

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO. 30-015-31285
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.
Lease Name or Unit Agreement Name Staley State
Well No. 2
Pool name or Wildcat Red Lake, CHADDA

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	
Name of Operator SDX Resources, Inc.	
Address of Operator PO Box 5061, Midland, TX 79704	
Well Location Unit Letter <u>O</u> <u>890</u> Feet From The <u>South</u> Line and <u>1650</u> Feet From The <u>East</u> Line Section <u>30</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County	
Elevation (Show whether DF, RKB, RT, GR, etc.) 3625	

11

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>	PLUG AND ANBANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spud 12-1/4" hole on 12/7/00. Drill to 440'. Run 10 jts 8-5/8", J-55, 24# csg. Set @ 433'. Cmt w/325 sx CI C. Circ 124 sx to pit. WOC total of 18 hrs.

Drill 7-7/8" hole. Drill to 3990' TD. Reached TD 12/17/00. Run OH logs. Run 101 jts 5-1/2" 15.5#, J-55 csg. Set @ 3986'. Cmt w/425 sx Lite + 325 sx CI C. Did not circ.

Release rig 10:00 pm 12/18/00.

RECEIVED
OCD ARTESIA

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

SIGNATURE Bonnie Atwater TITLE Regulatory Tech DATE 03-23-01

TYPE OR PRINT NAME Bonnie Atwater TELEPHONE NO. 915/685-1761

(This space for State Use)

ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR

APR 02 2001

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: