L'ORIGI C-165 to Appropriate District Office Energy, Minerals and Natural Resources Department Revised 1-1-89 OIL CONSERVATION DIVISION WELL API NO. P.O. Box 1980, Hobbs, NM 88240 P.O. Box 2088 30-015-25292 Santa Fe, New Mexico 87504-2088 P.O. Drawer DD, Artesia, NM 88210 5. Indicate Type of Lease STATE FFF 1000 Rio Brazos Rd., Aztec, NM 87410 6. State Oil & Gas Lease No. SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 7. Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Guajalote State WELL X GAS WELL APR 1 1 1997 2. Name of Operator 8. Well No. SDX Resources, Inc. 3. Address of Operator 9. Pool name or Wildcat P. O. Box 5061, Midland, TX So. Loco Hills-QN-GR-SA 4. Well Location 2100 Feet From The South Line and Feet From The Line Township 19S 29E Eddy Section 5 Range **NMPM** County 10. Elevation (Show whether DF, RKB, RT, GR, etc.) GR 3395.8 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING TEMPORARILY ABANDON **CHANGE PLANS** COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT **PULL OR ALTER CASING** CASING TEST AND CEMENT JOB (GR) Perforate 2253-2470' X OTHER: 12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. Well was spudded 5/14/85. 8-5/8" csg was set @ 382' & cmted w/300 sxs & circ. 4-1/2" was set @ 2873', cmted w/480 sxs C1 C. Perfs: 2745-95'. Set CMRT @ 2735' & squeezed w/100 sxs C1 C. Perfs 2545-2680' were acidized & frac'd w/50,000 gals 20# gel & 90,000# Propose to dig workover pit. TOH w/rods & pump. Set CIBP @ 2520'. Run CBL-GR-CCL from PBTD to TOC. Pressure test csg to 1000 psi. Perforate 1 spf as follows: 2253', 58', 70', 72', 92', 93', 99', 2300', 11', 27', 30', 42', 53', 98', 2407', 22', 54', 61', 68', 69', and 70, total 21 holes. Acidize perfs w/approximately 3000 gals 15% NEFE. Flow well back & swab test. Frac well down 4-1/2" casing w/40,000 gals X/L Borate gel w/90,000# 16/30 Brady sd. Flow back load and put well on test to establish pumping rate. Plan to start work around 4/20/97.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SKINATURE Janice Courtney

Janice Courtney

Regulatory Tech

915/685-1761

- TITLE -

APR 21 1997

TELEPHONE NO.

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CONDITIONS OF APPROVAL, IF ANY:

TYPE OR PRINT NAME