

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

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

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

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| WELL API NO. 30-015-27298 |
| Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| State Oil & Gas Lease No. |
| Lease Name or Unit Agreement Name East Millman Unit |
| Well No. 197 |
| Pool name or Wildcat Millman, QN-GB-SA, East |

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| SUNDRY NOTICES AND REPORTS ON WELLS (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.) | |
| Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> | |
| Name of Operator SDX Resources, Inc. | |
| Address of Operator PO Box 5061, Midland, TX 79704 | |
| Well Location Unit Letter F : 2608 Feet From The North Line and 1354 Feet From The West Line Section 14 Township 19S Range 28E NMPM Eddy County | |
| Elevation (Show whether DF, RKB, RT, GR, etc.) | |

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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 ☐
OTHER: Re-complete ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ANBANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

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.

MIRU & TOH w/pump. NU BOP & TOH w/2-7/8" tbg. Set CIBP @ 2380'.

TOH. Pmp 100 bbls 2% KCL to load hole.

Perf 1 spf spiraled: 2082', 84, 86, 88, 90, 92, 2128, 30, 32, 92, 94, 96 2232, 34, 36, 44, 90, 92, 94, 96 (20 holes).

TIH w/PPI tool w/20' spacing. Break down zones in 5 settings & pump 420 gal of acid into ec setting @ 1-3 bpm. TOH w/PPI & PU pkr. TIH & set @ 2060'. Acidize all perfs w/3000 gal of acid w/40 balls. Total acid = 5100 gal 15% NEFE.

Flow back acid & swab test zone. Will pump test zone & if necessary will frac together w/the upper perfs as per frac recommendation to be determined after acid job.

Original approval expired 8/28/03.

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

SIGNATURE Bonnie Atwater TITLE Regulatory Tech DATE 09-12-03

TYPE OR PRINT NAME Bonnie Atwater TELEPHONE NO. 432/685-1761

(This space for State Use)

APPROVED BY Jim W. Burns TITLE District Supervisor DATE SEP 17 2003

CONDITIONS OF APPROVAL, IF ANY: