Submit 3 Copies to Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

DISTRICT

OIL CONSERVATION DIVISION

P.O. Box 1980, Hobbs, NM 88240 WELL API NO. 2040 Pacheco St. 30-015-29662 Santa Fe, NM 87505 DISTRICT II Indicate Type of Lease P.O. Drawer DD, Artesia, NM 88210 STATE FEE 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" Arco 26A State (FORM C-101) FOR SUCH PROPOSALS.) Type of Well: GAS WELL MET X «Well No. 2Name of Operator SDX Resources, Inc. 7 3Address of Operator Pool name or Wildcat P. O. Box 5061, Midland, TX 79704 Red Lake, QN-GR-SA 4Well Location 2310 Feet From The South 1650 East Unit Letter Feet From The Line 26 **17S** 28E Township NMPM Eddy Range County 10 Elevation (Show whether DF, RKB, RT, GR, etc.) 11 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PLUG AND ABANDON 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. 7/06/97 Drilled 7-7/8" hole to T. D. 3350'. RU csg crew and ran 83 jts 4-1/2" J-55 10.5# csg, land off @ 3349'. RU Dowell & cmted w/400 sxs 35/65 Poz "C" (lead) and 400 sxs Cl "C", 2% CaCl. PD @ 2:30 p.m., 7/06/97. Cleaned & jetted pits and released United Drlg Co's Rig #5 @ 3:30 p.m., 7/06/97.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE TITLE Regulatory Tech DATE 07-18-97 TYPE OR PRINT NAME Janice Courtney TELEPHONE NO. 915/685-1761 (This space for State Use)

> ORIGINAL SIGNED BY TIM W. GUM DISTRICT II SUPERVISOR

Waiting on cmt and waiting on completion.

TITLE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

JUL 23 1997