CONDITIONS OF APPROVAL, IF ANY:

State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION DISTRICT I P.O. Box 1980, Hobbs, NM 88240 WELL API NO. 2040 Pacheco St. RECEIVED 30-015-31387 Santa Fe, NM 87505 DISTRICT II
P.O. Drawer DD, Artesia, NM 88210 sIndicate Type of Lease NOV 2.8 2003 STATE FEE 1000 Rio Brazos Rd., Aztec, NM 87410OCD-ARTESIA 6State 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 7Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" **Tigner State** (FORM C-101) FOR SUCH PROPOSALS.) Type of Well: WELL X WELL OTHER «Well No. 2Name of Operator SDX Resources, Inc. 3Address of Operator Pool name or Wildcat PO Box 5061, Midland, TX 79704 Red Lake SA (97253)/Artesia GL (96830) Well Location 2310 Feet From The 990 South West Line and Feet From The Line 28 **17S** 28E Eddy NMPM Township Range County toElevation (Show whether DF, RKB, RT, GR, etc.) 3648' 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 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: Commingling 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. This is for record: This well is being commingled from the following: Artesia GL-YE (96830) Perfs: 3426' - 3452' and from Red Lake San Andres (97253) Perfs: 2323' - 2883' I hereby certify that the information above is true and opmplete to the best of my knowledge and belief. TITLE Regulatory Tech DATE 11-20-03 TYPE OR PRINT NAME Bonnie Atwater TELEPHONE NO. 432/685-1761 (This space for State Use) FOR RECORDS ONLY APPROVED BY TITLE DATE