

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>PO Box 5061<br>Midland, TX 79704<br>915/685-1761 |                | OGRID Number<br>020451     |
| Property Name<br>Artesia Unit  |                | API Number<br>30-015-29998 |
| Property Code<br>009811  | Well No.<br>74 |                            |

Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West Line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C             | 35      | 17S      | 28E   |         | 449           | North            | 1651          | 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>Artesia, QN-GB-SA (03230) |         |          |       |         |               | 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>3684 |
| Multiple<br>No      | Proposed Depth<br>3200 | Formation<br>QN-GB-SA | Contractor<br>United Drtg. Co. | Spud Date<br>01-07-98          |

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#                | 300           | 275             | Surface       |
| 7-7/8"    | 4-1/2" - 5-1/2" | 9.5 - 17#          | 3200          | 600             | 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.

Drill a 12-1/4" hole to 300'. Set 8-5/8" csg to 300' & cmt w/275 sx Class C cmt. Circ to surface.

Drill 7-7/8" hole to TD (3200') Run open hole logs. Set 4-1/2" or 5-1/2" csg to TD (3200'). Cmt w/600 sx Class C. Circ to surface.

Will perf & stimulate as necessary for optimum production.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Bonnie Atwater*

Printed name: Bonnie Atwater

Title: Regulatory Tech.

12/29/97

OIL CONSERVATION DIVISION

Approved By: ORIGINAL SIGNED BY TIM W. GUM

Title: DISTRICT II SUPERVISOR

Approval Date: JAN 8 1998

Expiration Date: 1-8-99