| Form 3160-3 (July 1992) | UNITED S | STATES AR | BIT 8. 18T ST. ITEBIA, NM CONSTRUCTION REGIA, NM CONSTRUCTION | TRIPLICATE* | FORM APPF OMB NO. 100 Expires: Februar | 04-0136 ny 28, 1995 | |
|--|--|--------------------|--|-------------|--|--|--|
| | BUREAU OF LAN | | 5. LEASE DESIGNATION AND SERIAL NO. NM-56542 | | | | |
| APPL | ICATION FOR PERI | MIT TO DRILL O | OR DEEPEN | | 6. IF INDIAN, ALLOTTEE OR | | |
| 1a. TYPE OF WORK b. TYPE OF WELL OIL WELL | | | | | 7. UNIT AGREEMENT NAME | 19238 | |
| 2. NAME OF OPERATOR SDX Resources | | INED | Culwin 35 Federal #2 5653 | | | | |
| 3. ADDRESS AND TELEPI PO Box 5061. | HONE NO. | 85-1761 | OCD - | ARTESIA | 30-015- 10. FIELD AND POOL, OR V | and the second | |
| At surface 2160' F At proposed prod. zo Same | UNIT | \$H | Shugart (Y, SR,QN-GB) <u>56939</u> 11. sec., T., R., M., OR BLK. AND SURVEY OR AREA 35, 18S, 30E, I | | | | |
| 14. DISTANCE IN MILES A 12 miles SE of | AND DIRECTION FROM NEAREST TOW LOCO Hills, NM | IN OR POST OFFICE" | | | 12. COUNTY OR PARISH Eddy | 13. STATE NM | |
| 15. DISTANCE FROM PRO LOCATION TO NEARE PROPERTY OR LEASE (Also to nearest drig, un | OPOSED* | 30* 30' | 80 TO THI | | ACRES ASSIGNED S WELL 40 | | |
| 18. DISTANCE FROM PRO | OPOSED LOCATION* DRILLING, COMPLETED, | 68' | OPOSED DEPTH 4000' | 20. ROTARY | Y OR CABLE TOOLS Rotary | | |
| 21. ELEVATIONS (Show w | whether DF, RT, GR, etc.) | | maiter Matci | r Basin | 22. APPROX. DATE WORK | (WILL START" | |
| 3501' GR 23. | <u>t</u> | MANTAN CINT | | | 06/01/98 | | |
| <i>L</i> J. | | PROPOSED CASING AN | ID CEMENTING PROGRAM | A | | | |
| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | | | | |
| 12-1/4" | 8-5/8" J-55 9 7 | 24# | 500' | WITNES | TNESS 400 sx Class C | | |
| 7-7/8" | 5-1/2" J-55 or | 9.5# - 17# | 4000' | | 350 sx 50/50 POZ | | |
| | 4-1/2" J-55 9 | ン | | | 400 sx 35/65 POZ | | |

Plan to drill a 12-1/4" hole to appx 500'. Set 8-5/8" surface csg & circ C cmt to surface. Drill 7-7/8" hole to TD. Run open hole logs (LDT-CNL-GR & DLL). Run 4-1/2" or 5-1/2" csg & circ cmt to surface. Will perf & stimulate as necessary for optimum production.

Specific programs as per Onshore Oil & Gas Order #1 are outlined in the following attachments:

Post FD-1 7-31-98 API+ Loc

Drilling Program Surface Use & Operating Plan H2S Plan Exhibit 1: BOP 2: Plat 3: Planned ROW's (access

- 3: Planned ROW's (access roads & flowlines & high lines)
- 4: One Mile Radius Map
- 5: Drilling Rig Layout

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to dri deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

| SKONED Bannie atturator TITLE | Regulatory Tech. DATE 04/14/98 | |
|--|---|--|
| (This space for Federal or State office use) | | |
| PERMIT NO | APPROVAL DATE | |
| Application approval does not warrant or certify that the applicant holds legal or equitable to CONDITIONS OF APPROVAL, IF ANY: | title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | |
| ADDROVED BY KIFRANK SALANA BURTHE | Acting STATE DIRECTOR | |

*See Instructions On Reverse Side

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.

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II P.O. Brawer DD, Artesia, NM 86211-0719

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 67410

DISTRICT IV

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised February 10, 1994 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

OIL CONSERVATION DIVISION P.0. Box 2088

Santa Fe, New Mexico 87504-2088

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT **API** Number Pool Code Pool Name 56439 Shugart (Y,SR,QN,GB) **Property** Code **Property Name** Well Number 019238 Culwin 35 Federal · 2 OGRID No. **Operator** Name Elevation 020451 SDX RESOURCES INC. 3501 Surface Location UL or lot No. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County 35 18 S 30 E 2160 SOUTH 990 EAST 1 EDDY

Bottom Hole Location If Different From Surface

| UL or lot No. | Section 1 | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|--------------------|-----------|------------|---------------|---------|---------------|------------------|---------------|----------------|--------|
| Dedicated Acres 40 | Joint or | Infill Cor | nsolidation C | ode Or | der No. | | | l | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



• Fill line Preventer 2000 # W.P. Annular casing head 2000 # W.P. (Hydrill, Drilling Nipple 2000#WR 23.311 100 SHERTS 3 SOULAR - chake line Connection Florge A Flow line Recumulatar Kill line 2 "values 2000 " W.P. Exhibit Variable Chute ¥ Gouge in Outside Opening Flonged Cross with Pressure PLAN VIEW-CHOKE MANIFOLD 2" Plug Valets Q 2000 CWP र्याचे HO Flonge "A" Variable Chase • • • • ſ Ш с. ੍ਰ ę