

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

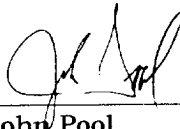
SDX Resources Inc.
PO Box 5061
Midland, TX 79704

March 28, 2000

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No.:	NM-97122
Lease Name:	Chalk Bluff Draw Federal #1
Legal Description of Land:	Unit K, 2055' FSL 1980' FWL Sec. 5, T18S, R27E Eddy Co., NM
Formation (s):	Red Lake, QN-GB-SA
Bond Coverage:	Statewide Bond – State of New Mexico
BLM Bond File No.:	NM2307

Authorized Signature:



John Pool
Vice-President

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other Re-entry

2. Name of Operator

SDX Resources, Inc.

3. Address and Telephone No.

PO Box 5061, Midland, TX 79704 915/685-1761

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2055' FSL 1980' FWL, Unit K
Sec. 5, T18S, R27E

5. Lease Designation and Serial No.

NM 97122

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Chalk Bluff Draw Federal #1

9. API Well No.

30-015-00789

10. Field and Pool, or Exploratory Area

Red Lake, Penn

11. County or Parish, State

Eddy Co., NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Re-enter
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Current wellbore diagram attached.

Propose to drill out plugs to 2780'. Circ clean & test csg. Will perf the San Andres selectively from 1800 - 2600' & stimulate as necessary for optimum production.

Previous APD to re-enter as SWD on file.

DENIED

ORIG SUB LES BABYAK

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct

Signed

Chris Morgan

Title

Eng.

Date

3-7-00

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Date

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

RECEIVED
MAR 08 2000
BLM
ROSMELL, NM

Journal of Management Studies, 19(1), 67-80.