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Appropriate District Office  
DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-104  
Revised 1-1-89  
See Instructions  
at Bottom of Page

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

RECEIVED

JUN 26 1991

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

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

O. C. D.

ARTESIA, OFFICE

REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS

I.

|   |              |
|---|--------------|
| Operator<br><b>SDX Resources, Inc.</b>  | Well API No. |
| Address<br><b>Post Office Box 5061, Midland, Texas 79704</b>  |              |
| Reason(s) for Filing (Check proper box)<br>New Well <input type="checkbox"/> Change in Transporter of: <input type="checkbox"/> Other (Please explain)<br>Recompletion <input type="checkbox"/> Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> <b>Change of Operator Effective 6-17-91</b><br>Change in Operator <input checked="" type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> |              |
| If change of operator give name and address of previous operator<br><b>Morexco, Inc., P. O. Box 481, Artesia, NM 88211-0481</b>   |              |

II. DESCRIPTION OF WELL AND LEASE

|  |                      |  |  |                               |
|--|----------------------|--|--|-------------------------------|
| Lease Name<br><b>Artesia Unit</b>  | Well No.<br><b>7</b> | Pool Name, Including Formation<br><b>Artesia-Q-GR-SA</b> | Kind of Lease<br>State, Federal or Fee | Lease No.<br><b>State 647</b> |
| Location<br>Unit Letter <b>D</b> : <b>480</b> Feet From The <b>N</b> Line and <b>330</b> Feet From The <b>W</b> Line<br>Section <b>36</b> Township <b>17S</b> Range <b>28 E</b> , NMPM, <b>Eddy</b> County |                      |  |  |                               |

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

|   |  |                    |
|---|--|--------------------|
| Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/>         | Address (Give address to which approved copy of this form is to be sent) |                    |
| Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/> | Address (Give address to which approved copy of this form is to be sent) |                    |
| If well produces oil or liquids, give location of tanks.  | Unit<br><b>WTW</b>   | Sec.<br><b>WTW</b> |
|   | Twsp.<br><b>WTW</b>  | Rge.<br><b>WTW</b> |
|   | Is gas actually connected?   | When ?             |

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

|                                     |                             |          |                 |          |                   |           |            |            |
|-------------------------------------|-----------------------------|----------|-----------------|----------|-------------------|-----------|------------|------------|
| Designate Type of Completion - (X)  | Oil Well                    | Gas Well | New Well        | Workover | Deepen            | Plug Back | Same Res'v | Diff Res'v |
| Date Spudded                        | Date Compl. Ready to Prod.  |          | Total Depth     |          | P.B.T.D.          |           |            |            |
| Elevations (DF, RKB, RT, GR, etc.)  | Name of Producing Formation |          | Top Oil/Gas Pay |          | Tubing Depth      |           |            |            |
| Perforations                        |                             |          |                 |          | Depth Casing Shoe |           |            |            |
| TUBING, CASING AND CEMENTING RECORD |                             |          |                 |          |                   |           |            |            |
| HOLE SIZE                           | CASING & TUBING SIZE        |          | DEPTH SET       |          | SACKS CEMENT      |           |            |            |
|                                     |                             |          |                 |          | <b>Foot 10-1</b>  |           |            |            |
|                                     |                             |          |                 |          | <b>B. 7-12-91</b> |           |            |            |
|                                     |                             |          |                 |          | <b>Chg. Sp</b>    |           |            |            |

V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

|                                |                 |   |            |
|--------------------------------|-----------------|---|------------|
| Date First New Oil Run To Tank | Date of Test    | Producing Method (Flow, pump, gas lift, etc.) |            |
| Length of Test                 | Tubing Pressure | Casing Pressure                               | Choke Size |
| Actual Prod. During Test       | Oil - Bbls.     | Water - Bbls.                                 | Gas- MCF   |

GAS WELL

|                                  |                           |                           |                       |
|----------------------------------|---------------------------|---------------------------|-----------------------|
| Actual Prod. Test - MCF/D        | Length of Test            | Bbls. Condensate/MMCF     | Gravity of Condensate |
| Testing Method (pilot, back pr.) | Tubing Pressure (Shut-in) | Casing Pressure (Shut-in) | Choke Size            |

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Rebecca Olson  
Signature  
**Rebecca Olson** Agent  
Printed Name  
**June 25, 1991** (505) 746-6520 Title  
Date Telephone No.

OIL CONSERVATION DIVISION

Date Approved **JUL 01 1991**

By **ORIGINAL SIGNED BY**  
**MIKE WILLIAMS**  
**SUPERVISOR, DISTRICT II**

Title

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.