District I PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd., Aztec, NM \$7410 **District IV** PO Box 2088, Santa Fe, NM 87504-2088 APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK OR ADD A ZONE SDX Resources, Inc. P. O. Box 5061

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Form C-101 Revised February 21, 1994 Instructions on back Submit to Appropriate District Office State Lease - 6 Copies Fee Lease - 5 Copies

AMENDED REPORT

¹ OGRID Number Operator Name and Address. 020451 JUN 12 1997 ' API Number 30-015-29662 Midland, TX 79704 • Well No. ⁴ Property Name * Property Code 7 Arco 26A State 18918 ⁷ Surface Location Feet from the North/South line Feet from the East/West line County Township Range Lot Ida Section UL or lot so. 2310 South 1650 J 26 17S 28E East Eddy * Proposed Bottom Hole Location If Different From Surface Feet from the East/West line County North/South line Feet from the Range Lot Ida Township UL or lot no. Section ¹⁴ Proposed Pool 2 * Proposed Pool 1 Red Lake, QN-GR-SA (51300)

" Well Type Code	" Cable/Rotary	" Lease Type Code	" Ground Level Elevation		
0	Rotary	S	3663		
¹⁷ Proposed Depth	¹⁸ Formation	¹⁴ Contractor	^M Spud Date		
3500'+	GR/SA	United Drlg Co.	6/19/97		
	O " Proposed Depth	O Rotary "Proposed Depth "Formation	O Rotary S " Proposed Depth " Formation " Contractor		

²¹ Proposed Casing and Cement Program

Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
8-5/8"	24#	500'	300 sxs	Surf.
5-1/2"	15.5#	3500'	575 sxs	Surf.
	8-5/8"	8-5/8" 24#	8-5/8" 24# 500'	8-5/8" 24# 500' 300 sxs

" 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.

Plan to drill a 12-1/4" hole to approximately 500' and set 8-5/8" surface casing. Circulate cement to surface. Drill 7-7/8" hole to total depth. Run Open Hole logs (LDT-CNL-GR and DLL). Run 5-1/2" casing and circulate 50/50 Poz Class "C" cement. Perforate the Grayburg-San Andres and stimulate as necessary for optimum production.

Mud Program:	Fresh Water Mud	0'	-	500'.
-	Salt Water Mud	500'	-	T. D.

²⁸ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.			OIL CONSERVATION DIVISION				
Signature:	Approved by:		U.	Gum.	BGA		
Printed name:	Title:	ku	tri	1 Superous	•12		
Title: Regula	Janice Courtney		Approval Date	-16 -	97	Expiration Date:	-16.98
Detc: 6/11/9	7 Phone: 7 915/6	85-1761	Conditions of App Attached	prov ilu (<u>هد (</u>	8 Hours	- 85/8"

C-101 Instructions

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Measurements and dimensions are to be in feet/inches. Well locations will refer to the New Mexico Principal Meridian.

IF THIS IS AN AMENDED REPORT CHECK THE BOX LABLED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

- 1 Operator's OGRID number. If you do not have one it will be assigned and filled in by the District office.
- 2 Operator's name and address
- 3 API number of this well. If this is a new drill the OCD will assign the number and fill this in.
- 4 Property code. If this is a new property the OCD will assign the number and fill it in.
- 5 Property name that used to be called 'well name'
- 6 The number of this well on the property.
- 7 The surveyed location of this well New Mexico Principal Meridian NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD Unit Letter.
- 8 The proposed bottom hole location of this well at TD

9 and 10 The proposed pool(e) to which this well is beeing drilled.

11	Work type (code from	the following	table:
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- N New well
- E Re-entry
- D Drill deeper
- P Plugback
- A Add a zone
- 12 Well type code from the following table:
 - O Single oil completion
 - G Single gas completion
 - M Mutiple completion
 - I Injection well
 - S SWD well
 - W Water supply well
 - C Carbon dioxide well
- 13 Cable or rotary drilling code
 - C Propose to cable tool drill
 - R Propose to rotary drill
- 14 Lease type code from the following table: S State P Private
- 15 Ground level elevation above sea level
- 16 Intend to mutiple complete? Yes or No.
- 17 Proposed total depth of this well
- 18 Geologic formation at TD
- 19 Name of the intended drilling company if known.

89-21-2 59-21-2 "8128 - 2100H 8) 2000

21 Proposed hole size ID inches, proposed casing OD inches, casing weight in pounds per foot, setting depth of the casing or depth and top of liner, proposed cementing volume, and estimated top of cement

Anticipated spud date.

- 22 Brief description of the proposed drilling program and BOP program. Attach additional sheets if necessary.
- 23 The signature, printed name, and title of the person authorized to make this report. The date this report was signed and the telephone number to call for questions about this report.

District I PO Box 1980, Hobbs, NM \$8241-1980 District [] PO Drawer DD, Artesia, NM \$\$211-0719 District []] 1000 Rio Brazos Rd., Aztor, NM \$7410 District IV PO Box 2088, Santa Fe, NM \$7504-2088

State of New Mexico - 46.95 Energy, Minerals & Natural Resources Department

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Form C-102 Revised February 10, 1994 Instructions on back OIL CONSERVATION DIVISION----Submit to Appropriate District Office PO Box 2088 Santa Fe, NM 87504-2088 Fee Lease - 3 Copies

AMENDED REPORT

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API Number Pool Code							³ Pool Name					
	51300 Red Lake, QN-GR-SA											
Property	Code		' Property Name ' Well Number							Well Number		
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02045	1				•0	persion	Name				_	
02045	*	SDX	RESOU	<u>RCES, I</u>			Tanting	<u></u>		l	3663.	
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