

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTSUBMIT IN THE DATE
(Other instructions on
reverse side)FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

CISF

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

OTHER

SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

SDX Resources, Inc.

3. ADDRESS AND TELEPHONE NO.

PO Box 5061, Midland, TX 79704 915/685-1761

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface 424' FSL 848' FEL

At proposed prod. zone
Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

12 miles SE of Loco Hills, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT
(Also to nearest drg. unit line, if any)424'
(424')

16. NO. OF ACRES IN LEASE

80

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

805

19. PROPOSED DEPTH

4000'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3509' GR

22. APPROX. DATE WORK WILL START*

23.

PROPOSED CASING AND CEMENTING

CAPTAN CONTROLLED WATER BASIN

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" J-55	24#	650	WITNESS 00 sx Class C
7-7/8"	5-1/2" J55 or	14#	4000'	350 sx 50/50 POZ Tail
	4-1/2" J-55	9.5 - 10.6#		400 sx 35/65 POZ Lead

SDX Resources plans to drill a 12-1/4" hole to appx 650'. Set 8-5/8" surface csg & circ CI C cmt to surface. Drill 7-7/8" hole to TD (4000'). Run OH logs (LDT-CNL-GR & DLL). Run 4-1/2" or 5-1/2" csg & circ cmt to surface. Will perf & stimulate as necessary for optimum production.

Specific programs as per Onshore Oil & Gas Order #1 are outlined in the following attachments:

Drilling Program

Surface Use & Operating Plan

H2S Plan

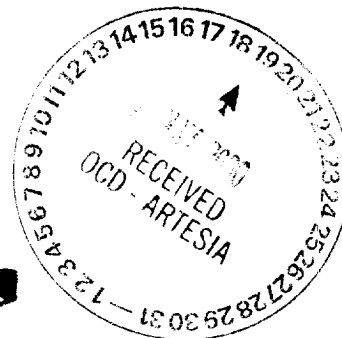
Exhibit #1: BOP

#2: Plat (Original on file)

#3: Planned ROW's (access roads & flowlines)

#4: One Mile Radius Map

#5: Drilling Rig Layout

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Bonnie Otter

TITLE Regulatory Tech

DATE 03/27/00

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

B/F Spleen

TITLE

Acting State Director

DATE

5-12-00

*See Instructions On Reverse Side

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 statements or representations as to any matter within its jurisdiction.

RECEIVED

MAR 30 '00

BLM
ROSWELL, N.M.

DRILLING PROGRAM

March 27, 2000

SDX Resources Inc.
511 W. Ohio, Suite 601
P.O. Box 5061
Midland, TX 79704
915/685-1761 Office
915/685-0533 Fax

Culwin 35 Federal #3
Sec. 35, T18S, R30E
Unit P, 424' FSL, 848' FEL
Eddy County, New Mexico
API 30-015-
Elevation: 3509' GR

Geologic Name of Surface Formation:

Permian

Geological:

Estimated Formation Tops –

Salt (Top)	750'
Salt (Base)	1850'
Yates	2160'
7-Rivers	2550'
Queen	3150'
Grayburg	3600'
San Andres	3900'

Estimated Depth of Anticipated Fresh Water, Oil or Gas:

Water Sands	200' – 250'	Fresh H2O
7-Rivers	2800'	Oil & Gas
Queen	3500'	Oil & Gas
Grayburg	3630'	Oil & Gas
San Andres	3900'	Oil & Gas

Fresh water sands will be protected by running 8-5/8" casing to a minimum depth of 650' and circulating cement. All other zones will be isolated by running 4-1/2" or 5-1/2" production casing and circulating cement.

Casing Program:

<u>Hole Size</u>	<u>Casing</u>	<u>Size/Wt.</u>	<u>Depth</u>	<u>Cement</u>
12-1/4"	8-5/8"	24#	650'	Circ.
7-7/8"	4-1/2" or 5-1/2"	9.5-17#	4000'	Circ.

Cement Program:

8-5/8" Surface Casing:	Cemented to surface with 400 sx of Class C with 2% CaCl ₂ and ¼ #/sx Flocele.
4-1/2" or 5-1/2" Production Casing:	Cemented with 350 sx of 50/50 Class C POZ with 6# Halad 322 and 400 sx of 35/65 POZ C with 3# salt/sx and ¼ #/sx flocele. This should circulate cement to the surface.

Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a bag-type (hydril) preventer (2000 psi WP). Unit will be hydraulically operated. BOP will be nipped up on the 8-5/8" surface csg and used continuously until TD is reached. BOP and accessory equipment will be tested to 1000 psi before drilling out of surface casing. A 2" kill line and a 2" choke line will be included in the drilling spool. Other accessories to the BOP equipment will include a kelly cock.

Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with a combination of fresh water and brine water mud system. The applicable depth and properties of this system are as follows:

<u>Depth</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>VIS (sec)</u>	<u>Waterloss (cc)</u>
0 – 650'	Fresh water (spud)	8.5	40-45	N/C
650' – TD	Brine water, SWG, Starch	10	30	24

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the wellsite at all times.

Auxiliary Well Control and Monitoring Equipment:

A kelly cock will be kept in the drill string at all times.

A mud logging unit complete with H₂S detector will be continuously monitoring drilling penetration rate and hydrocarbon shows from 2000' to TD.

Logging, Testing and Coring Program:

No drillstem tests will be run.

The electric logging program will consist of GR-DLL and GR-CNDL from TD to 2000'.

Conventional coring may be performed in select intervals in the Seven River-Queen-Grayburg and/or San Andres.

Further testing procedures will be determined after the production casing has been cemented at TD based on drill shows and log evaluation.

Abnormal Conditions, Pressures, Temperatures, & Potential Hazards:

No abnormal pressure or temperatures are anticipated. The estimated bottom hole temperature (BHT) at TD is 94° F. and estimated at maximum bottom-hole pressure (BHP) is 1200 psig. No abnormal concentrations of hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. All H2S operation precautions will be followed (see attached H2S drilling operations plans). No major loss circulation zones have been reported in offsetting wells.

Anticipated Starting Date and Duration of Operations:

Road and location work will not begin until approval has been received from the BLM. The anticipated spud date is June 1, 1998. Once commenced, the drilling operations should be finished in approximately 10 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made to install permanent facilities.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

SDX Resources Inc.
Culwin 35 Federal #3
424' FSL 585' FEL
Sec. 35, T18S, R30E, P
Eddy County, NM

Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H₂S).
2. The proper use and maintenance of personal protective equipment and life support system.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H₂S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan and the Public Protection Plan.

There will be an initial safety session just prior to commencing operations on the well. The initial session shall include a review of the site's specific H₂S Drilling Operations Plan and the Public Protection Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

H2S Safety Equipment and Systems:

Note: All H2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500'.

1. Well Control Equipment:

Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.

Auxiliary equipment to include: annular preventer.
2. Protective equipment for essential personnel:

Mark II Surviveair 30 minute units located in the dog house.
3. H2S detection and monitoring equipment:

1 – portable H2S monitor positioned on location for best coverage and response.

Mud logging trailer shall have H2S monitoring equipment.
4. Visual warning systems:

Guy lines will be flagged and a wind sock will be positioned on location.

Caution/Danger signs shall be posted on roads providing direct access to location.
5. Mud program:

The mud program has been designed to minimize the volume of H2S circulated to the surface. Proper mud weight, safe drilling practices, will minimize hazards when penetrating H2S bearing zones.
6. Metallurgy:

All drill strings, casings, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service as necessary.
7. Communication:

Radio communications in company vehicles including cellular telephone and 2-way radio.
8. Well Testing:

No DST's are planned.

SURFACE USE AND OPERATING PLAN

SDX Resources Inc.
Culwin 35 Federal #3
424' FSL 848' FEL
Sec. 35, T18S, R30E, P
Eddy Co., NM

Existing Roads:

The well site and elevation plat for the proposed well is shown in Exhibit #2. It was staked by Dan Reddy of Carlsbad, NM.

All roads to the location are shown in Exhibit #3. The existing roads are labeled and are adequate for travel during drilling and production operations. Upgrading of the road prior to drilling will be done where necessary as determined during the onsite inspection.

Directions to location: Go east from Loco Hills, New Mexico on Hwy 82 to CR 222. Turn right on CR 222 and go 6.8 miles to CR 250. Turn right on CR 250 and go 2.7 miles. Turn left on lease road and go .7 miles to cattleguard. Just past cattleguard follow road straight to battery. Just after cattleguard turn south to Culwin 35 Federal #4 stake. Proceed south ¼ mile & turn west to location.

Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on the lease.

Proposed Access Road:

Exhibit #3 shows the existing road and the new access road to be constructed. The road will be constructed as follows:

The maximum width of the running surface will be 15'. The road will be crowned and ditched and constructed of 6" of rolled and compacted caliche. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns. BLM may specify and additions or changes during the onsite inspection.

The average grade will be less than 1%.

No turnouts are planned.

No culverts, cattleguards, gates, low-water crossings or fence cuts are necessary.

Surfacing material will consist of native caliche. Caliche will be obtained from the nearest approved caliche pit. Any additional materials that are required will be purchased from the dirt contractor.

The proposed access road as shown in Exhibit #3 has been centerline flagged by Dan Reddy of Carlsbad, NM.

Location of Existing Wells:

Exhibit #4 shows all existing wells within a one-mile radius of this well.

Location of Existing and/or Proposed Facilities:

SDX Resources Inc. operates production facilities on this lease. They are as follows:

Culwin 35 Federal – Tank Battery: NE/4 SE/4 of Sec. 35.

If the well is productive, contemplated facilities will be as follows:

2" – 3" SDR – 11 plastic flowline will be laid along the road to the Culwin #4 location & follow the Culwin #4 ROW to the existing battery as shown in Exhibit #3.

Any additional construction materials will be purchased from contractors.

If the well is reproductive, rehabilitation plans are as follows:

The reserve pit will be back-filled after the contents of the pit are dry (within 120 days after the well is complete).

Topsoil removed from the drill site will be used to raconteur the pit area to the original natural level, as nearly as possible, and reseeded as per BLM specifications.

In the event that production is established flowline right of way has been staked to the Culwin #4 and is shown in Exhibit #3.

Location and Type of Water Supply:

The well will be drilled with a combination brine and fresh water mud systems as outlined in the drilling program. The brine water will be obtained from commercial water stations in the area and hauled to the location by transport truck over the existing and proposed access roads shown in Exhibit #3. A commercial fresh water source is nearby and fasline will be laid along existing roads and fresh water pumped to the well. No water well will be drilled on the location.

Source of Construction Materials:

All caliche required for construction of the drill pad and any new access road will be obtained from the drilling pits and/or on site when possible. Any additional caliche will be obtained from approved caliche pits. All roads and pads will be constructed of 6" of rolled and compacted caliche.

Methods of Handling Water Disposal:

Drill cuttings not retained for evaluation purposes will be disposed into the reserve pit.

Drilling fluids will be contained in plastic lined pits. The reserve pit will contain any excess drilling fluid or flow from the well during drilling, cementing and completion operations. The reserve pit will be an earthen pit, approximately 80' x 55' x 6' deep and fenced on three sides prior to drilling. It will be fenced on the fourth side immediately following rig removal. The reserve pit will be plastic lined (5-7 mil thickness) to minimize loss of drilling fluids and saturation of the ground with brine water.

Water produced from the well during completion may be disposed into the reserve pit after the well is permanently placed on production.

Garbage and trash produced during drilling or completion operations will be collected in a trash trailer by a contractor. All water and fluids will be disposed of into the reserve pit. Salts and other chemicals produced during drilling or testing will be disposed into the reserve pit. No toxic waste or hazardous chemicals will be produced by this operation.

After rig is moved out and the well is either completed or abandoned, all waste materials will be cleaned up within 90 days. No adverse materials will be left on the location. The reserve pit will be completely fenced and kept closed until it has dried. When the reserve pit is dry enough to breakout and fill and as weather permits the unused portion of the well site will be leveled and reseeded as per BLM specifications. Only that part of the pad required for production facilities will be kept in use.

Ancillary Facilities:

None

Well Site Layout:

The drill pad layout is shown in Exhibit #5. Dimensions of the pad and pits and location of major rig components are shown. Top soil, if available, will be stockpiled per BLM specifications as determined at the on-site inspection. Because the pad is almost level no major cuts will be required.

Exhibit #5 shows the planned orientation for the rig and associated drilling equipment, reserve pit, trash pit, pipe racks, turn-around, parking areas and access road. No permanent living facilities are planned but a temporary foreman/toolpusher's trailer will be on location during the drilling operations.

The reserve pit will be lined with high-quality plastic sheeting (5-7 mil thickness).

Plan for Restoration of the Surface:

Upon completion of the proposed operation, if the well is to be abandoned, the pit area, after allowing to dry, will be broken out and leveled. The original top soil will be returned to the entire location which will be leveled and contoured to as nearly the original topography as possible.

All trash and garbage will be hauled away and pit lining will be buried when the pits are filled and the location leveled within 120 days after abandonment.

The disturbed area will be revegetated by reseeding during the proper growing season with a seed mixture of native grasses as recommended by the BLM.

Three sides of the reserve pit will be fenced prior to and during drilling operations. At the time that the rig is removed, the reserve pit will be fenced on the rig (fourth) side. The fencing will remain in place until the pit area is cleaned-up and leveled. No oil will be left on the surface of the fluid in the pit.

Upon completion of the proposed operations, if the well is completed, the reserve pit area will be treated as outlined above within the same prescribed time. The caliche from any area of the original drill site not needed for production operations or facilities will be removed and used for construction of thicker pads. Any additional caliche required for facilities will be obtained from an approved caliche pit. Topsoil removed from the drill site will be used to recontour the pit area and any unused portions of the drill pad to the original natural level and reseeded as per BLM specifications.

Surface Ownership:

The well pad is located on Federal surface.

Other Information:

The area around the well site is grassland. The vegetation is native scrub grasses with abundant catclaw and mesquite.

There is no permanent or live water in the immediate area.

An Archaeological Survey has been requested and will be forwarded to your office in the near future.

Lessee's and Operator's Representative:

The SDX Resources Inc. representative for assuring compliance with the surface use plan is as follows:

Chuck Morgan
SDX Resources Inc.
PO Box 5061
Midland, TX 79704
915/685-1761 Office
915/697-7032 Home

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by SDX Resources Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions which it is approved.

March 27, 2000

SDX Resources Inc.



John Pool, Vice President

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

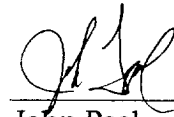
SDX Resources Inc.
P.O. Box 5061
Midland, TX 79704
915/685-1761

March 27, 2000

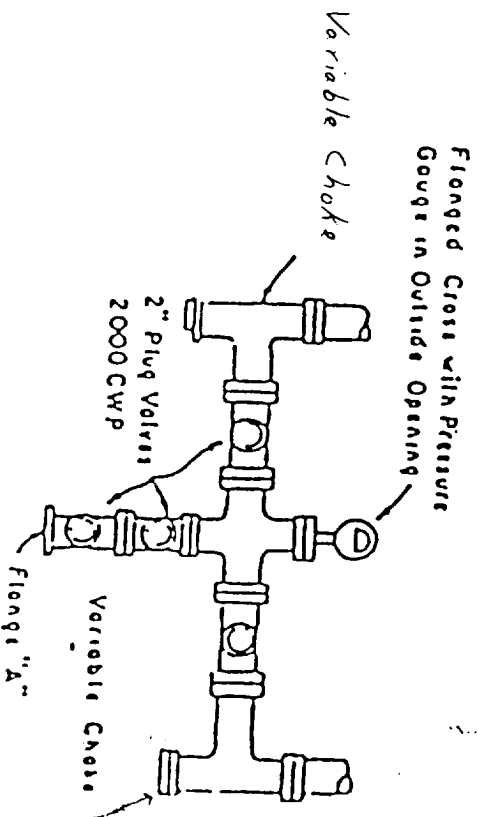
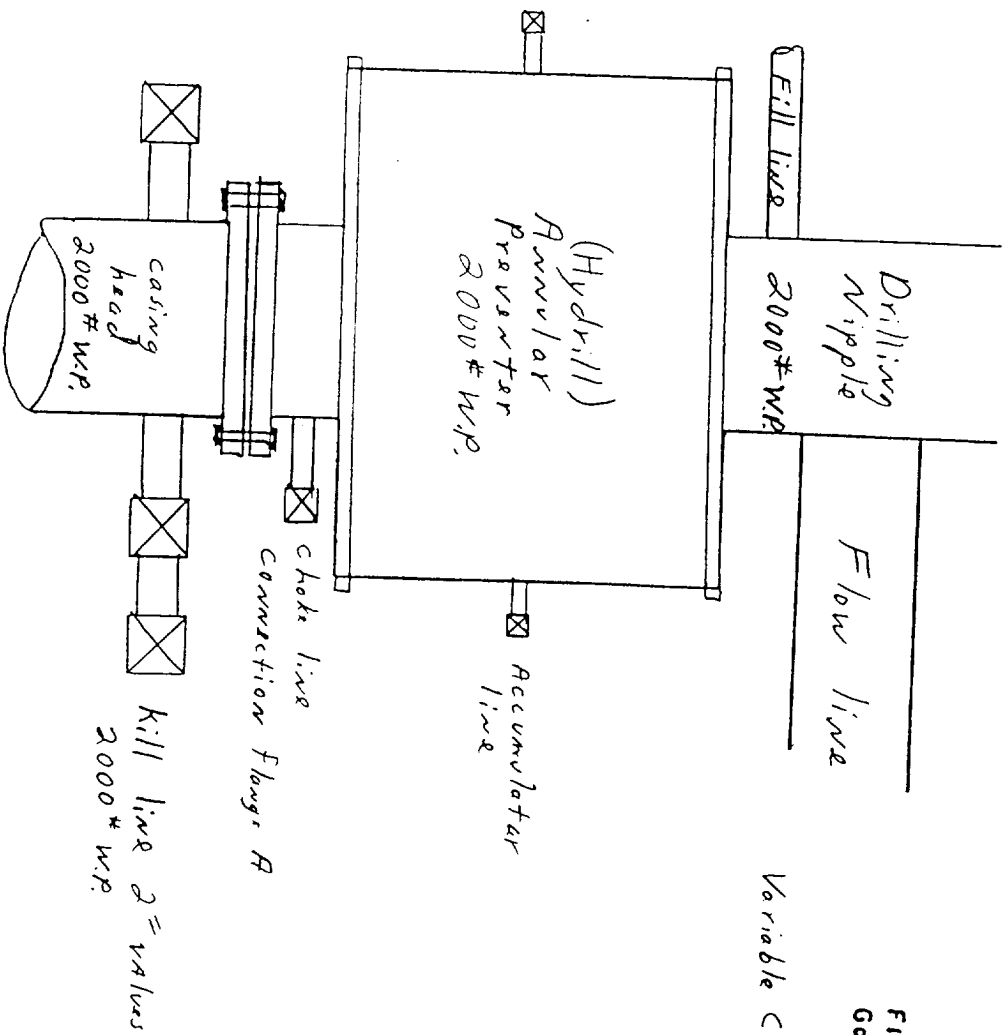
The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof, as described below.

Lease No.:	NM-56542
Lease Name:	Culwin 35 Federal #3
Legal Description of Land:	Unit P, 424' FSL, 848' FEL Sec. 35, T18S, R30E Eddy Co., NM
Formation(s):	Shugart (Yates, SR, QN, GB)
Bond Coverage:	Statewide Bond – State of New Mexico
BLM Bond File No.:	NM1884

Authorized Signature:



John Pool
Vice-President



PLAN VIEW-CHOKE MANIFOLD

Exhibit #1

District I
PO Box 1980, Hobbs, NM 87241-1980
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

API Number	Pool Code 56439	Pool Name Shugart (Y,SR,QN,GB)
Property Code 019238	Property Name CULWIN 35 FEDERAL	Well Number 3
OGRID No. 020451	Operator Name SDX RESOURCES, INC.	Elevation 3511.

10 Surface Location

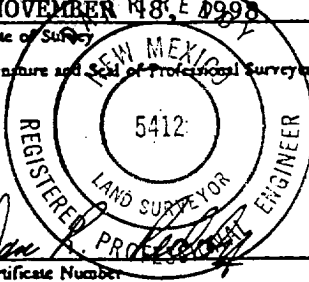
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
	35	18-S	30-E		424	SOUTH	848	EAST	EDDY

11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres 40	13 Joint or In/III	14 Consolidation Code	15 Order No.
--------------------------	--------------------	-----------------------	--------------

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

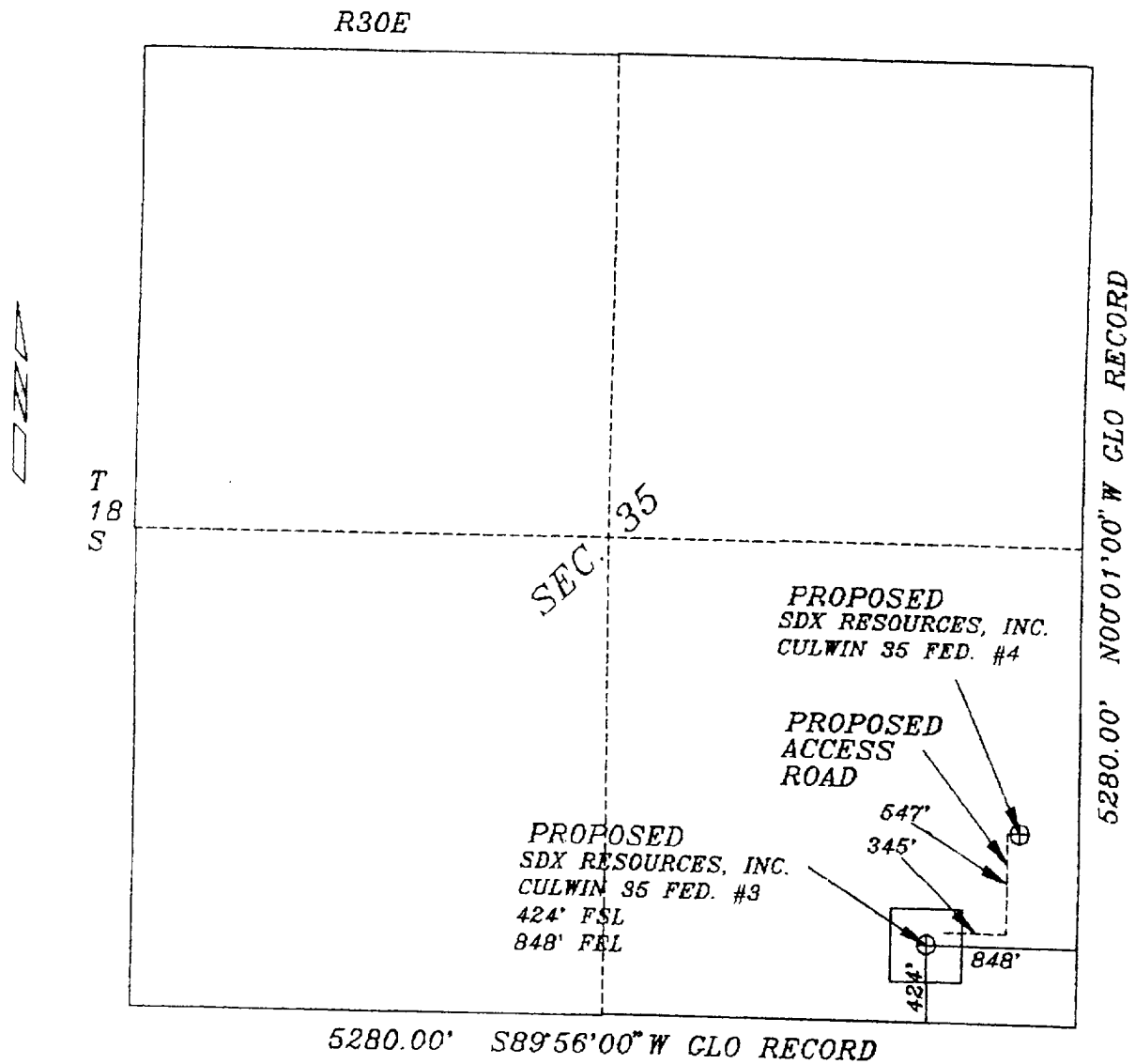
16					17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Bonnie Atwater</i> Signature Bonnie Atwater Printed Name Regulatory Tech. Title November 25, 1998 Date
					18 SURVEYOR CERTIFICATION I hereby certify 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. NOVEMBER 18, 1998 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number NM REGPS NO. 5412

424' 848'

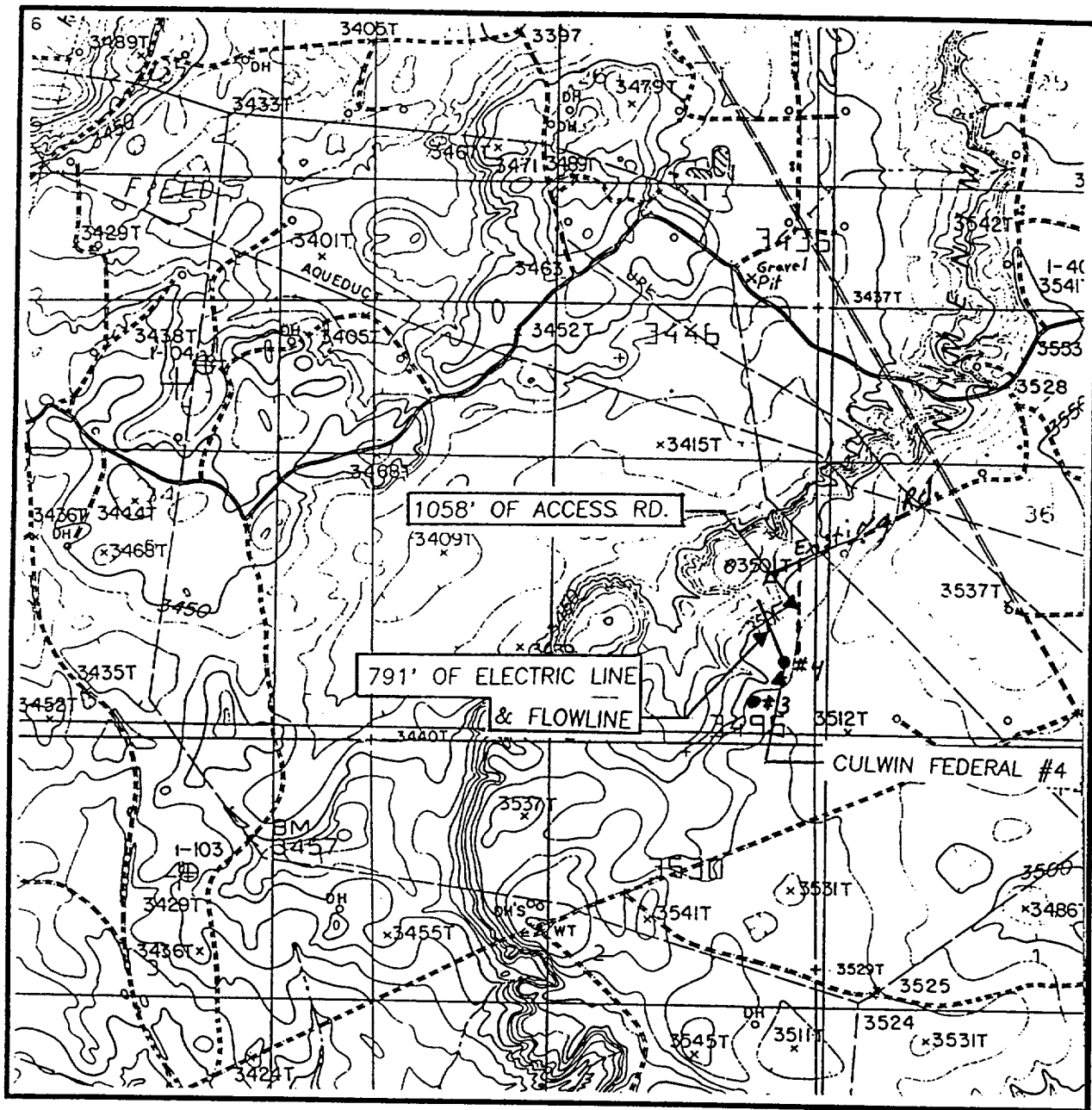
Exhibit #2

Diag on file.

PROPOSED ACCESS ROAD SKECH



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
HACKBERRY LAKE - 10'

SEC. 35 TWP. 18-S RGE. 30-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 990' FSL & 330' FEL

ELEVATION 3509

OPERATOR SDX RESOURCES INC.

LEASE Culwin 35 Federal

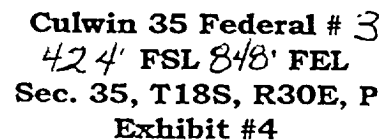
U.S.G.S. TOPOGRAPHIC MAP

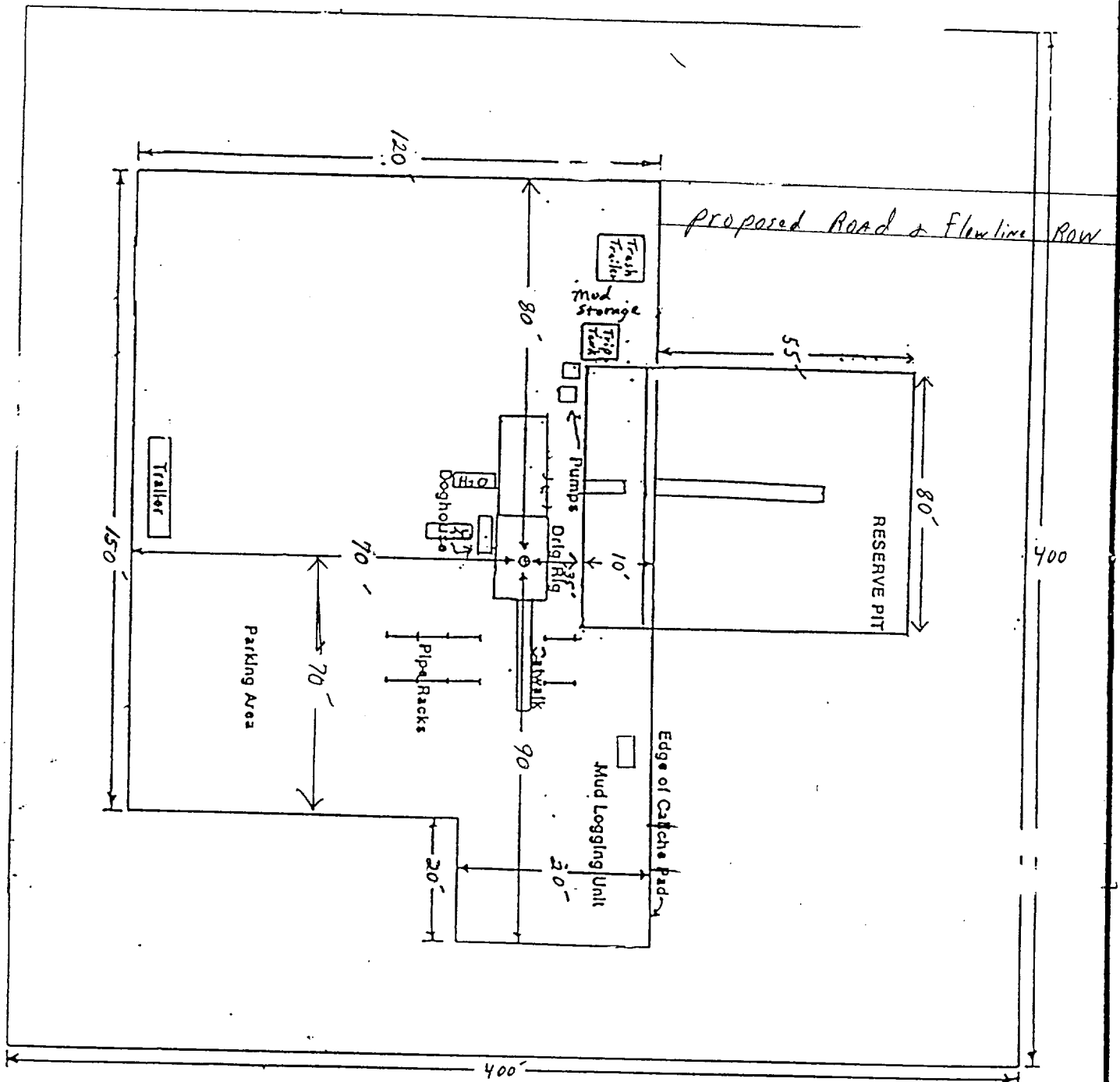
HACKBERRY LAKE, N.M.

**JOHN WEST ENGINEERING
HOBBS, NEW MEXICO**

(505) 393-3117

F. 1.1.1 # 3 R





SDX RESOURCES, INC

Drilling Rig Layout

Culwin #3

Sheet #5

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

811 S. 107 ST. SUBMIT APPLICANT
(Other instructions on reverse side)FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

C15F

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

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ZONE ☐MULTIPLE
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Unit P

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(Also to nearest drg. unit line, if any)

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01/15/99

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GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
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2-26-99
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SIGNED

Bonnie Atwater

TITLE

Regulatory Tech.

DATE 12/02/98

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Stephen A. Jordan

TITLE

Acting State Director

DATE

2-2-99

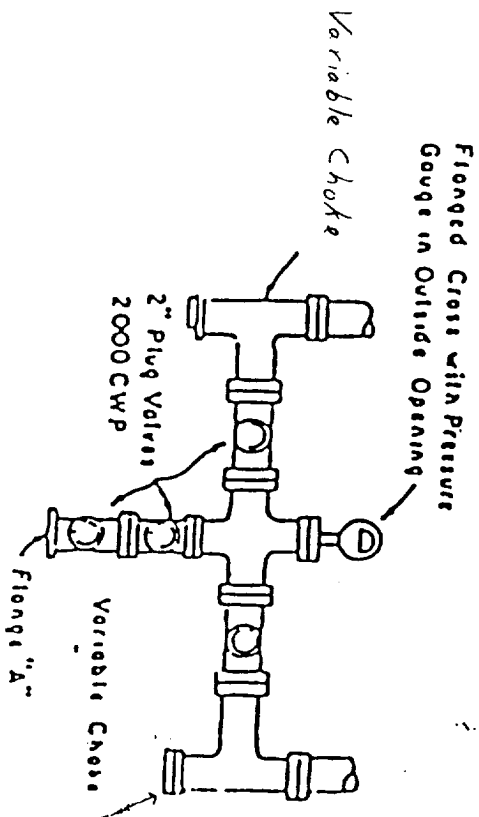
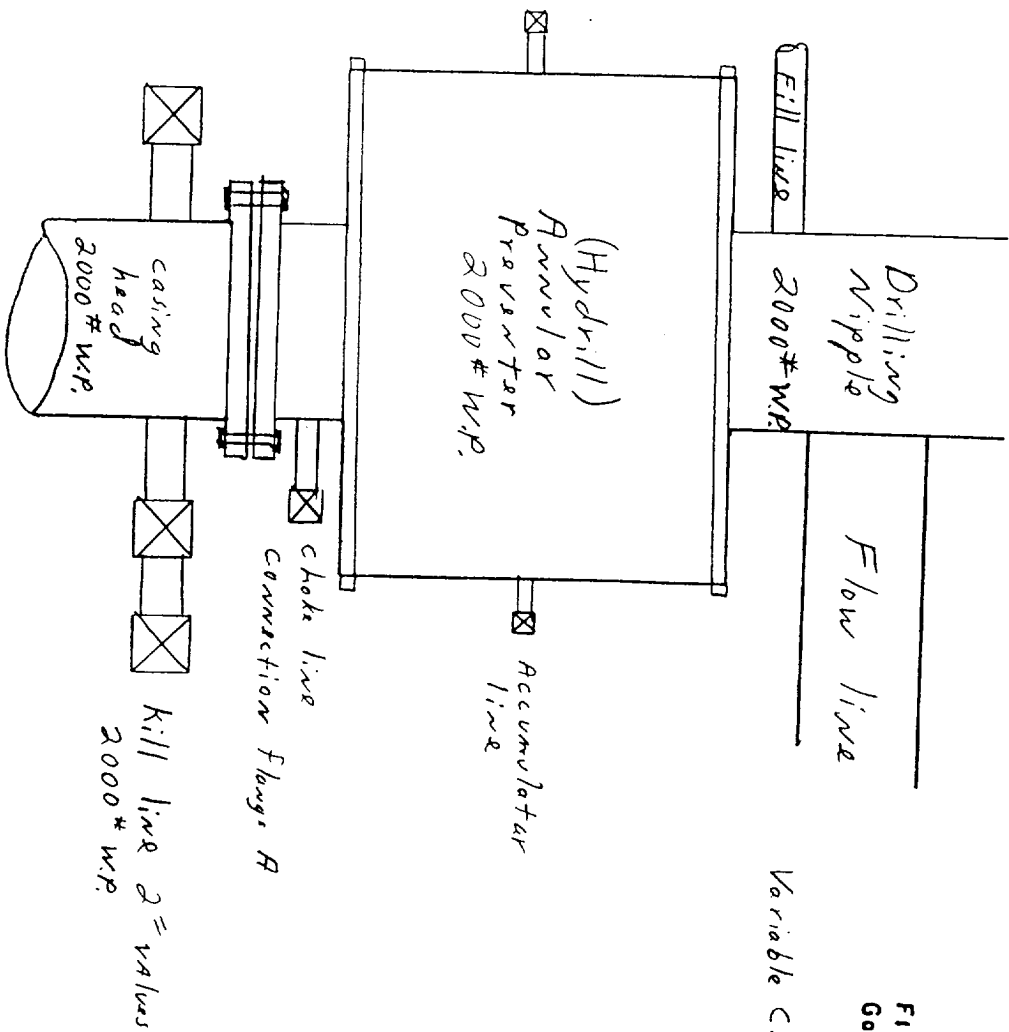
*See Instructions On Reverse Side

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 statements or representations as to any matter within its jurisdiction.

RECEIVED

DEC 04 '98

BLM
ROOSEVELT, NM



PLAN VIEW-CHOKE MANIFOLD

Exhibit #1

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

API Number	Pool Code 56439	Pool Name Shugart (Y,SR,QN,GB)
Property Code 019238	Property Name CULWIN 35 FEDERAL	Well Number 3
GRID No. 020451	Operator Name SDX RESOURCES, INC.	Elevation 3511.

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
	35	18-S	30-E		424	SOUTH	848	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

16				<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Bonnie Atwater</i></p> <p>Signature Bonnie Atwater</p> <p>Printed Name Regulatory Tech.</p> <p>Title November 25, 1998</p> <p>Date</p>
				<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>NOVEMBER 18, 1998</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>[Signature]</i></p> <p>Certificate Number NM PR&PS NO. 5412</p>

Exhibit #2