State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

District Office OIL CONSERVATION DIVISION DISTRICT I WELL API NO. P.O. Box 1980, Hobbs, NM 88240 2040 Pacheco St. 30-015-31543 Santa Fe, NM 87505 DISTRICT II sIndicate Type of Lease P.O. Drawer DD, Artesia, NM 88210 STATE FEEL DISTRICT III State Oil & Gas Lease No 1000 Rio Brazos Rd., Aztec, NM 87410 SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" Win 29 State (FORM C-101) FOR SUCH PROPOSALS.) Type of Well: RECEIVED GAS WELL X OTHER SEP 1 7 7004 «Well No. 2Name of Operator SDX Resources, Inc. 020451 1 OUL: AHTESIA Pool name or Wildcat Address of Operator PO Box 5061, Midland, TX 79704 Undes, Millman YT-7R-QN, East 4Well Location 330 South East Feet From The Feet From The Line 198 Eddy Section NMPM Township Range County 10Elevation (Show whether DF, RKB, RT, GR, etc.) 3367' GR 11 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PLUG AND ABANDON X PERFORM REMEDIAL WORK REMEDIAL WORK **ALTERING CASING TEMPORARILY ABANDON** CHANGE PLANS COMMENCE DRILLING OPNS. PLUG AND ANBANDONMENT **PULL OR ALTER CASING** CASING TEST AND CEMENT JOB OTHER: OTHER: 12Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. Current: 8-5/8" 24# J-55 @ 378'. Cmt w/350 sx. Circ 45 sx. 5-1/2" 14# K-55 @ 3100'. Cmtd w/400 sx 35/65 POZ C & 400 sx C Perfs: 2850-70 w/CIBP @ 2799' w/35' cmt on top Perfs: 2270-78 w/CIBP @ 2232' w/35' cmt on top Perfs: 1496-2149 w/CIBP @ 1430 Propose to P&A this well as follows: Cap CIBP @ 1430' w/35' cmt. Spot 25 sx plug 428' - 328' Spot 10 sx surface plug. I hereby certify that the information above is true and complete to the best of my knowledge and belief. If this work requires an SIGNATURE

TYPE OR PRINT NAME Bonnie Atwater batwater@sdxresources.coi

C(This space for State Use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

The best of my knowledge and belief.

If this work requires an earthen pit, a permit must be approved prior to construction of the pit(s).

TITLE ALBANY.

DATE 09-15-04

PHONE NO 432/685-1761