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

inergy, Minerals & Natural Resources Department

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

OIL CONSERVATION DIVISION

2040 South Pacheco Santa Fe, NM 87505

| APPLICATION FOR PERMIT TO DRILL, RE-EN | NTER, DEEREN, PLUGBACK, OR ADD A | VZONE |
|--|----------------------------------|--------------|
|--|----------------------------------|--------------|

| SDX Resources, Inc. PO Box 5061 | Operator Name and Address | ARTESIA | ₂OGRID Number 020451 |
|------------------------------------|---------------------------|---------|-------------------------|
| Midland, TX 79704 915/685-1761 | | | 30 - 0 5 - 3 7 8 6 |
| 1 Property Code 26503 | Staley State | ame | ه W ell No. |
| <u> </u> | | | |

3Surface Location

| | | UL or lot no. | Section 30 | Township 17S | Range 28E | Lot Idn | Feet from the 990 | North/South line South | Feet from the 1980 | East/West Line West | County 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 |
|---|------------------------------------|---------|----------|-------|---------|---------------|------------------|--------------------|----------------|--------|
| ŀ | Proposed Pool 1 Red Lake QN-GB-SA | | | | | | | 10 Propos i | ed Pool 2 | |

| 11Work Type Code | 12 Well Type Code | ₁₃Cable/Rotary | 14Lease Type Code | 15Ground Level Elevation |
|--------------------|--------------------------|----------------|--------------------------|--------------------------|
| N | O | R | S | 3625 |
| 16 Multiple | 17Proposed Depth | ₁₃Formation | :9Contractor United Drlg | 20 Spud Date |
| No | 4000 | QN-GB-SA | | 08-21-00 |

Minimum WOC time | Shrs. 21 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 |
| | | | | | |
| | | | | | |
| + | | | | | |

²²Describe 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.

| ²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. | OIL CONSERVATION DIVISION |
|--|--|
| Signature: Romania Thurston | Approved By: ORIGINAL SIGNED BY TIM W. GUM BALL |
| Printed name: Bonnie Atwater | Title: |
| Title: Regulatory Tech 8/8/00 | Approval Date 1 0 2001 Expiration Date: ALS 1 0 2001 |

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AUG 0 4 2000 District [State of New Mexico Form C-102 1625 N. French Dr., Hobbs, NM 88240 Energy, Minerals & Natural Resources Revised March 17, 1999 District II 811 South First, Artesia, NM 88210 OIL CONSERVATION DIVISION Submit to Appropriate District Office District III 2040 South Pacheco Santa Fe. NM 87505 State Lease - 4 Copies 4 1000 Rio Brazos Rd., Aztec, NM 87410 Fee Lease - 3 Copies District IV 2040 South Pacheco, Santa Fe. NM 87505 AMENDED REPORT WELL LOCATION AND ACREAGE DEDICATION PLAT OCI) ARTEOSINAME API Number Pool Code 51300 Red Lake QN-GB-SA Property Code Property Name Well Number 3 Staley State OGRID No. Operator Name Elevation 020451 SDX RESOURCES, INC. 3625. Surface Location UL or lot no. North/South line Section Township Range Lot Idn Feet from the Feet from the East/West line County N 30 17-S 28-E 990 SOUTH 1980 WEST **EDDY** Bottom Hole Location If Different From Surface UL or lot no. Section Township Range Feet from the Lot Idn North/South line Feet from the East/West line County 12 Dedicated Acres Joint or Infill Consolidation Code Order No. 40 NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL AL INTERESTS HAVE BEEN CONSOLIDATED OR A

| | NON-STAIN | ARD UNIT HAS BEEN APPROVED BY THE DIVISION |
|-------|-----------|--|
| 16 | | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief |
| | | |
| | | Signature Bonnie Ituato |
| | | Printed Name Bonnie Atwater Title Regulatory Tech Date 8/8/00 |
| | | Date 878700 18 SURVEYOR CERTIFICATION 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. |
| | | Date of Burger Signature and Sent of Reference Supreyer |
| 1980' | | 5412 ENO AURY POR STATE OF THE PROPERTY OF THE |
| | 066 | Complete Number 2 PSF 12 |

