

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

1403

Form C-142

Date 06/99

SUBMIT ORIGINAL  
PLUS 2 COPIES  
TO THE SANTA FE  
OFFICE

NOV 17 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 7		API Number 30-015-30685		
UL M	Section 32	Township 17S	Range 28E	Feet From The 990	North/South Line South	Feet From The 990	East/West Line West	County Eddy

II. Date/Time Information

Spud Date August 30, 1999	Spud Time 7:30 PM	Date Completed Sept. 27, 1999	Pool Artesia (ON-GB-SA)
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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.  
John Pool, being first duly sworn, upon oath states:

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

Signature [Signature] Title Vice President Date November 16, 1999  
SUBSCRIBED AND SWORN TO before me this 16th day of November, 1999  
[Signature]  
Notary Public  
My Commission expires 7-26-01

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. Lopez</u>	Date <u>NOV 30 1999</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 11/30/99

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

PVZV2007232697

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. 30-015-30685
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. 7
Pool name or Wildcat Artesia (QN-GB-SA)

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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>M</u> <u>990</u> Feet From The <u>South</u> Line and <u>990</u> Feet From The <u>West</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.) 3675' GR	

11

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: Spud, Reach TD & Set csg ☒

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 on 8/30/99 @ 7:30 pm. Drill to 496'. Run 12 jts 24# J-55, 8-5/8" csg. Land off @ 490'. RU Dowell & cmt w/100 sx RFC cmt & 350 sx Class C. WOC total of 18 hrs.

Start drlg 7-7/8" hole. Reach 3220' TD 9/4/99. Run 64 jts 5-1/2" K-55 14# csg & 20 jts 5-1/2" K-55 15.5# csg. Set @ 3215'. Cmt w/350 sx 35/65 POZ + 300 sx Class C. Circ 80 sx.

Release Rig: 10:00 pm 9/5/99.

Start completion work 9/19/99.

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 11-04-99

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:

22800-01

Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 5 copies  
**DISTRICT I**  
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-105  
Revised 1-1-89

**OIL CONSERVATION DIVISION**

2040 Pacheco St.  
Santa Fe, NM 87505

**DISTRICT II**  
P.O. Drawer DD, Artesia, NM 88210

**DISTRICT III**  
1000 Rio Brazos Rd, Aztec, NM 87410

WELL API NO. 30-015-30685
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		7. Lease Name or Unit Agreement Name  NW State
b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR <input type="checkbox"/> OTHER _____		
2. Name of Operator SDX Resources, Inc.		8. Well No. 7
3. Address of Operator PO Box 5061, Midland, TX 79704		9. Pool name or Wildcat Artesia (QN-GB-SA)
4. Well Location Unit Letter <u>M</u> <u>990</u> Feet From The <u>South</u> Line and <u>990</u> Feet From The <u>West</u> Line Section <u>32</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County		
10. Date Spudded 08/30/99	11. Date T.D. Reached 09/04/99	12. Date Compl. (Ready to Prod.) 09/27/99
13. Elevations (DF & RKB, RT, GR, etc.) 3675		14. Elev. Casinghead
15. Total Depth 3220	16. Plug Back T.D. 3173	17. If Multiple Compl. How Many Zones?
18. Intervals Drilled By	Rotary Tools <input checked="" type="checkbox"/>	Cable Tools
19. Producing Interval(s), of this completion - Top, Bottom, Name 2472 - 2762'		20. Was Directional Survey Made Yes
21. Type Electric and Other Logs Run DLL, LDT, CNL & GR		22. Was Well Cored Yes

**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# J-55	490'	12-1/4"	100 sx RFC + 350 sx C	None
5-1/2"	14 & 15.5# K-55	3215	7-7/8"	350 sx 35/65 POZ + 300 sx C	None

24. LINER RECORD					25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-3/8"	2400'	

26. Perforation record (interval, size, and number) 2472, 76, 80, 91, 96, 2507, 22, 30, 40, 53, 62, 70, 78, 86, 2600, 07, 27, 34, 40, 46, 83, 91, 2703, 14, 31, 39, 49, 62 (1 spf, 4" select fire, 28 holes)	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	2472 - 2762	A: 4000 gals 15% NEFE

**28. PRODUCTION**

Date First Production 09/28/99		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing				Well Status (Prod. or Shut-in) Prod	
Date of Test 09/28/99	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - Bbl. 65	Gas - MCF 100	Water - Bbl. 100	Gas - Oil Ratio 1538
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl. 65	Gas - MCF 100	Water - Bbl. 100	Oil Gravity - API - (Corr.)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold	Test Witnessed By Chuck Morgan
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30. List Attachments  
Logs, Deviation Survey

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 09/29/99

# 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

T. Anhy \_\_\_\_\_ T. Canyon \_\_\_\_\_  
 T. Salt \_\_\_\_\_ 560.0 T. Strawn \_\_\_\_\_  
 B. Salt \_\_\_\_\_ 640.0 T. Atoka \_\_\_\_\_  
 T. Yates \_\_\_\_\_ 640.0 T. Miss \_\_\_\_\_  
 T. 7 Rivers \_\_\_\_\_ 990.0 T. Devonian \_\_\_\_\_  
 T. Queen \_\_\_\_\_ 1430.0 T. Silurian \_\_\_\_\_  
 T. Grayburg \_\_\_\_\_ 1650.0 T. Montoya \_\_\_\_\_  
 T. San Andres \_\_\_\_\_ 1958.0 T. Simpson \_\_\_\_\_  
 T. Glorieta \_\_\_\_\_ T. McKee \_\_\_\_\_  
 T. Paddock \_\_\_\_\_ T. Ellenburger \_\_\_\_\_  
 T. Blinebry \_\_\_\_\_ T. Gr. Wash \_\_\_\_\_  
 T. Tubb \_\_\_\_\_ T. Delaware Sand \_\_\_\_\_  
 T. Drinkard \_\_\_\_\_ T. Bone Springs \_\_\_\_\_  
 T. Abo \_\_\_\_\_ T. \_\_\_\_\_  
 T. Wolfcamp \_\_\_\_\_ T. \_\_\_\_\_  
 T. Penn \_\_\_\_\_ T. \_\_\_\_\_  
 T. Cisco (Bough C) \_\_\_\_\_ T. \_\_\_\_\_

## Northwestern New Mexico

T. Ojo Alamo \_\_\_\_\_ T. Penn. "B" \_\_\_\_\_  
 T. Kirtland-Fruitland \_\_\_\_\_ T. Penn. "C" \_\_\_\_\_  
 T. Pictured Cliffs \_\_\_\_\_ T. Penn. "D" \_\_\_\_\_  
 T. Cliff House \_\_\_\_\_ T. Leadville \_\_\_\_\_  
 T. Menefee \_\_\_\_\_ T. Madison \_\_\_\_\_  
 T. Point Lookout \_\_\_\_\_ T. Elbert \_\_\_\_\_  
 T. Mancos \_\_\_\_\_ T. McCracken \_\_\_\_\_  
 T. Gallup \_\_\_\_\_ T. Ignacio Otzte \_\_\_\_\_  
 Base Greenhorn \_\_\_\_\_ T. Granite \_\_\_\_\_  
 T. Dakota \_\_\_\_\_ T. \_\_\_\_\_  
 T. Morrison \_\_\_\_\_ T. \_\_\_\_\_  
 T. Todilto \_\_\_\_\_ T. \_\_\_\_\_  
 T. Entrada \_\_\_\_\_ T. \_\_\_\_\_  
 T. Wingate \_\_\_\_\_ T. \_\_\_\_\_  
 T. Chinle \_\_\_\_\_ T. \_\_\_\_\_  
 T. Permian \_\_\_\_\_ T. \_\_\_\_\_  
 T. Penn. "A" \_\_\_\_\_ T. \_\_\_\_\_

## OIL OR GAS SANDS OR ZONES

No. 1, from \_\_\_\_\_ to \_\_\_\_\_ No. 3, from \_\_\_\_\_ to \_\_\_\_\_  
 No. 2, 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	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	640.0	80.0	Salt				
640.0	1430.0	790.0	Anhy/Dolo				
1430.0	1958.0	528.0	Anhy/Dolo/Sand				
1958.0	3220.0	1262.0	Dolo				

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

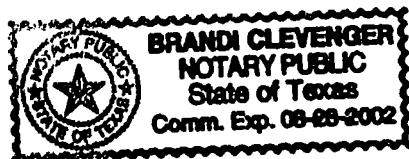
SEP 17 1999

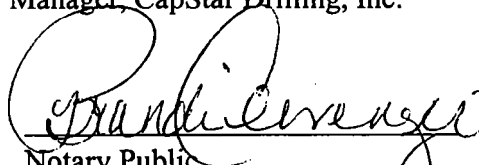
NW State # 7  
Eddy County, New Mexico

496	4.96	1 1/2	2.63	13.02	13.02
1000	5.04	1 3/4	3.06	15.44	28.46
1500	5.00	1/2	0.88	4.38	32.83
1997	4.97	3/4	1.31	6.52	39.35
2494	4.97	1	1.75	8.70	48.05
3000	5.06	1/2	0.88	4.43	52.48
3220	2.20	3/4	1.31	2.89	55.37

  
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 DECK	DATE	OWNER	OWNER NAME	D.D.I.	PREPAYMENT LEASE WELL	COST CTR.	AFIL CODE
022800-07	NW STATE #07	A	**BASE**	0321200	ERAM ALI	0.02000000	022800-07	0	N
Deck Header for 022800-07-A				0352380	ALPINE RESOURCES, LLC	0.12500000	022800-07	0	N
				2535380	ETKIND OIL, LLP	0.06250000	022800-07	0	N
				5790910	WILLIAM S. MONTGOMERY, JR.	0.05000000	022800-07	0	N
				7332200	WM. SCOTT RAMSEY	0.02000000	022800-07	0	N
				8031380	SOG INVESTORS, LLC	0.06250000	022800-07	0	N
				8096200	ST.ANSELN EXPLORATION COMPANY	0.25000000	022800-07	0	N
				9999802	STEPHEN G. SELL	0.18000000	022800-07	0	Y
				9999803	JOHN D. POOL	0.18000000	022800-07	0	Y
				9999812	FRED C. COREY	0.02500000	022800-07	0	Y
				9999814	CHARLES M. MORGAN	0.02500000	022800-07	0	Y
				*** DECK TOTAL	11 OWNERS	1.00000000			