|                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                  | _                                                        |                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| SUNDF<br>Do not use this form for pro                                                                                                                                                                                                                                                                                                                                   | UNITED STATES<br>DEPARTMENT OF THE INTERIOR<br>BUREAU OF LAND MANAGEMENT<br>RY NOTICES AND REPORTS ON W<br>posals to drill or to deepen or reer<br>ICATION FOR PERMIT-" for such | Artesia, NM 88<br>ELLS<br>htry to a different reservoir. | VENUEExpires: March 31, 1993<br>25 Gase Designation and Serial No.<br>NM-105204<br>6. If Indian, Allottee or Tribe Name |
|                                                                                                                                                                                                                                                                                                                                                                         | SUBMIT IN TRIPLICATE                                                                                                                                                             | 19202122 <sub>232</sub>                                  | 7. If Unit or CA, Agreement Designation                                                                                 |
| 1. Type of Well<br>Oil Gas<br>Well Well Other<br>2. Name of Operator                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                  |                                                          | 8. Well Name and No.<br>Malibu Federal #3                                                                               |
| SDX Resources, Inc.                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                  | 4                                                        | 9. API Well No.                                                                                                         |
| SDX Resources, Inc.       Received         3. Address and Telephone No.       PO Box 5061, Midland, TX 79704 915/685-1761       PO Box 5061, Midland, TX 79704 915/685-1761         4. Location of Well (Footage, Sec., T., R., M., or Survey Description)       330' FSL 1797' FEL         Sec 5, T18S, R27E, Unit O       PO Box 5061, Midland, TX 79704 915/685-1761 |                                                                                                                                                                                  |                                                          | 10. Field and Pool, or Exploratory Area<br>Red Lake, QN-GB-SA                                                           |
| 330' FSL 1797' FEL<br>Sec 5, T18S, R27E, Unit O                                                                                                                                                                                                                                                                                                                         | ,,                                                                                                                                                                               | 01631                                                    | 11. County or Parish, State<br>Eddy Co., NM                                                                             |
| 12. CHECK APPROP                                                                                                                                                                                                                                                                                                                                                        | RIATE BOX(s) TO INDICATE NATUR                                                                                                                                                   | RE OF NOTICE, REPORT, (                                  | OR OTHER DATA                                                                                                           |
| TYPE OF SUBMISS                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                  | TYPE OF ACTION                                           |                                                                                                                         |
| Notice of Intent                                                                                                                                                                                                                                                                                                                                                        | Abandor                                                                                                                                                                          |                                                          | Change of Plans                                                                                                         |
|                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                  | j Back<br>Repair                                         | Non-Routine Fracturing                                                                                                  |
| Final Abandonment N                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                  | Casing<br>Amend Press Control Equip                      | Conversion to Injection Dispose Water (Note: Report results of multiple completion on Well                              |

13. Describe Proposed or Completed Operations (Clearly state all pertinet details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markders and zones pertinent to this work.)\*

Propose to amend Pressure Control Equipment specified in APD from 2000# working pressure specifications to 1000# working pressure specifications.

New Exhibit #2 attached.

1 --

| BHP @ 4000' APPROX. 600-800 PSIA<br>AS DETERMINED FROM OPERATORS IN<br>THE AREA | APPROVED                         |  |
|---------------------------------------------------------------------------------|----------------------------------|--|
| 1000# W.P. BOP + MUD WT. SUFFICIENT                                             | MAY 17 8002                      |  |
|                                                                                 | LES BABYAK<br>PETROLEUM ENGINEER |  |
|                                                                                 |                                  |  |
| 14. I hereby certify that the foregoing is frue and correct                     | AC (00 (00                       |  |

| signed Bonnie aler                                                                                                                                                                 | Title Regulatory Tech | Date 05/06/02 |  |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------|--|--|
| (This space for Federal or State office use)                                                                                                                                       |                       |               |  |  |
| Approved by<br>Conditions of approval, if any:                                                                                                                                     | Title                 | Date          |  |  |
| Title 18 U.S.C. Section 1001. makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent |                       |               |  |  |

Title 18 U.S.C. Section 1001, makes it a crime for any person knowin statements or representations as to any matter within its jurisdiction.

