

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

*Cl...
Blm
Bom
Bd*

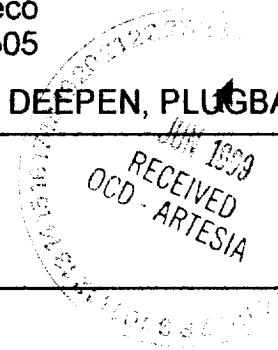
Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address SDX Resources, Inc. PO Box 5061 Midland, TX 79704 915/685-1761		GRID Number 020451
Property Code 24439		API Number 30-015-30684
Property Name NW State		Well No. 3



Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
G	32	17S	28E		1650	North	1650	East	Eddy

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
Proposed Pool 1 Artesia (QN-GB-SA) 03230					Proposed Pool 2				

Work Type Code N	Well Type Code O	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3693
Multiple No	Proposed Depth 3500	Formation QN-GB-SA	Contractor Capstar	Spud Date 07-15-99

Minimum WOC time 8 hrs 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 Cl C	Surf
7-7/8"	5-1/2"	14#	3500	350 POZ + 400 Lite	Surf
					Post ID-1
					7-2-99
					API & Loc

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 Class C cmt. Drill 7-7/8" hole to TD (3500'). Run OH logs. Run 5-1/2" csg & circ cmt. Perf the QN-GB-SA zone & stimulate as necessary for optimum production.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <u>Bonnie Atwater</u> Printed name: Bonnie Atwater Title: Regulatory Tech.	OIL CONSERVATION DIVISION	
	Approved By: <u>[Signature]</u> B6X	Title: <u>District Supervisor</u>
	Approval Date: <u>6-29-99</u>	Expiration Date: <u>6-29-00</u>

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		1 Pool Code		1 Pool Name	
		03230		Artesia (QN-GB-SA)	
4 Property Code		4 Property Name			4 Well Number
24439		N. W. STATE			3
7 OGRID No.		7 Operator Name			7 Elevation
020451		SDX RESOURCES, INC.			3693.

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	32	17-S	28-E		1650	NORTH	1650	EAST	EDDY

11 Bottom Hole Location If Different From Surface

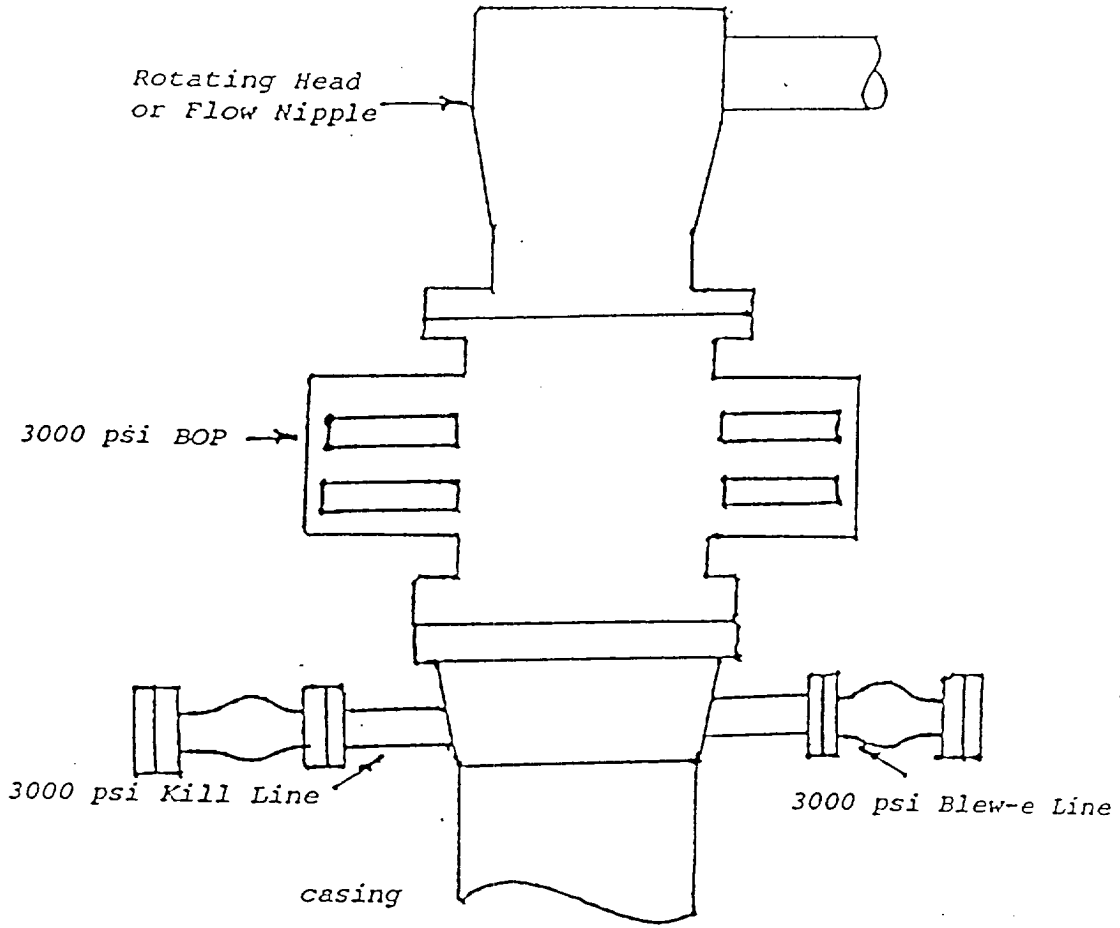
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
40			

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

16					17 OPERATOR CERTIFICATION	
					I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
					Signature: <u>Bonnie Atwater</u> Printed Name: Bonnie Atwater Title: Regulatory Tech Date: 6/23/99	
				18 SURVEYOR CERTIFICATION		
				I hereby certify that the well location shown on this plat was placed 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.		
				Date of Survey: <u>MAY 27, 1999</u> Signature and Seal of Professional Surveyor:		
				Certificate Number: <u>5412</u> NM PR&PS NO. 5412		

Blow Out Preventor Schematic



SDX RESOURCES, INC.

LEASE: New State WELL #: 3