

Submit 3 Copies to Appropriate District Office

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
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 020451

5. Indicate Type of Lease
STATE FEE

6. State 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 DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
OIL WELL GAS WELL OTHER

7. Lease Name or Unit Agreement Name
Conoco 7 State

2. Name of Operator
SDX Resources, Inc.

8. Well No. 16

3. Address of Operator
P. O. Box 5061, Midland, TX 79704

9. Pool name or Wildcat
Millman ON-GR-SA (46555)

4. Well Location
Unit Letter G : 2500 Feet From The North Line and 2630 Feet From The East Line
Section 7 Township 19S Range 29E NMPM Eddy County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3376'

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: <u>Spud & surface casing</u> <input checked="" type="checkbox"/>	

12. 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.

12/15/96 MI & RU United Drilling Co's Rig #4. Spud 12-1/4" hole @ 12:15 a.m., MST, 12/14/96. Drilled 12-1/4" hole to 375'. RU and run 12 jts 24# 8-5/8" csg. set @ 372'. Cmted w/350 sxs Cl "C" w/2% CaCl & 1/4# Flocele/sx. Circulated 85 sxs to surf. PD @ 11:00 p.m., 12/14/96. NU BLP & test csg & BOP to 1000 psi for 30 min, OK. WOC 18 hrs

Prep to drill 7-7/8" hole and drill ahead.

DEC 18 '96
O. C. D.
ARTESIA, OFFICE

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

SIGNATURE Janice Courtney TITLE Regulatory Tech DATE 12/17/96

TYPE OR PRINT NAME Janice Courtney TELEPHONE NO. 915/685-176

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY TIM W. GUM TITLE _____ DATE DEC 24 1996
DISTRICT I SUPERVISOR

CONDITIONS OF APPROVAL, IF ANY: