

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     |
|  |                                      | API Number<br>30-015-30825 |
| Property Code<br>22230   | Property Name<br>Marathon A 25 State | Well No.<br>14             |

Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West Line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| H             | 25      | 17S      | 28E   |         | 1650          | North            | 330           | East           | 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-GB-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>3671 |
| Multiple<br>No      | Proposed Depth<br>3500 | Formation<br>GB/SA | Contractor<br>United | Spud Date<br>11-15-99          |

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#                | 400           | 300 sx          | Surf          |
| 7-7/8"    | 5-1/2"      | 15.5#              | 3500          | 575 sx          | Surf          |
|           |             |                    |               |                 | Post TD-1     |
|           |             |                    |               |                 | 11-12-99      |
|           |             |                    |               |                 | API & LCC     |

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 appx 400' & set 8-5/8" surf csg to 400'. Circ Class C cmt. Drill 7-7/8" hole to TD (3500'). Run OH logs. Run 5-1/2" csg & circ 50/50 POZ Class C cmt. Perf the GB/SA zone & stimulate as necessary for optimum production.

MUD PROGRAM:

Fresh Water Mud 0' - 400'  
Salt Water Mud 400' - TD

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. 11/08/99

OIL CONSERVATION DIVISION

Approved By:

ORIGINAL SIGNED BY TIM W. GUM  
DISTRICT II SUPERVISOR

Title:

Approval Date: 11-10-99

Expiration Date: 11-10-00