

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Cons. Division
311 S. 1st Street
Artesia, NM 870-2834

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

CLS F

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

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)

989' FNL, 1629' FWL, Sec 22, T19S, R28E, Unit C

5. Lease Designation and Serial No.

NM 036194

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Welch Federal # 3

9. API Well No.

30-015-23774

10. Field and Pool, or Exploratory Area

Millman, QN-GB-SA

11. County or Parish, State

Eddy, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other Sqz old perfs & add new perfs
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> 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.)*

SDX Resources plans to set a CIBP @ 1730' & squeeze perfs 1150 - 60'. Will then will add additional perfs 1620' - 1708'. Then acidize & frac as necessary for optimum production.

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

Signed Bonnie Otwater

Title Regulatory Tech.

Date 07/23/98

(This space for Federal or State official use)
(ORIG. SGD.) DAVID R. GLASS

Title

PETROLEUM ENGINEER

Date

JUL 31 1998

Approved by
Conditions of approval, if any: