

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.
NMLC066087A

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.

SANTA NINA A FEDERAL 2

2. Name of Operator

SDX RESOURCES INCORPORATED

Contact: GAYE HEARD

E-Mail: gheard@oilreportsinc.com

9. API Well No.

30-015-33225-00-S1

3a. Address

MIDLAND, TX 79704

3b. Phone No. (include area code)

Ph: 575-393-2727

10. Field and Pool or Exploratory Area

TURKEY TRACK

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 7 T19S R30E NWNW 670FNL 834FWL

11. County or Parish, State

EDDY COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Hydraulic Fracturing☐ New Construction☐ Plug and Abandon☐ Plug Back☒ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

This well is currently producing per method described below and is economically viable. Water handling becomes a problem if the pump jack is run continuously.

Economic justification:

This well flows on its own due to nearby injection field. Casing valve is opened up each month and allowed to de-pressure. Pumper goes by the last day of every other month and opens the casing valve. He closes the casing valve the next day which is the first day of the following month. Pumper does not charge for services. He drives by location once weekly to check site.

No chemicals are currently used.

No electricity is consumed.

Historic production has been 2005 - 180 BOPM, 2014 - 5 BOPM

Current production is between 2-5 BOPM. Using current price deck the well makes about \$130/month

GC 6-14-18
Accepted for record - NMOCD

RECEIVED

JUN 13 2018

DISTRICT II-ARTESIA O.C.D.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #423155 verified by the BLM Well Information System
For SDX RESOURCES INCORPORATED, sent to the Carlsbad
Committed to AFMS for processing by PRISCILLA PEREZ on 06/08/2018 (18PP1914SE)

Name (Printed/Typed) GAYE HEARD

Title AGENT.

Signature (Electronic Submission)

Date 06/07/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

JUN 11 2018

/s/ Jonathon Shepard

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowing the Bureau of Land Management to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional data for EC transaction #423155 that would not fit on the form

32. Additional remarks, continued

with zero expenses.

For continuous operation, expect to produce 3 BOPD. Approximate revenue is \$3800/month. \$125/month chemical charges. \$170/month electricity and \$250/month pumper charges. Cash flow would be around \$3200/month.

8-9 loads of water per week when running continuously. Will need to handle water economically.

There is a SWD close by, we could run line to them. Would like to complete this work in Fourth Quarter 2018. This gives us time to work the water issue.