

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address SDX RESOURCES INC PO BOX 5061 MIDLAND , TX 79704		2. OGRID Number 20451
		3. API Number 30-015-35973
4. Property Code 26502	5. Property Name RESLER STATE	6. Well No. 002

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	25	17S	27E	I	1980	S	990	E	EDDY

**8. Pool Information**

RED LAKE;QUEEN-GRAYBURG-SA	51300
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**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3570
14. Multiple N	15. Proposed Depth 4000	16. Formation San Andres Formation	17. Contractor	18. Spud Date 2/1/2008
Depth to Ground water 100		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000

Pit: Liner: Synthetic ☒ 12 \_\_\_\_\_ mils thick Clay ☐ Pit Volume: 8000 \_\_\_\_\_ bbls Drilling Method:  
 Closed Loop System ☐ Fresh Water ☐ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☒

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	400	325	0
Prod	7.875	5.5	14	4000	600	0

**Casing/Cement Program: Additional Comments**

Plan to drill a 12-1/4" hole to appx 400' & set 8-5/8" surf csg to 400'. Circ C1C cmt. Drill 7-7/8" hole to TD (4000'). Run OH logs. Run 5-1/2" csg & circ cmt. Perf the QN-GB-SA zone & stimulate as necessary for optimum production. Anticipated H2S levels are not expected to be high enough to require an H2S Contingency plan.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Annular	1000	1000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCB-approved plan <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Electronically filed by Bonnie Atwater	Approved By: Bryan Arrant	
Title: Manager	Title: Geologist	
Email Address: batwater@sdxresources.com	Approved Date: 12/10/2007   Expiration Date: 12/10/2008	
Date: 12/6/2007   Phone: 432-685-1761	Conditions of Approval Attached	

District I  
1625 N. French Dr. Hobbs, NM 88240

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, N M 87505

Form C-102

Revised March 17, 1999  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 51300	Pool Name Red Lake, QN-GB-SA
Property Code 26502	Property Name <b>RESLER STATE</b>	Well Number 2
OGRID No. 020451	Operation Name <b>SDX RESOURCES, INC.</b>	Elevation 3570

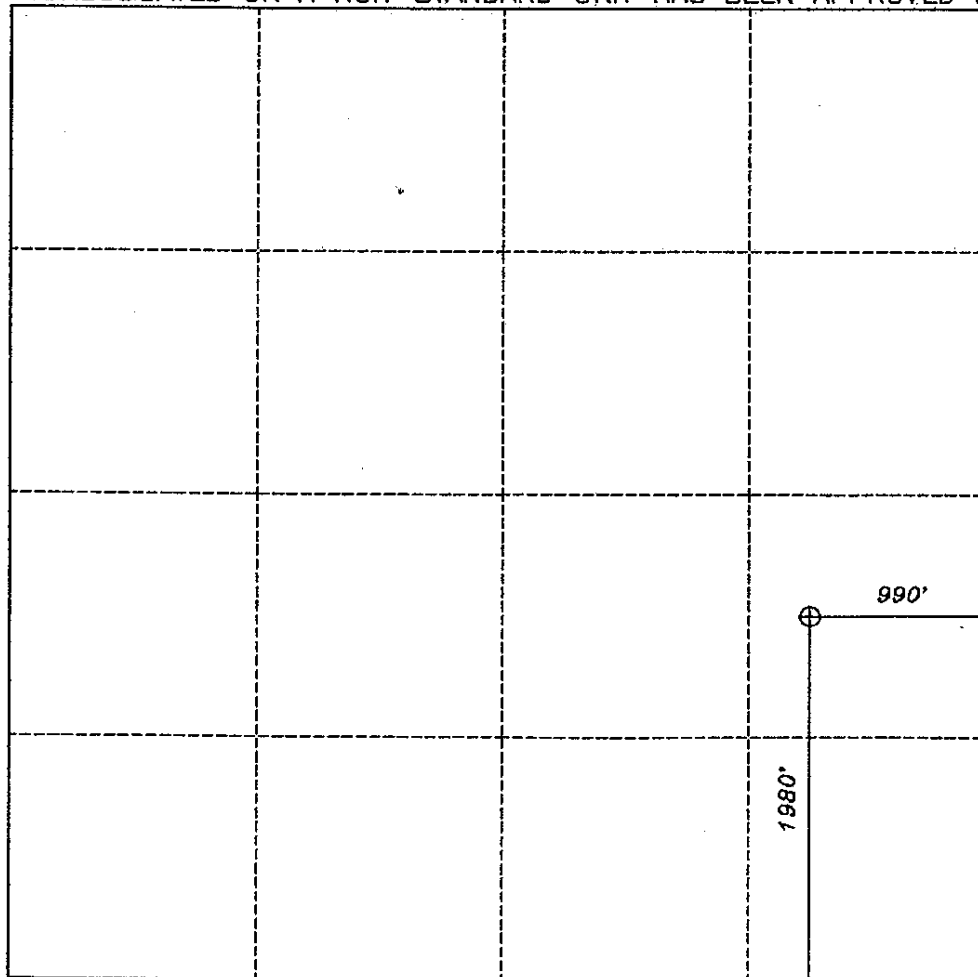
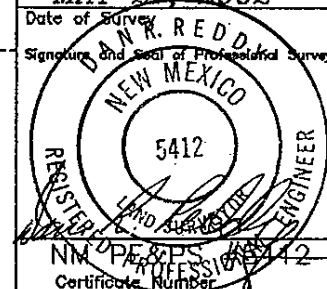
Surface Location

UL or Lot No. <b>I</b>	Section <b>25</b>	Township <b>17-S</b>	Range <b>27-E</b>	Lot Idn.	Feet from the <b>1980</b>	North/South line <b>SOUTH</b>	Feet from the <b>990</b>	East/West line <b>EAST</b>	County <b>EDDY</b>
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Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill.	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<b>OPERATOR CERTIFICATION</b> I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
	Signature <i>Bonnie Atwater</i> 12/3/07
	Printed Name Bonnie Atwater
	Title <u>Regulatory Tech</u> Date <u>5/29/02</u>
	<b>SURVEYOR CERTIFICATION</b> I HEREBY CERTIFY THAT THE WELL LOCATION SHOWN ON THIS PLAT WAS PLOTTED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
	Date of Survey <u>MAY 21, 2002</u>
	Signature and Seal of Professional Surveyor 

Original on file

## Permit Comments

Operator: SDX RESOURCES INC , 20451

Well: RESLER STATE #002

API: 30-015-35973

Created By	Comment	Comment Date
BATWATER	This is a re-submittal. Original plat is on file.	12/3/2007
BATWATER	Original plat on file.	12/3/2007
BArrant	On any APD submitted, please show your cementing, casing and drilling mud in detail. Submit a h2s well contingency plan per NMOC Rule 118. If in your review a plan is not required, submit a letter of statement. Thanks!!, Bryan Arrant	12/6/2007

# Permit Conditions of Approval

Operator: SDX RESOURCES INC , 20451

Well: RESLER STATE #002

API: 30-015-35973

OCD Reviewer	Condition
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	As noted, operator to drill surface hole w/fresh water mud.