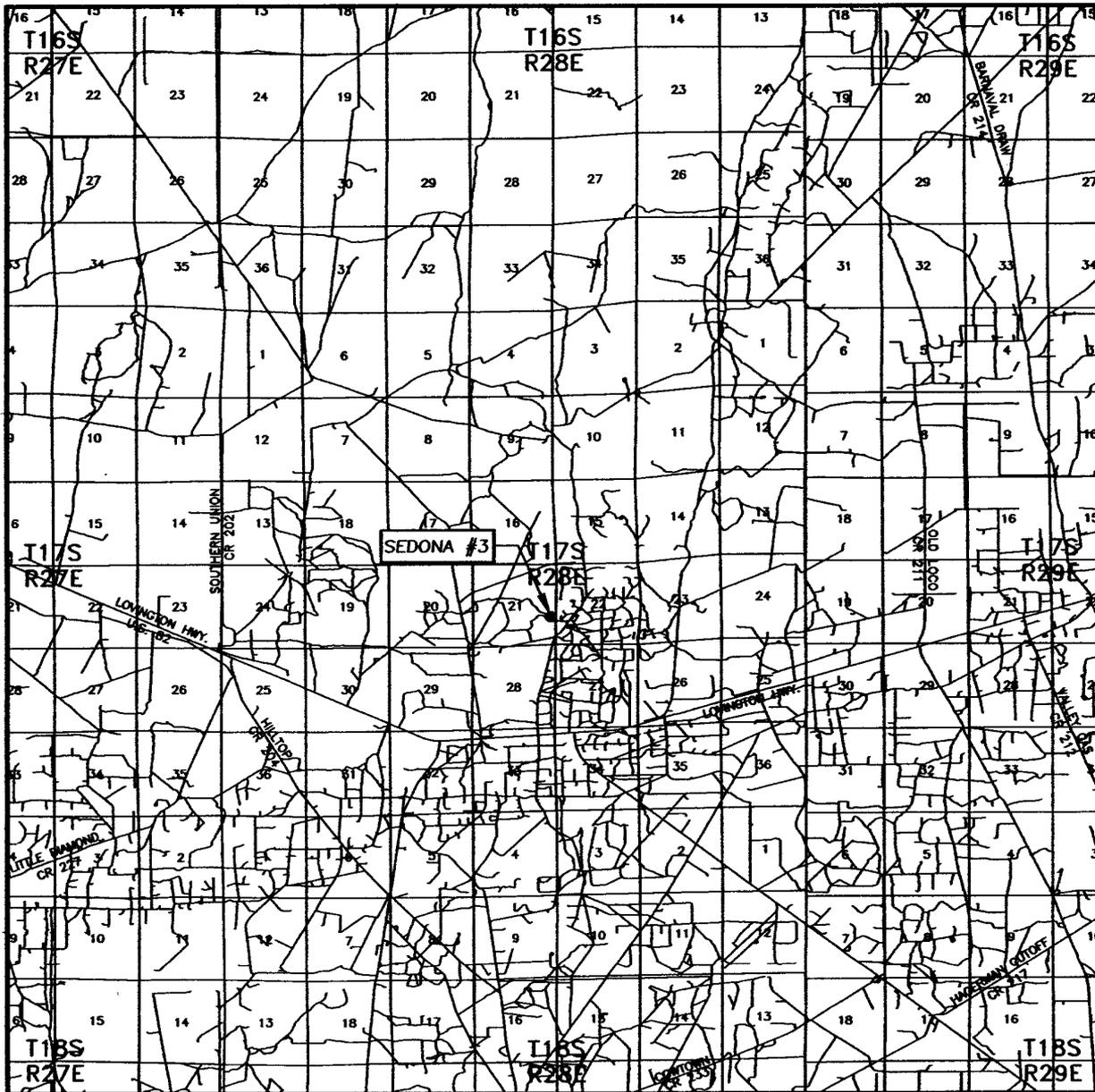
FROM THE INTERSECTION OF HWY. #83
 (LOVINGTON-ARTESIA HWY.) AND CO. RD. #208
 (RED LAKE RD.), GO NORTHEAST APPROX. 1.5
 MILES. TURN LEFT AND GO WEST APPROX. 0.22
 MILES. THIS LOCATION IS APPROX. 150 FEET
 SOUTH.



PROVIDING SURVEYING SERVICES
 SINCE 1948
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

SDX RESOURCES, INC.			
SEDONA #3 WELL LOCATED 1780 FEET FROM THE SOUTH LINE AND 330 FEET FROM THE EAST LINE OF SECTION 21, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.			
Survey Date: 02/09/07	Sheet 1 of 1 Sheets		
W.O. Number: 07.11.0189	Dr By: AR	Rev 1:N/A	
Date: 02/16/07	Disk:	07110189	Scale: 1"=100'

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 21 TWP. 17-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 1780' FSL & 330' FEL

ELEVATION 3654'

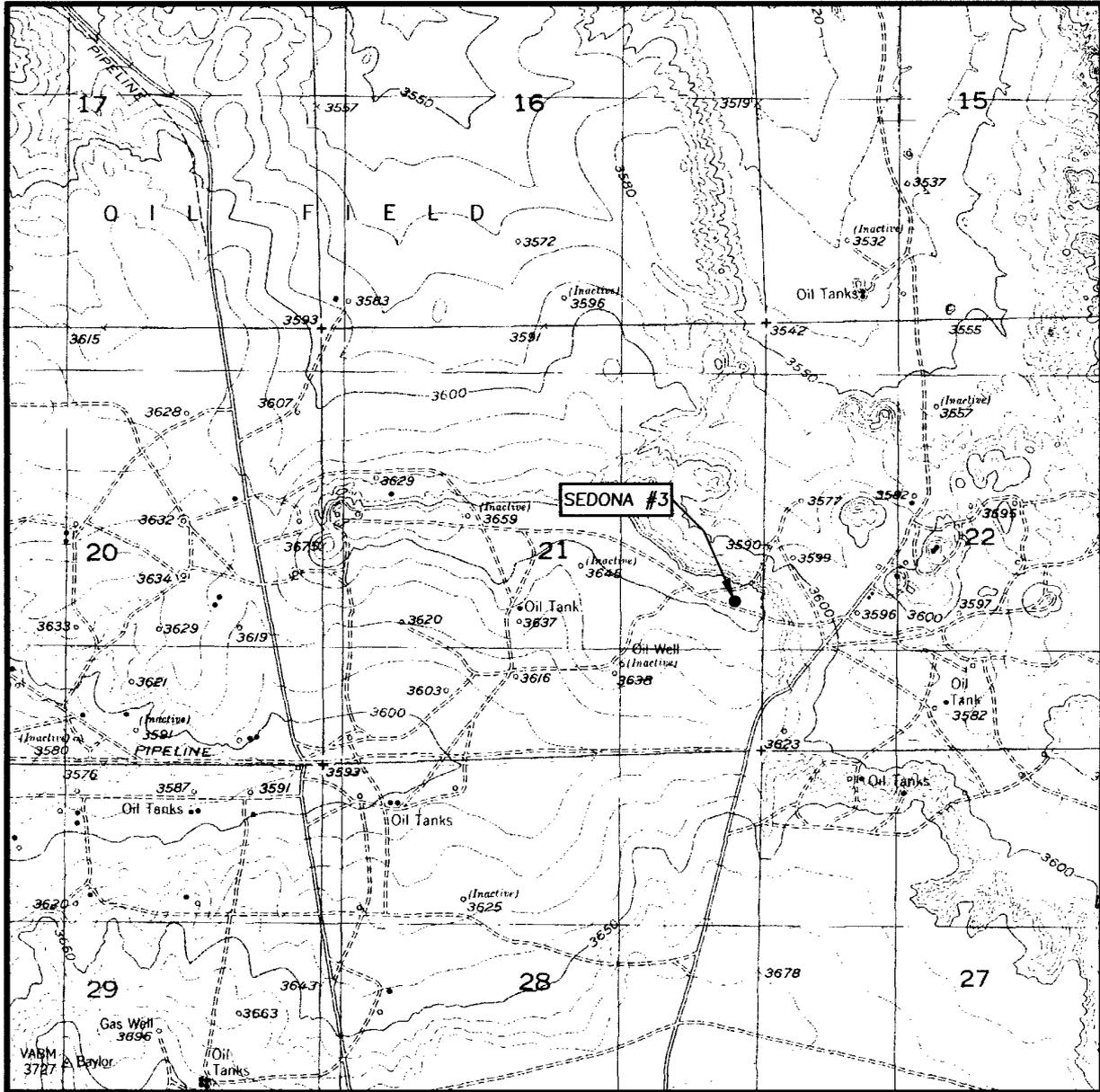
OPERATOR SDX RESOURCES, INC.

LEASE SEDONA



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
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LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
RED LAKE, N.M. - 10'

SEC. 21 TWP. 17-S RGE. 28-E

SURVEY _____ N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 1780' FSL & 330' FEL

ELEVATION 3654'

OPERATOR SDX RESOURCES, INC.

LEASE SEDONA

U.S.G.S. TOPOGRAPHIC MAP
RED LAKE, N.M.



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