

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 June 19, 2008

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO. 30 015 32799
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No P 5:41
7. Lease Name or Unit Agreement Name Tesuque 2 State
8. Well Number 1
9. OGRID Number 217955
10. Pool name or Wildcat Brushy Draw, Delaware North
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3050' GR

**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 - SWD

2. Name of Operator  
OGX Resources, LLC

3. Address of Operator  
P.O. Box 2064, Midland, TX 79702

4. Surface Well Location  
 Unit Letter C : 660 feet from the North line and 1980 feet from the West line  
 Section 2 Township 26S Range 29E NMPM Eddy County

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

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/>	<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A CASING/CEMENT JOB <input type="checkbox"/>
OTHER: Saltwater Line, Battery, Wellbore Diagram <input checked="" type="checkbox"/>	OTHER: Water Sample <input checked="" type="checkbox"/>

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Tesuque 2 State Well #1, 30 015 32799, Administrative Order SWD-1164, Unit Ltr C, Sec 2, T26S, R29E, Eddy County will be utilized for salt water disposal for the OGX, Reposado 2 State, Well #1H.  
 Propose to run a 3" surface poly pipe, not to exceed 125 psi from Reposado 2 State #1H to the Tesuque 2 State #1 to carry produced formation water. Also, a 1" surface poly line from Reposado to Tesuque to carry gas to the triplex injection pump and generator at the Tesuque wellsite.  
 The disposal facility diagram for the Tesuque 2 State, Well #1 location is attached, along with the Tesuque 2 State, Well #1 water analysis, and current wellbore diagram, as directed by Order SWD-1164.  
 Basin Surveys pipeline plat is also attached.

Spud Date:  Rig Release Date:

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

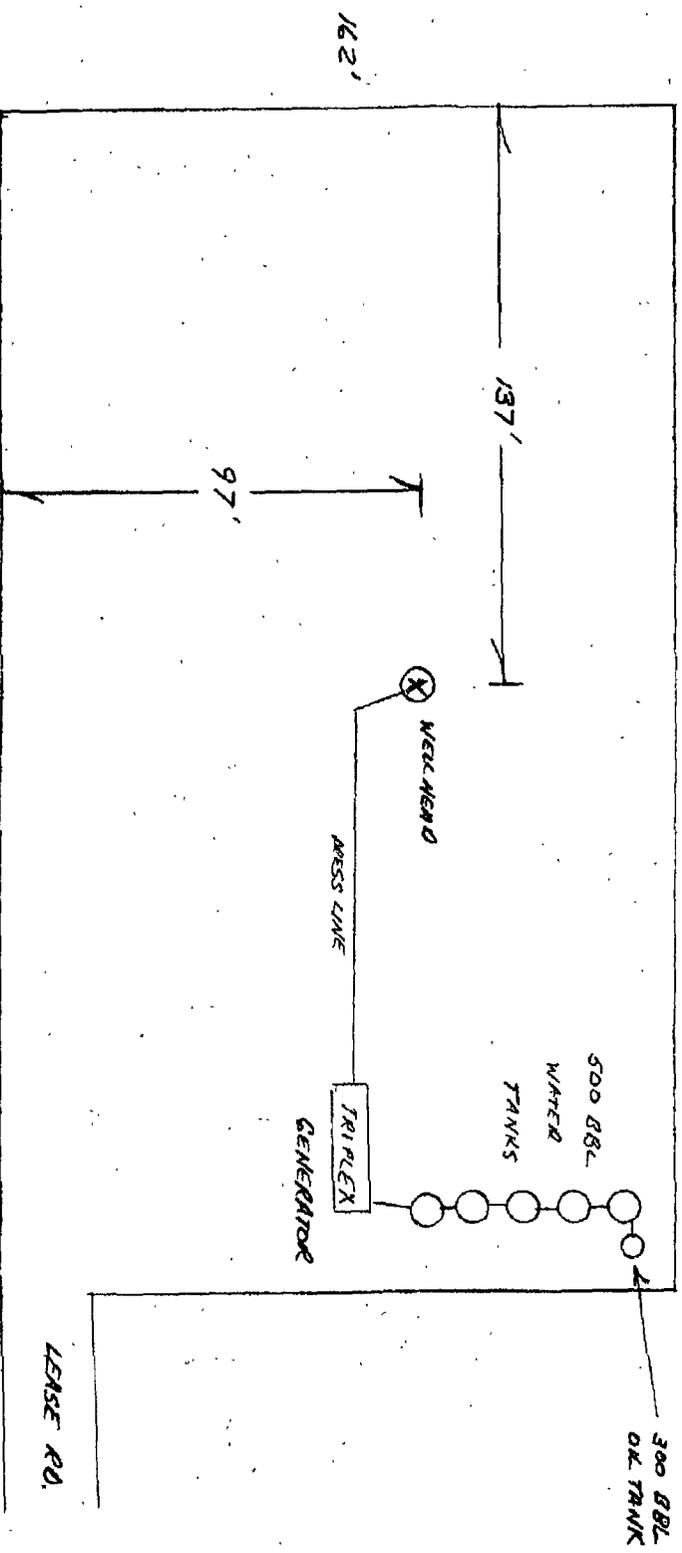
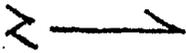
SIGNATURE Ann E. Ritchie TITLE Regulatory Agent DATE 5-4-09

Type or print name  Ann E. Ritchie E-mail address: ann.wtor@gmail.com PHONE: 432 684-6381  
**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any):

TESUQUE "2" STATE #1  
 SWD SCHEMATIC



282'

P.O. BOX 88  
MIDLAND, TX. 79702  
PHONE (432) 683-4521

Martin Water Laboratories, Inc.

709 W. INDIANA  
MIDLAND, TEXAS 79701  
FAX (432) 682-8819

RESULT OF WATER ANALYSES

TO: Mr. Jeff Birkenbach LABORATORY NO. 501-1  
PO Box 2064, Midland, TX 79702 SAMPLE RECEIVED 4-28-09  
RESULTS REPORTED 5-1-09

COMPANY OGX Resources LEASE Tesuque #1  
FIELD OR POOL Rock Spur  
SECTION \_\_\_\_\_ BLOCK \_\_\_\_\_ SURVEY \_\_\_\_\_ COUNTY Eddy STATE NM

SOURCE OF SAMPLE AND DATE TAKEN:

NO. 1 Top 4-25-09

NO. 2 Bottom 4-25-09

NO. 3 \_\_\_\_\_

NO. 4 \_\_\_\_\_

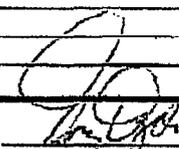
REMARKS: Delaware

CHEMICAL AND PHYSICAL PROPERTIES				
	NO. 1	NO. 2	NO. 3	NO. 4
Specific Gravity at 60° F.	1.1220	1.0925		
pH When Sampled				
pH When Received	6.14	5.82		
Bicarbonate as HCO <sub>3</sub>	317	293		
Supersaturation as CaCO <sub>3</sub>				
Undersaturation as CaCO <sub>3</sub>				
Total Hardness as CaCO <sub>3</sub>	29,000	24,000		
Calcium as Ca	8,400	6,800		
Magnesium as Mg	1,944	1,701		
Sodium and/or Potassium	60,819	55,717		
Sulfate as SO <sub>4</sub>	749	697		
Chloride as Cl	113,600	102,240		
Iron as Fe	642	96.3		
Barium as Ba	0	0		
Turbidity, Electric				
Color as Pt				
Total Solids, Calculated	185,829	167,447		
Temperature °F.				
Carbon Dioxide, Calculated				
Dissolved Oxygen				
Hydrogen Sulfide	0.0	0.0		
Resistivity, ohm/cm at 77° F.	0.061	0.064		
Suspended Oil				
Filtrable Solids as mg/l				
Volume Filtered, ml				

Results Reported As Milligrams Per Liter

Additional Determinations And Remarks Both of these samples show salt levels and ratios that compare well with our Delaware records in southern Eddy county.

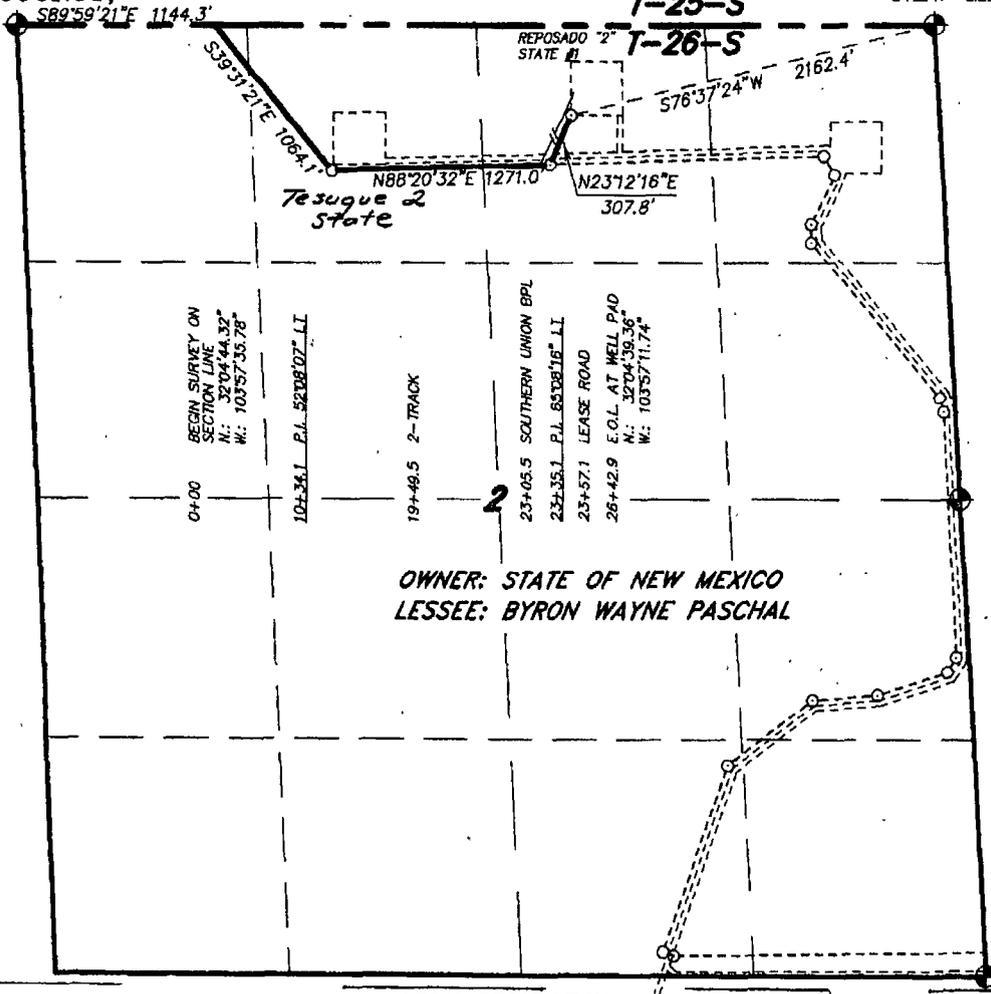
Form No. 3

By 

Greg Ogden, B.S.

LATHAM PRINTING CO. - 383-1292

SECTION 2, TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



OWNER: STATE OF NEW MEXICO  
LESSEE: BYRON WAYNE PASCHAL

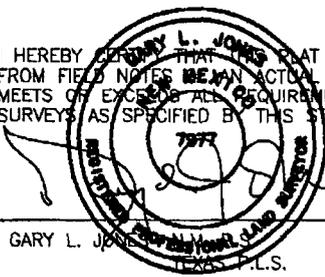
LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 2, TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

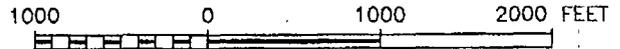
BEGINNING AT A POINT ON THE NORTH SECTION LINE WHICH LIES S.89°59'21"E., 1144.3 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 2; THENCE S.39°31'21"E., 1064.1 FEET; THENCE N.88°20'32"E., 1271.0 FEET; THENCE N.23°12'16"E., 307.8 FEET TO THE END OF THIS LINE WHICH LIES S.76°37'24"W., 2162.4 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 2. SAID STRIP OF LAND BEING 2642.9 FEET OR 160.18 RODS IN LENGTH AND CONTAINING 1.82 ACRES, MORE OR LESS, AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

NW/4 NW/4 = 18.65 RODS = 0.21 ACRES      NE/4 NW/4 = 80.63 RODS = 0.92 ACRES  
NW/4 NE/4 = 60.90 RODS = 0.69 ACRES

I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED FROM FIELD NOTES BEING ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES      No. 7977  
LEAS, N.M.S.      No. 5074



**OGX RESOURCES LLC**

REF: PROPOSED SURFACE FLOWLINE

A PIPELINE CROSSING STATE LAND IN  
SECTION 2, TOWNSHIP 26 SOUTH, RANGE 29 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 21188	Drawn By: J. M. SMALL	Survey Date: 03-25-2009	Sheet 1 of 1 Sheets
Date: 03-26-2009	Disk: JMS 21188		

# OGXResources LLC

TESUQUE "2" STATE No.1

sur:660'FNL & 1980'FWL  
Sec.2, T26S, R29E  
Eddy County, New Mexico

CURRENT WELLBORE / SWD

API: 30-015-32799

