District 1 PO Box 1980, Hobbs, NM 88241-1980 State of New Mexico

Revised October 18, 1994

Instructions on back

Energy, Minerals & Natural Resources Department

A56 / 8 Submit to Appropriate District Office

State Lease - 6 Copies Fee Lease - 5 Copies

811 South First, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410

District II

District IV

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

AMENDED REPORT

2040 South Pacheco, Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEE K, OR ADD A ZONE

| SDX Resources, Inc.<br>PO Box 5061 | Operator Name and Address |      | 7 E  | 20GRID Number<br>020451 |                        |  |
|------------------------------------|---------------------------|------|------|-------------------------|------------------------|--|
| Midland, TX 79704<br>915/685-1761  |                           | **   | ·호텔의 | 30 - 0 (S - 31284)      |                        |  |
| Property Code                      | sProperty Staley State    | Name |      |                         | s <b>Well No.</b><br>1 |  |

## Surface Location

| ı | 10 11         | 0       | T        |       | Lot Idn | Feet from the | North/South line | Feet from the | East/West Line | County |
|---|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| ١ | UL or lot no. | Section | Township | Range | Lot Idn | ,             |                  |               |                | •      |
|   | J             | 30      | 17S      | 28E   |         | 2310          | South            | 1650          | 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 |  |
|------------------------------|---------|----------|-------|---------|---------------|-------------------|---------------|----------------|--------|--|
| <sub>9</sub> Proposed Pool 1 |         |          |       |         |               | ₁₀Proposed Pool 2 |               |                |        |  |
| Red Lake QI                  | N-GB-SA |          |       |         |               |                   |               |                |        |  |

| ∺Work Type Code    | 12 <b>Well Type Code</b> | ₁₃Cable/Rotary | ₁₄Lease Type Code        | ₁₅Ground Level Elevation |
|--------------------|--------------------------|----------------|--------------------------|--------------------------|
| N                  |                          | R              | S                        | 3590                     |
| 16 <b>Multiple</b> | √Proposed Depth          | ₁₃Formation    | <sup>19</sup> Contractor | 20 <b>Spud Date</b>      |
| No                 | 4000                     | QN-GB-SA       | United Drlg              | 08-21-00                 |

Minimum WOC time ( 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           | 325             | Surf          |  |
| 7-7/8"    | 5-1/2"      | 14#                | 4000          | 600             | Surf          |  |
|           |             |                    |               |                 |               |  |
|           |             |                    |               |                 |               |  |
|           |             |                    |               |                 |               |  |

<sup>22</sup>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 tp appx 400' & set 8-5/8" surf csg to 400'. Circ Class C cmt. Drill 7-7/8" hole to TD (4000'). Run OH logs. Run 5-1/2" csg & circ cmt. Perf the QN/GB/SA zone & stimulate as necessary for optimum production.

| <sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. | OIL CONSERVATION DIVISION  Approved By: ORIGINAL SIGNED BY TIM W. GUM B6A |  |  |  |  |
|--|---|--|--|--|--|
| Signature: Paramie (Miratia  |   |  |  |  |  |
| Printed name: Bonnie Atwater   | Title: BISTRICT II SUPERVISOR   |  |  |  |  |
| Title: Regulatory Tech 8/8/00  | Approval Date: AUS 1 0 2000 Expiration DatAUS 1 0 2001                    |  |  |  |  |

| UL or let no. Section Town   | ownship 17-S  ownship | OGRID No.          |                 | ley St  |                                       |   | -GB-SA   |   |  |  |  |
|--|-----------------------|--------------------|-----------------|---------|---------------------------------------|---|--|---|--|--|--|
| UL or lot no. Section Towns  J 30 17-  UL or lot no. Section Towns  UL or lot no. Section Towns  UL or lot no. Section Towns  O Dedicated Acres of Joint or Infill  40 | ownship 17-S  ownship | i                  | Sta.            | lev St  |                                       | 51300 Red Lake QN-GB-SA  *Property Name |  |   |  |  |  |
| UL or lot no. Section Towns  J 30 17-  UL or lot no. Section Towns  UL or lot no. Section Towns  UL or lot no. Section Towns  O Dedicated Acres of Joint or Infill  40 | ownship 17-S  ownship | i                  |                 |         | ate Operator N                        | Vame                                    |  | 1 'E  | levation   |  |  |
| UL or let no.  J 30 17-  UL or let no.  Section Towns  UL or let no.  Section Towns  UDedicated Acres   1 Joint or Infill  40  NO ALLOWABLE WILL B                     | ownship 17-S  ownship |                    | RESOURCE        | S, INC  | •                                     |   |  | -   | 90.  |  |  |
| J 30 17-  UL or lot no. Section Towns  UDedicated Acres de Joint or Infili  40  NO ALLOWABLE WILL B  | 17-S                  |                    |                 |         | <sup>10</sup> Surface 1               | Location                                |  |   |  |  |  |
| UL or lot no. Section Towns  12 Dedicated Acres 40  NO ALLOWABLE WILL B  | nfill "C              | i - I              | Range           | Lot Ida | Feet from the                         | Nerth/South line<br>SOUTH               | Feet from the  | East/West line EAST   | County<br>EDDY                                   |  |  |
| Dedicated Acres 1st Joint or Infill 40  NO ALLOWABLE WILL B  | afili " C             | J 30 1             | 11 Patte        | m Hole  | 2310                                  | Different From                          |  | EASI  |  |  |  |
| NO ALLOWABLE WILL B  |                       | or lot no. Section | Range           | Let Idn | Feet from the                         | North/South line                        | Feet from the  | East/West line  | County   |  |  |
| NO ALLOWABLE WILL B  |                       |                    |                 |         |                                       |   |  |   |  |  |  |
|  |                       |                    | enselidation Co | GE OF   | er No.                                |   | <del></del>  |   |  |  |  |
|  | N                     |                    | ON-STANE        | OARD UN | O O O O O O O O O O O O O O O O O O O | IGSO                                    | Signature  Signature  Printed Name  B  Title  Bate  18 SURVEY  I horeby certify that the plotted from field note or under my supervisit to the best of pay-better of the best of pay-better signature and Segrature. | onnie Atwa egulatory /8/00 OR CERTIF we well location shown as of actual surveys mu on, and that the same REDO REDO | ater Tech FICATION In on this plat was ade by me |  |  |

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