

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-101

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUG BACK, OR ADD A ZONE

|   |  |                               |
|---|--|-------------------------------|
| Operator Name and Address<br>SDX Resources, Inc.<br>P. O. Box 5061<br>Midland, TX 79704 |  | OGRID Number<br>020451        |
| Property Code<br>18918  |  | API Number<br>30 - 0 15-29853 |
| Property Name<br>Arco 26A State   |  | Well No.<br>9                 |

Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West Line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D             | 26      | 17S      | 28E   |         | 451           | North            | 624           | West           | Eddy   |

Proposed Bottom Hole Location If Different From Surface

| UL or lot no.                                 | Section | Township | Range | Lot Idn | Feet from the   | North/South line | Feet from the | East/West Line | County |
|---|---------|----------|-------|---------|-----------------|------------------|---------------|----------------|--------|
| Proposed Pool 1<br>Red Lake, QN-GR-SA (51300) |         |          |       |         | Proposed Pool 2 |                  |               |                |        |

|                     |                        |                    |                              |                                |
|---------------------|------------------------|--------------------|------------------------------|--------------------------------|
| Work Type Code<br>N | Well Type Code<br>O    | Cable/Rotary<br>R  | Lease Type Code<br>S         | Ground Level Elevation<br>3595 |
| Multiple<br>No      | Proposed Depth<br>3500 | Formation<br>GR/SA | Contractor<br>United Drig Co | Spud Date<br>10-08-97          |

Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 12-1/4"   | 8-5/8"      | 24#                | 500           | 300 sxs         | Surface       |
| 7-7/8"    | 5-1/2"      | 15.5#              | 3500          | 575 sxs         | Surface       |
|           |             |                    |               |                 |               |
|           |             |                    |               |                 |               |
|           |             |                    |               |                 |               |

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 CI "C" cement. Perforate the Grayburg-SA and stimulate as necessary for optimum production.

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

Post ID-1  
9-26-97  
APF & New Loc

|   |  |  |  |
|---|--|--|--|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>Signature: <i>Janice Courtney</i> |  | OIL CONSERVATION DIVISION  |  |
| Printed name: Janice Courtney 9/17/97   |  | Approved By: ORIGINAL SIGNED BY TIM W. GUM<br>DISTRICT II SUPERVISOR |  |
| Title: Regulatory Tech 915/685-1761   |  | Title: SEP 22 1997   |  |
|   |  | Expiration Date: 9-22-98   |  |



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 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

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

Form C-102  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                   |                                      |                                 |
|-----------------------------------|--------------------------------------|---------------------------------|
| API Number<br><b>30-015-29853</b> | Pool Code<br>51300                   | Pool Name<br>Red Lake, QN-GR-SA |
| Property Code<br>18918            | Property Name<br>ARCO 26 A STATE     | Well Number<br>9                |
| OGRID No.<br>020451               | Operator Name<br>SDX RESOURCES, INC. | Elevation<br>3595.              |

<sup>10</sup> Surface Location

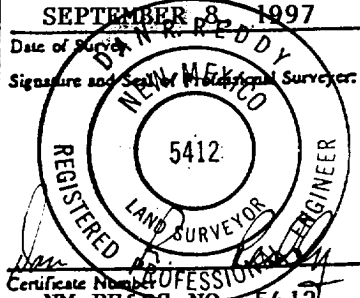
| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D             | 26      | 17-S     | 28-E  |         | 451           | NORTH            | 624           | WEST           | EDDY   |

<sup>11</sup> Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|               |         |          |       |         |               |                  |               |                |        |

|                                     |                               |                                  |                         |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>40 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------|

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

|   |  |  |  |  |
|---|--|--|--|--|
| <div>16</div> <div>451'</div> <div>624'</div> |  |  |  | <div><b><sup>17</sup> OPERATOR CERTIFICATION</b></div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</div> <div><i>Janice Courtney</i></div> <div>Signature</div> <div>Janice Courtney</div> <div>Printed Name</div> <div>Regulatory Tech</div> <div>Title</div> <div>9/17/97</div> <div>Date</div>   |
|   |  |  |  |  |
|   |  |  |  |  |
|   |  |  |  |  |
|   |  |  |  | <div><b><sup>18</sup> SURVEYOR CERTIFICATION</b></div> <div>I hereby certify that the well location shown on this plat was placed from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</div> <div>SEPTEMBER 8, 1997</div> <div>Date of Survey</div> <div><i>[Signature]</i></div> <div>Signature and Seal of Professional Surveyor</div> <div></div> <div>Certificate Number</div> <div>NM PE&amp;PS NO. 5412</div> |
|   |  |  |  |  |
|   |  |  |  |  |
|   |  |  |  |  |

