

1379

Form C-142

Date 06/99

District I - (505) 393-6161
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department

Oil Conservation Division

2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE

NOV - 4 1999

OIL CONSERVATION DIVISION APPLICATION FOR NEW WELL STATUS

I. Operator and Well

| | | | | | | | | |
|--|---------------|-----------------|--------------|-----------------------|---------------------------|----------------------------|------------------------|----------------|
| Operator name & address SDX Resources, Inc. P. O. Box 5061, Midland, Texas 79704 | | | | | | | OGRID Number 020451 | |
| Contact Party Fred C. Corey | | | | | | | Phone 915-685-1761 | |
| Property Name NW State | | | | | Well Number 4 | API Number 30-015-30734 | | |
| UL B | Section 32 | Township 17S | Range 28E | Feet From The 1140 | North/South Line North | Feet From The 2277 | East/West Line East | County Eddy |

II. Date/Time Information

| | | | |
|----------------------------|-----------------------|--------------------------------|------------------------------------|
| Spud Date Sept. 6, 1999 | Spud Time 11:00 AM | Date Completed Oct. 8, 1999 | Pool Artesia (QN-GB-SA) (03230) |
|----------------------------|-----------------------|--------------------------------|------------------------------------|

III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

State of TEXAS)
County of Midland) ss.

Join Pool, being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- To the best of my knowledge, this application is complete and correct.

Signature [Signature] Title Vice President Date November 2, 1999

SUBSCRIBED AND SWORN TO before me this 2nd day of November, 1999.

My Commission expires: 7-26-01

[Signature]
Notary Public

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

| | | |
|---------------------------------|----------------------------|------------------------|
| Signature <u>[Signature]</u> | Title <u>P.E. Speer</u> | Date <u>12-7-99</u> |
|---------------------------------|----------------------------|------------------------|

VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 12/7/99

NOTICE: The operator must notify all working interest owners of this New Well certification.

PV2V2007137495

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies
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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

Form C-105
Revised 1-1-89

WELL API NO.
30-015-30734

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

NW State

8. Well No.
4

9. Pool name or Wildcat
Artesia (QN-GB-SA) (03230)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER _____
b. Type of Completion:
NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF RESVR ☐ OTHER _____

2. Name of Operator
SDX Resources, Inc.

3. Address of Operator
PO Box 5061, Midland, TX 79704

4. Well Location
Unit Letter B 1140 Feet From The North Line and 2277 Feet From The East Line
Section 32 Township 17S Range 28E NMPM Eddy County

10. Date Spudded 09/06/99 11. Date T.D. Reached 09/10/99 12. Date Compl. (Ready to Prod.) 10/08/99 13. Elevations (DF & RKB, RT, GR, etc.) 3696 14. Elev. Casinghead

15. Total Depth 3200 16. Plug Back T.D. 3163 17. If Multiple Compl. How Many Zones? 18. Intervals Drilled By Rotary Tools ☒ Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name 2450-2813 20. Was Directional Survey Made Yes

21. Type Electric and Other Logs Run DLL, LDT, GR, CNL 22. Was Well Cored No

23. CASING RECORD (Report all strings set in well)

| CASING SIZE | WEIGHT LB/FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
|-------------|---------------|-----------|-----------|------------------------------|---------------|
| 8-5/8" | 24# | 525 | 12-1/4 | 350 sx Class C | None |
| 5-1/2" | 15.5# | 3195 | 7-7/8" | 350 sx Lite + 300 sx Class C | None |
| | | | | | |
| | | | | | |

| 24. LINER RECORD | | | | | 25. TUBING RECORD | | |
|------------------|-----|--------|--------------|--------|-------------------|-----------|------------|
| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN | SIZE | DEPTH SET | PACKER SET |
| | | | | | 2-3/8" | 2845 | |
| | | | | | | | |

| 26. Perforation record (interval, size, and number) | | | | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. | |
|--|--|--|--|---|--|
| 2450, 56, 60, 70, 80, 2512, 16, 18, 28, 46, 53, 70, 86, 2605, 31, 54, 2678, 82, 86, 95, 2700, 06, 14, 35, 72, 82, 86, 97, 99, 2813 (1 spf, 30 holes, 4" select fire) | | | | DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED |
| | | | | 2450 - 2813 | A: 3500 gal 15% NEFE |
| | | | | | F: 52,332 gal Spectra 25 + 99,220# 16/30 |
| | | | | | + 38,140# 12/20 Brady Sd |

28. PRODUCTION

| | | | | | | | | |
|-----------------------------------|--------------------|--|---------------------------|------------------|---------------------|-----------------------------|--|--|
| Date First Production 10/16/99 | | Production Method (Flowing, gas lift, pumping - Size and type pump) Pump 2" x 1-1/2" x 12' RWAC | | | | | Well Status (Prod. or Shut-in) Prod | |
| Date of Test 10/17/90 | Hours Tested 24 | Choke Size | Prod'n For Test Period | Oil - BbL. 58 | Gas - MCF 60 | Water - BbL. 250 | Gas - Oil Ratio 1034 | |
| Flow Tubing Press. | Casing Pressure | Calculated 24- Hour Rate | Oil - BbL. 58 | Gas - MCF 60 | Water - BbL. 250 | Oil Gravity - API - (Corr.) | | |

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold Test Witnessed By Chuck Morgan

30. List Attachments
Deviation Survey, Logs

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Bonnie Atwater Printed Name Bonnie Atwater Title Regulatory Tech. Date 10/20/99

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all specific tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

| | | | |
|----------------------------|------------------------|-----------------------------|------------------------|
| T. Anhy _____ | T. Canyon _____ | T. Ojo Alamo _____ | T. Penn. "B" _____ |
| T. Salt _____ 560.0 | T. Strawn _____ | T. Kirtland-Fruitland _____ | T. Penn. "C" _____ |
| B. Salt _____ 600.0 | T. Atoka _____ | T. Pictured Cliffs _____ | T. Penn. "D" _____ |
| T. Yates _____ 600.0 | T. Miss _____ | T. Cliff House _____ | T. Leadville _____ |
| T. 7 Rivers _____ 940.0 | T. Devonian _____ | T. Menefee _____ | T. Madison _____ |
| T. Queen _____ 1300.0 | T. Silurian _____ | T. Point Lookout _____ | T. Elbert _____ |
| T. Grayburg _____ 1610.0 | T. Montoya _____ | T. Mancos _____ | T. McCracken _____ |
| T. San Andres _____ 1920.0 | T. Simpson _____ | T. Gallup _____ | T. Ignacio Otzte _____ |
| T. Glorieta _____ | T. McKee _____ | Base Greenhorn _____ | T. Granite _____ |
| T. Paddock _____ | T. Ellenburger _____ | T. Dakota _____ | T. _____ |
| T. Blinebry _____ | T. Gr. Wash _____ | T. Morrison _____ | T. _____ |
| T. Tubb _____ | T. Delaware Sand _____ | T. Todilto _____ | T. _____ |
| T. Drinkard _____ | T. Bone Springs _____ | T. Entrada _____ | T. _____ |
| T. Abo _____ | T. _____ | T. Wingate _____ | T. _____ |
| T. Wolfcamp _____ | T. _____ | T. Chinle _____ | T. _____ |
| T. Penn _____ | T. _____ | T. Permain _____ | T. _____ |
| T. Cisco (Bough C) _____ | T. _____ | T. Penn. "A" _____ | T. _____ |

OIL OR GAS SANDS OR ZONES

No. 1, from _____ to _____

No. 2, from _____ to _____

No. 3, from _____ to _____

No. 4, from _____ to _____

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from to feet

No. 2, from to feet

No. 3, from to feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

| From | To | Thickness in Feet | Lithology |
|--------|--------|----------------------|----------------|
| 0.0 | 150.0 | 150.0 | Caliche/Redbed |
| 150.0 | 200.0 | 50.0 | Sand |
| 200.0 | 560.0 | 360.0 | Anhy |
| 560.0 | 600.0 | 40.0 | Salt/Anhy |
| 600.0 | 1300.0 | 700.0 | Anhy/Dolo |
| 1300.0 | 1920.0 | 620.0 | Anhy/Dolo/Sand |
| 1920.0 | 3200.0 | 1280.0 | Dolo |

SDX Resources, Inc.
P.O. Box 5061
Midland, Texas 79704

SEP 17 1999

NW State # 4
Eddy County, New Mexico

| | | | | | |
|------|------|-------|------|-------|-------|
| 527 | 5.27 | 1 1/4 | 2.19 | 11.53 | 11.53 |
| 1000 | 4.73 | 2 | 3.50 | 16.56 | 28.08 |
| 1502 | 5.02 | 2 3/4 | 4.81 | 24.16 | 52.24 |
| 1650 | 1.48 | 1 3/4 | 3.06 | 4.53 | 56.77 |
| 2150 | 5.00 | 1/4 | 0.44 | 2.19 | 58.96 |
| 2617 | 4.67 | 3/4 | 1.31 | 6.13 | 65.09 |
| 3200 | 5.83 | 1 1/4 | 2.19 | 12.75 | 77.84 |


Michael Roghair - General Manager

The attached instrument was acknowledged before me on the 15 day of September, 1999 by Michael Roghair - General Manager, CapStar Drilling, Inc.




Notary Public

| PROPERTY | PROPERTY NAME | EFFECTIVE | | OWNER | OWNER NAME | D.D.I. | PREPAYMENT | COST | AFIL |
|-----------------------------|---------------|-----------|----------|----------------|-------------------------------|------------|------------|------|------|
| | | DECK | DATE | | | | LEASE WELL | CTR. | CODE |
| 022800-04 | NW STATE #04 | A | **BASE** | 0321200 | ERAM ALI | 0.02000000 | 022800-04 | 0 | N |
| Deck Header for 022800-04-A | | | | 0352380 | ALPINE RESOURCES, LLC | 0.12500000 | 022800-04 | 0 | N |
| | | | | 2535380 | ETKIND OIL, LLP | 0.06250000 | 022800-04 | 0 | N |
| | | | | 5790910 | WILLIAM S. MONTGOMERY, JR. | 0.05000000 | 022800-04 | 0 | N |
| | | | | 7332200 | WM. SCOTT RAMSEY | 0.02000000 | 022800-04 | 0 | N |
| | | | | 8031380 | SOG INVESTORS, LLC | 0.06250000 | 022800-04 | 0 | N |
| | | | | 8096200 | ST.ANSELN EXPLORATION COMPANY | 0.25000000 | 022800-04 | 0 | N |
| | | | | 9999802 | STEPHEN G. SELL | 0.18000000 | 022800-04 | 0 | Y |
| | | | | 9999803 | JOHN D. POOL | 0.18000000 | 022800-04 | 0 | Y |
| | | | | 9999812 | FRED C. COREY | 0.02500000 | 022800-04 | 0 | Y |
| | | | | 9999814 | CHARLES M. MORGAN | 0.02500000 | 022800-04 | 0 | Y |
| | | | | *** DECK TOTAL | 11 OWNERS | 1.00000000 | | | |

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

2040 Pacheco St.
Santa Fe, NM 87505

| |
|--|
| WELL API NO. 30-015-30734 |
| Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| State Oil & Gas Lease No. |
| Lease Name or Unit Agreement Name NW State |
| Well No. 4 |
| Pool name or Wildcat Artesia (QN-GB-SA) (03230) |

| | |
|--|--|
| 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.) | |
| Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER | |
| Name of Operator SDX Resources, Inc. | |
| Address of Operator PO Box 5061, Midland, TX 79704 | |
| Well Location Unit Letter <u>B</u> <u>1140</u> Feet From The <u>North</u> Line and <u>2277</u> Feet From The <u>East</u> Line Section <u>32</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County | |
| Elevation (Show whether DF, RKB, RT, GR, etc.) 3696' gr | |

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☒ PLUG AND ANBANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

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.

Spud 12-1/4" hole 11:00 am 9/6/99. Drill to 527'. Run 13 jts 8-5/8" csg. Set @ 525'. Cmt w/350 sx Class C. Circ 64 sx. WOC total of 18 hrs.

Drill 7-7/8" hole to TD 3200'. Reached TD 9/10/99. Run DLL, LDT, GR & CNL 3200 - 530'. Run 86 jts 5-1/2" 15.5# K55 ST&C csg. Set @ 3195'. Tag PBTD 3177'. Cmt w/350 sx Lite + 300 sx Class C. Circ 65 sx to pit.

Release Rig: 9/11/99, 5:30 pm.

Prep to Complete.

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

SIGNATURE

Bonnie Atwater

TITLE Regulatory Tech.

DATE 10-19-99

TYPE OR PRINT NAME Bonnie Atwater

TELEPHONE NO. 915/685-1761

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY: