

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

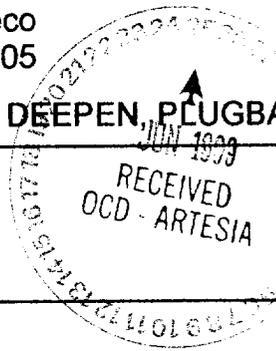
State of New Mexico  
Energy, Minerals & Natural Resources Department

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, PLUGBACK, OR ADD A ZONE



Operator Name and Address SDX Resources, Inc. PO Box 5061 Midland, TX 79704 915/685-1761		OGRID Number 020451
Property Code 24439		API Number 30-015-30685
Property Name NW State		Well No. 7

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
M	32	17S	28E		990	South	990	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 Artesia (QN-GB-SA) 03230					Proposed Pool 2				

Work Type Code N	Well Type Code O	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3675
Multiple No	Proposed Depth 3500	Formation QN-GB-SA	Contractor Capstar	Spud Date 07-15-99

Minimum WOC time / 8 hrs 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#	350	350 Cl C	Surf
7-7/8"	5-1/2"	14#	3500	350 POZ + 400 Lite	Surf
					lost ID-1 7-2-99 API & loc

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 blow-out prevention program, if any. Use additional sheets if necessary.

Plan to drill a 12-1/4" hole to appx 350' & set 8-5/8" surf csg to 350'. Circ Class C cmt. Drill 7-7/8" hole to TD (3500'). Run OH logs. Run 5-1/2" csg & circ cmt. Perf the QN-GB-SA zone & 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: <i>Bonnie Atwater</i>		OIL CONSERVATION DIVISION	
Printed name: Bonnie Atwater		Approved By: ORIGINAL SIGNED BY TIM W. GUM DISTRICT II SUPERVISOR	
Title: Regulatory Tech. 6/23/99	Approval Date: 6-29-99	Expiration Date: 6-29-00	

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

JUN 01 1999

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		24439	Artesia (QN-GB-SA)
Property Code	Property Name		Well Number
24439	N. W. STATE		7
GRID No.	Operator Name		Elevation
020451	SDX RESOURCES, INC.		3675.

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	32	17-S	28-E		990	SOUTH	990	WEST	EDDY

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

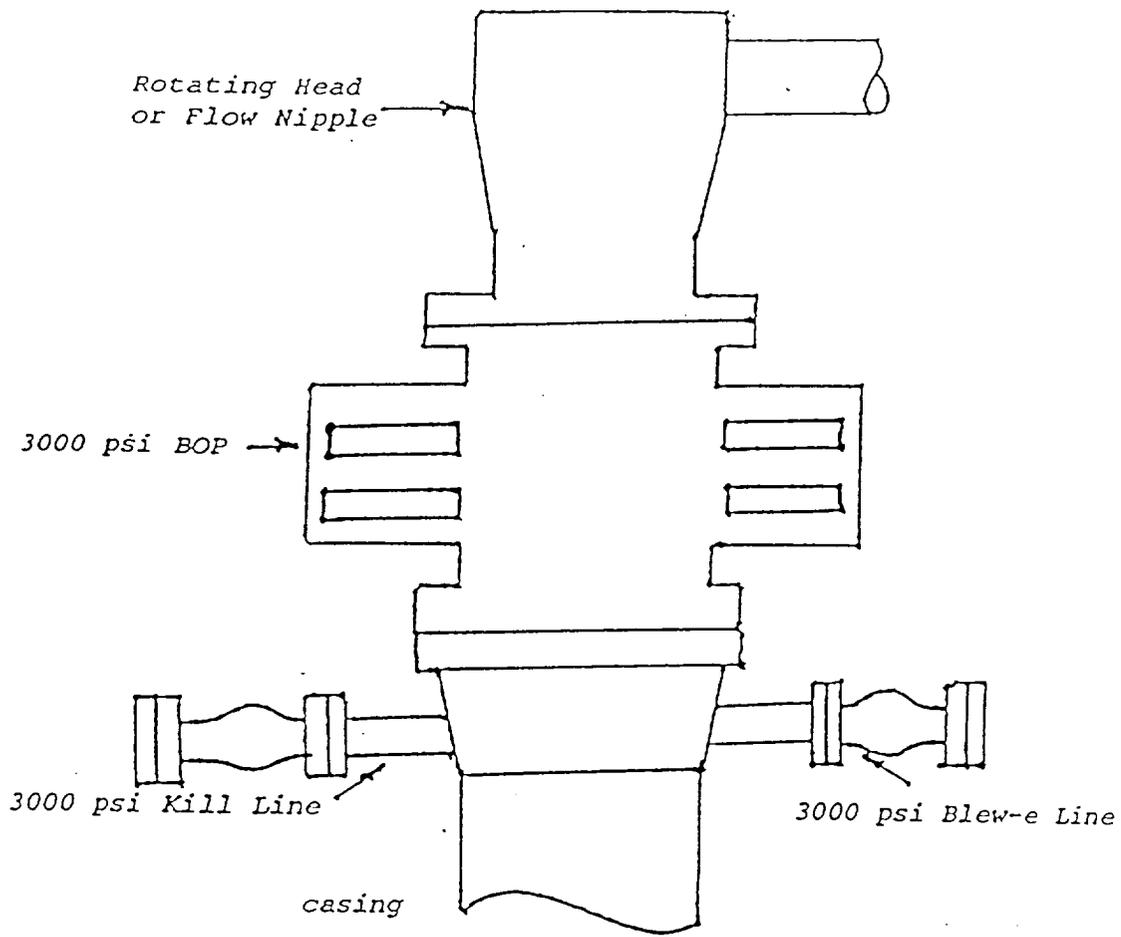
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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

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

<p>16</p>				<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Bonnie Atwater</i>        Signature        Bonnie Atwater        Printed Name        Regulatory Tech.        Title        6/23/99        Date</p>		
				<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted 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.</p> <p>MAY 27 1999        Date of Survey        R. REDDY        Signature and Seal of Professional Surveyor:</p>		
				<p>Certificate Number        NM 5412</p>		

Blow Out Preventor Schematic



SDX RESOURCES, INC.

LEASE: New State

WELL #: 7