

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 30-015-36031
4. Property Code 28535	5. Property Name WELCH RL STATE	6. Well No. 004

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	28	17S	28E	D	660	N	990	W	EDDY

8. Pool Information

RED LAKE; SAN ANDRES	97253
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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 3603
14. Multiple N	15. Proposed Depth 4000	16. Formation San Andres	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	8.63	24	350	350	0
Prod	7.88	5.5	14	4000	750	0

Casing/Cement Program: Additional Comments

Plan to drill a 12-1/4" hole to appx 350' & set 8-5/8" surf csg to 350'. Circ C1 C 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 prod.

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 ☒ a general permit ☐ or an (attached) alternative OCB-approved plan ☐ .	OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Bonnie Atwater	Approved By: Bryan Arrant	
Title: Manager	Title: Geologist	
Email Address: batwater@sdxresources.com	Approved Date: 1/10/2008	Expiration Date: 1/10/2009
Date: 1/9/2008	Phone: 432-685-1761	Conditions of Approval Attached

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

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brasos Rd., Asteo, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code 51300	3 pool Name Red Lake, QN-GB-SA
4 Property Code 28535	5 Property Name WELCH RL STATE	
6 Well Number 4		
7 OGRID No. Q20451	8 Operator Name SDX RESOURCES, INC.	
		9 Elevation 3603

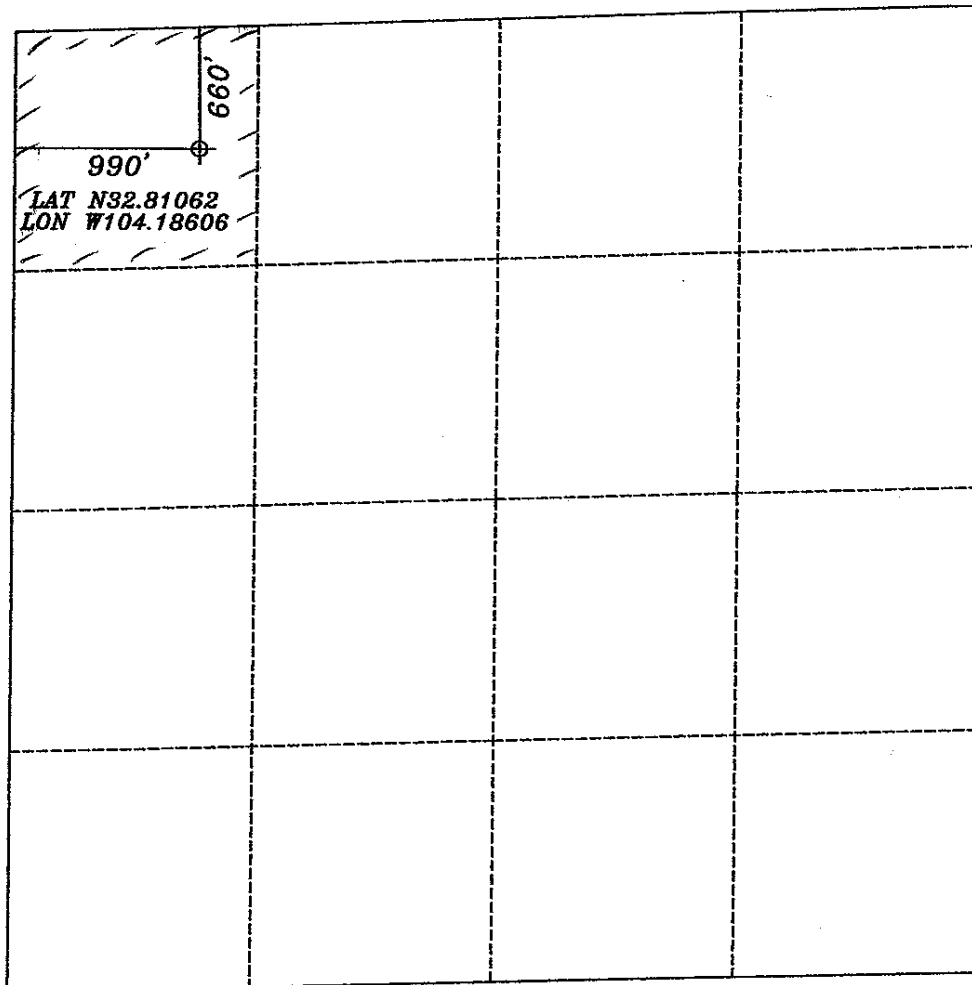
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
D	28	17-S	28-E		660	NORTH	990	WEST	EDDY

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
12 Dedicated Acres 40		13 Joint or Infill		14 Consolidation Code		15 Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 OPERATORS CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or retained interest in the land underlying the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such interest or working interest, or to voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Bonnie Atwater 12/20/07

Signature Date

Bonnie Atwater

Printed Name

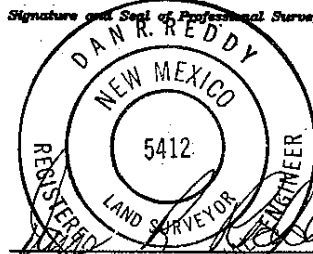
18 SURVEYOR CERTIFICATION

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 belief.

DECEMBER 13, 2007

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate Number: 5412
DAN R. REDDY NM PE&PS #5412

Permit Comments

Operator: SDX RESOURCES INC , 20451

Well: WELCH RL STATE #004

API: 30-015-36031

Created By	Comment	Comment Date
BArrant	Re submit with the proper pool.	1/9/2008

Permit Conditions of Approval

Operator: SDX RESOURCES INC , 20451

Well: WELCH RL STATE #004

API: 30-015-36031

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.