

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  
May 27, 2004

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

WELL API NO.  
30-015-35562

5. Indicate Type of Lease  
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Kersey State

8. Well Number 3

9. OGRID Number 020451

10. Pool name or Wildcat  
Artesia, GL-YE 96830

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 ☐

2. Name of Operator

SDX Resources, Inc.

JUL 26 2007

3. Address of Operator

PO Box 5061, Midland, TX 79704

OCD-ARTESIA

4. Well Location

Unit Letter I : 1650 feet from the South line and 990 feet from the East line

Section 32 Township 17S Range 28E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3673' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

12. 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 ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS.X P AND A ☐

CASING/CEMENT JOB ☐

OTHER: ☐

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.

Spud 12-1/4" hole 7/2/07. Drill to 490'. Circ. Run 11 jts 8-5/8" J-55 23# csg. Set @ 486'. Cmt w/375 sx CI C. Circ to pit. WOC & SD for holiday.

7/9/07 - Begin drlg 7-7/8" hole. Reached TD of 3950' 7/16/07. Run 102 jts 5-1/2" K-55 15.5# csg. Set @ 3943'. PBTD = 3904'. Cmt w/450 sx 35/65 POZ + 200 sx CI C followed by 300 sx 35/65 POZ. Circ 75 sx to pit. RD.

Release rig 7/17/07.

Presently WO completion.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines X, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Bonnie Atwater TITLE Regulatory Tech DATE 7/24/07

Type or print name Bonnie Atwater E-mail address: batwater@sdresources.com

Telephone No. 432-685-1761

F or State Use Only

APPROVED BY: Accepted for record - NMOCD TITLE \_\_\_\_\_ DATE 7/24/07

Conditions of Approval (if any):