

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
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-015-10083
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-5136
7. Lease Name or Unit Agreement Name Malco State Tract 1
8. Well No. 6
9. Pool name or Wildcat Millman-QN-GR-SA
10. Elevation (Show whether DF, RKB, RT, GR, etc.) GR 3389

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.)

1. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	2. Name of Operator SDX RESOURCES, INC.
3. Address of Operator P. O. BOX 5061 MIDLAND, TX 79704	4. Well Location Unit Letter B : 370 Feet From The North Line and 2270 Feet From The East Line Section 23 Township 19S Range 28E NMPM Eddy County

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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: Added additional Grayburg perfs (2104'-2300') <input checked="" type="checkbox"/>

12. 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.

Rigged up Real Well Service and TOH with rods & pump. Found TD @ 2295'. NU BOP. Circulated hole clean to PBTD 2352'. Run CBL & GR-CCL log. Perforated as follows: 2104', 08', 16', 22', 29', 36', 41', 46', 48', 2212', 14', 21', 2188', 2186', 66', 73', 76', 88', 94', & 2300' (22 holes, 1 spf). TIH w/ PP tool & set tool above all perfs (2171'-2300'). Set standing valve in tool. TIH with Halliburton BV tension packer & set @ 2019'. Annulus tested, OK. Broke down all perforations 2171'-2198' and 2104'-2300'. All perforations acidized with 2500 gals 15% NEFE acid & 60 ball sealers. Started swabbing & swabbed dry in 3 runs. RU Halliburton & fraced well with 40,000 gals Borate X/L gel with 850 sacks 12/20 Brady sand. Well tr. 26 BOPD @ 650 psi. ISIP 914 psi. Shut well in. Released packer & TOH. Circulated hole clean to PBTD 2352'. Laid down work string. TIH with 31' MA, 4' perf sub, & 78 jts 2-3/8" tubing. SN @ 2253'. Run 90 3/4" rods & a 10' x 1-1/2" x 1-1/4" THD pump. Well is presently producing at 8 BOPD, 26 BWPD, 7 MCF.

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

SIGNATURE John Pool TITLE VICE PRESIDENT DATE 5/22/95
TYPE OR PRINT NAME JOHN POOL TELEPHONE NO. (915) 685-1761

(This space for State Use) **ORIGINAL SIGNED BY TIA M. GUP**
DISTRICT II SUPERVISOR

APPROVED BY _____ TITLE _____ DATE MAY 26 1995

CONDITIONS OF APPROVAL, IF ANY: