

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

|   |  |   |
|---|--|---|
| <p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br/>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</p>                   |  | <p>WELL API NO.<br/>30 015 32799</p>  |
| <p>1. Type of Well: Oil Well    Gas Well    <input checked="" type="checkbox"/> Other - SWD</p>   |  | <p>5. Indicate Type of Lease<br/>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p> |
| <p>2. Name of Operator<br/>OGX Resources, LLC</p>   |  | <p>6. State Oil &amp; Gas Lease No<br/>P 5:41</p>   |
| <p>3. Address of Operator<br/>P.O. Box 2064, Midland, TX 79702</p>  |  | <p>7. Lease Name or Unit Agreement Name<br/>Tesuque 2 State</p>   |
| <p>4. Surface Well Location<br/>Unit Letter <u>C</u> : 660 feet from the <u>North</u> line and <u>1980</u> feet from the <u>West</u> line<br/>Section <u>2</u>    Township <u>26S</u>    Range <u>29E</u>    NMPM    Eddy    County</p> |  | <p>8. Well Number <u>1</u></p>  |
| <p>11. Elevation (Show whether DR, RKB, RT, GR, etc)<br/>3050' GR</p>   |  | <p>9. OGRID Number<br/>217955</p>   |
|   |  | <p>10. Pool name or Wildcat<br/>Brushy Draw, Delaware North</p>   |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐

OTHER: Saltwater Line, Battery, Wellbore Diagram ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: Water Sample ☒

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Tesuque 2 State Well #1, 30 015 32799, Administrative Order SWD-1164, Unit Ltr C, Sec 2, T26S, R29E, Eddy County will be utilized for salt water disposal for the OGX, Reposado 2 State, Well #1H.

Propose to run a 3" surface poly pipe, not to exceed 125 psi from Reposado 2 State #1H to the Tesuque 2 State #1 to carry produced formation water. Also, a 1" surface poly line from Reposado to Tesuque to carry gas to the triplex injection pump and generator at the Tesuque wellsite.

The disposal facility diagram for the Tesuque 2 State, Well #1 location is attached, along with the Tesuque 2 State, Well #1 water analysis, and current wellbore diagram, as directed by Order SWD-1164.

Basin Surveys pipeline plat is also attached.

Spud Date:

Rig Release Date:

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

SIGNATURE Ann E. Ritchie TITLE Regulatory Agent DATE 5-4-09

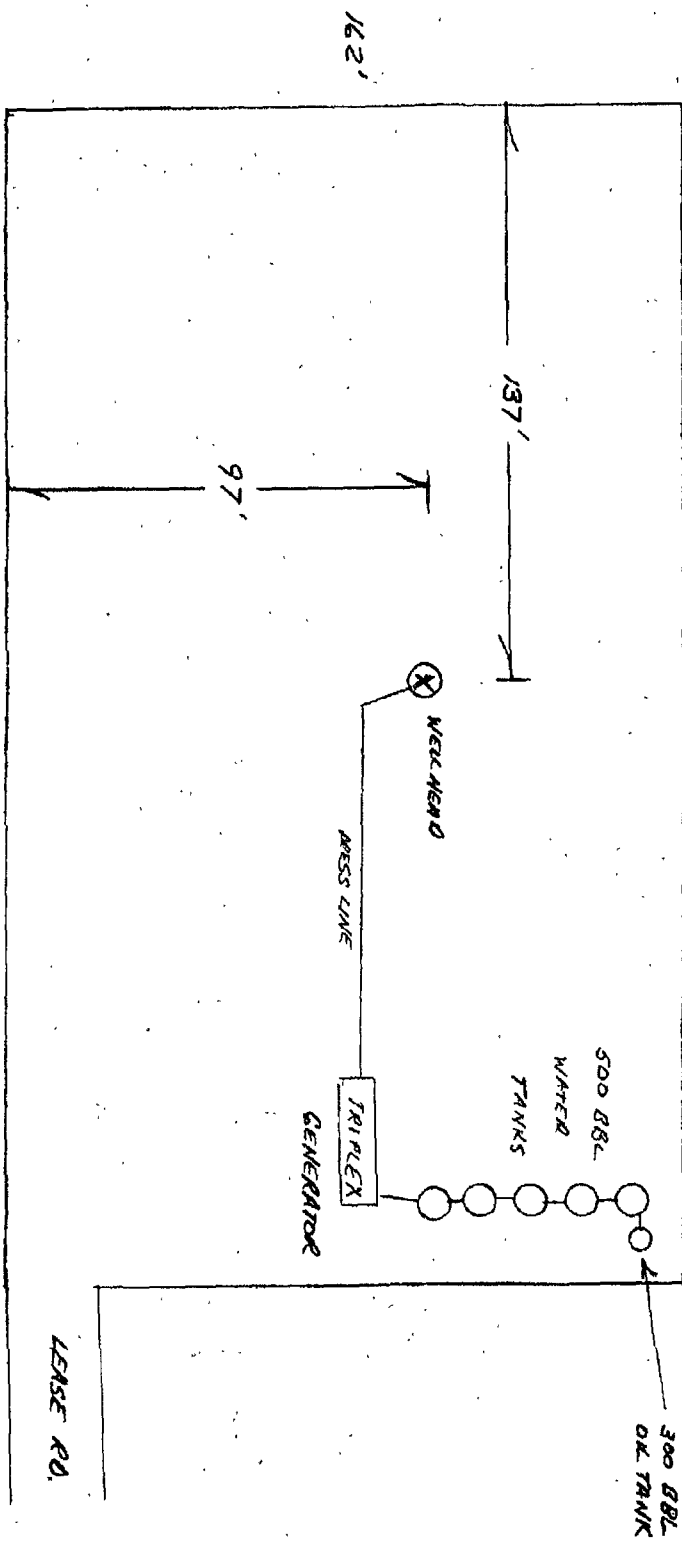
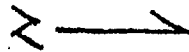
Type or print name ☒ Ann E. Ritchie E-mail address: ann.wtor@gmail.com PHONE: 432 684-6381

For State Use Only

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any): \_\_\_\_\_

# TESUQUE "2" STATE #1 SWD SCHEMATIC



709 W. INDIANA  
MIDLAND, TEXAS 79701  
FAX (432) 682-8819

|                  |         |
|------------------|---------|
| LABORATORY NO.   | 501-1   |
| SAMPLE RECEIVED  | 4-28-09 |
| RESULTS REPORTED | 5-1-09  |

REMARKS: Delaware

Results Reported As Milligrams Per Liter

|                                       |  |
|---------------------------------------|--|
| Additional Determinations And Remarks | Both of these samples show salt levels and ratios that compare well with our Delaware records in southern Eddy county. |
|---------------------------------------|--|

Greg Ogden, B.S.



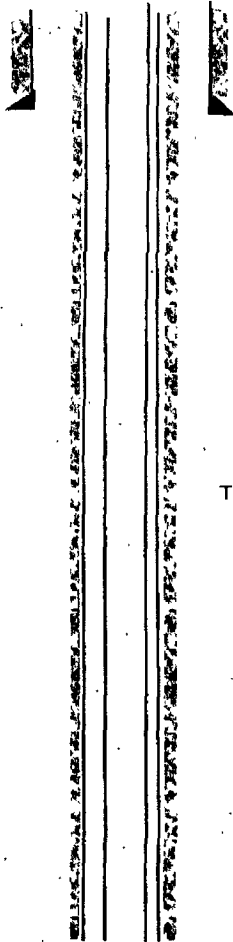
# OGXResources LLC

TESUQUE "2" STATE No.1

sur:660'FNL & 1980'FWL  
Sec.2, T26S, R29E  
Eddy County, New Mexico

CURRENT WELLBORE / SWD

API: 30-015-32799



581'  
8 5/8" 24#  
650 sx  
TOC: surf

TBG : 128 JTS 2 7/8" Rice