CONDITIONS OF APPROVAL, IF ANY:

State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION **DISTRICT I** WELL API NO. P.O. Box 1980, Hobbs, NM 88240 2040 Pacheco St. Santa Fe, NM 87505 12 13 14 15 16 30-015-27725 DISTRICT II sIndicate Type of Lease P.O. Drawer DD, Artesia, NM 88210 ଠ STATE FEEL DISTRICT III 0 State Oil & Gas Lease No. 1000 Rio Brazos Rd., Aztec, NM 87410 648 SUNDRY NOTICES AND REPORTS ON WELL'S (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BASK TO A Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" East Millman Unit (FORM C-101) FOR SUCH PROPOSALS.) Type of Well: WELL X «Well No 2Name of Operator SDX Resources, Inc. 224 3Address of Operator «Pool name or Wildcat E Millman, QN-GB-SA PO Box 5061, Midland, TX 79704 4Well Location North 2268 G : 2310 Feet From The East Unit Letter Feet From The 22 198 28E Eddv Section NMPM County 10Elevation (Show whether DF, RKB, RT, GR, etc.) 3399' GR 11 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PLUG AND ABANDON PERFORM REMEDIAL WORK X REMEDIAL WORK ALTERING CASING **TEMPORARILY ABANDON** CHANGE PLANS COMMENCE DRILLING OPNS. PLUG AND ANBANDONMENT PULL OR ALTER CASING CASING TEST AND CEMENT JOB OTHER: OTHER: 12Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. 8-5/8" 24# J-55 csg @ 402'. Cmtd w/350 sx. Circ 96. 5-1/2" 14# J-55 csg @ 2641'. Cmtd w/400 sx Lite & 300 sx Cl C. Circ. Perfs: 2102-2276' & 1632-1839 PROPOSE: Set CIBP @ 1580'. Circ w/2% KCL. Test csg, CIBP & BOP to 1000#, TOH. Perf. 1 spf spiraled: 1074', 76, 83, 86, 89, 94, 98, 1103, 12, 21, 23, 28, 34, 42, 61 (15 holes OH log depths). Acidize w/2000 gal 15% NEFE w/clay master & 30 ball sealers. Flow back acid & swab test zone. Frac w/30,000 gal Spectra frac w/65,000# 16/30 Brady sd pumped @ 20 bpm. SION. Flow back frac. Circ lean to PBTD w/2% KCL. Pump back load. TITLE Regulatory Tech DATE 09-11-03 SIGNATURE TYPE OR PRINT NAME Bonnie Atwater TELEPHONE NO. 432/685-1761 Tim W. Gum District Supervisor APPROVED BY