District I PO Box 1980, Hobbs, NM 88241-1980

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 Department 31

Revised October 18, 1994 Instructions on back Submit to Appropriate District Office State Lease - 6 Copies

Fee Lease - 5 Copies

Form C-101

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe. NM 87505

AMENDED REPORT

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

SDX Resources, Inc. PO Box 5061	Operator Name and Address	550561317130		2 OGRID Number 020451
Midland, TX 79704 915/685-1761			30 - 0	3API Number
4Property Code 28535	SProperty Name Welch RL State			∘Well No. 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
E	28	178	28E		1810	North	790	West	Eddy
					<u> </u>				,

"Proposed 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
Artesia, GL-	/E	∘Proposed	Pool 1				10Propose	ed Pool 2	

11Work Type Code	12 Well Type Code O	13Cable/Rotary	14Lease Type Code	15Ground Level Elevation 3641
16 Multiple	17Proposed Depth	18Formation GL-YE	19Contractor	20 Spud Date
No	9915		Basic	02-15-03

21Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
	*11-3/4"	47#	349	300 sx - Circ	
	*8-5/8"	24#	2106	725 sx - Circ	
	*5-1 <i>/</i> 2"	17-15.5#	10324	450 H + 200 H	Calc 5550
	*EXISTING				
			· · · · · · · · · · · · · · · · · · ·		

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

TOH & test tbg to 5000# above the slips. Run CBL-GR-CCL (7500-1900) to determine TOC. Perf 8 squeeze holes above TOC. TiH w/pkr & set ~100' above squeeze holes. Test backside. Establish circ. Squeeze a 5-1/2" annulus. Perf Upper Yeso 2 spf: (~32 holes). Acidize w/3000 gal of 15% NEFE @ 3-4 bpm. Flow back & swab test zone. Acidize zone down tbg @ 2 bpm w/10000 gal heated 20 HCL acid w/15600 gal of 40# linear gel pad pumped in stages followed by 5000 gal 15% cool down acid. Pump back load.

NOTE: Formerly State Federal Com #1

²⁸ homby codiff the the size of the size				
23I hereby certify that the information given above is true and complete to the best of my knowledge and belief.	OL CONSERVATION DIVISION			
Signature: Bonnie (thurater	Approved By: ORGANAL SIGNED BY TIM W. GUM			
Printed name: Bonnie Atwater	Title:			
Title: Regulatory Tech 2/5/03	Approval Date: FEB 1 7 2003 Expiration Date FEB 1 7 2004			

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State of New Mexico Energy, Minerals & Natural Resources Department

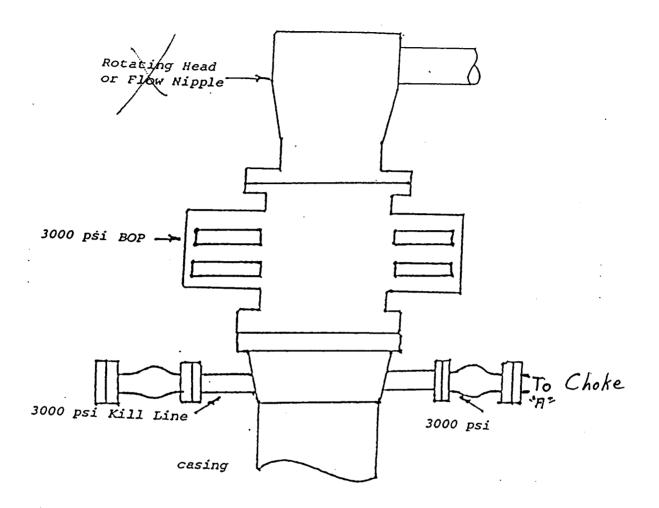
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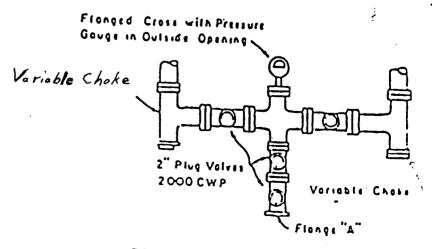
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OIL CONSERVATION DIVISION 2040 South Pacheco

Fee Lease - 3 Copies

•Well Number
10
«Elevation
· · · · · · · · · · · · · · · · · · ·
ne County
Eddy
ne County
CONSOLIDATED
RTIFICATION
on contained herein is my knowledge and belief
Morga
gan
RTIFICATION on shown on this plat
ual surveys made by me the same is true and
al Surveyer:
alSurveyer: deral Com #1





PLAN VIEW-CHOKE MANIFOLD