

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. 30-025-
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.
Lease Name or Unit Agreement Name Key State
Well No. 2
Pool name or Wildcat Artesia, QN-GB-SA

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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>F</u> <u>1493</u> Feet From The <u>North</u> Line and <u>1716</u> Feet From The <u>West</u> Line Section <u>21</u> Township <u>18S</u> Range <u>28E</u> NMPM <u>Eddy</u> County	
Elevation (Show whether DF, RKB, RT, GR, etc.) 3588 GR	

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

#### NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐  
OTHER: 1-11 ☒

#### SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ANBANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐  
OTHER: Change name of well. ☒

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.

Drilled as Key State #1 (located 915' FNL 1615' FWL, Unit C). Drilled 12-1/4" hole to 375'. Ran 370' 8-5/8" 24# csg. Cmt w/325 sx. Circ 100 sx. Drilled 7-7/8" hole to 2850'. Ran 4-1/2" 11.6# - 10.5# csg to 2846'. Cmt w/425 sx Lite & 350 sx C.

Discovered survey error before completion. Wellbore is located 1493' FNL 1716' FWL, Unit F. Moved rig over to correct Key State #1 location and drilled Key State #1 as reported.

Propose to name this well the Key State #2 and Temporarily Abandon while lease issues are worked out.

If necessary we will P&A well as follows:

Circ hole w/mud laden fluid. Spot 100' plug 2330' - 2430'. (Top SA 2380'). Spot 100' plug across shoe 325' - 425'. Spot 10 sx surface plug & install marker.

*Key Well #2  
& Fty*

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

SIGNATURE Chuck Morgan TITLE Engineer DATE 01-19-99  
TYPE OR PRINT NAME Chuck Morgan TELEPHONE NO. 915/685-1761

(This space for State Use)

APPROVED BY Racal TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY