

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

Form C-104
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies
☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Melrose Operating Co PO Box 5061 Midland, TX 79704 915/685-1761		² OGRID Number 184860
		³ Reason for Filing Code Change of Operator 12/1/99
⁴ API Number 30 - 0 15-24930	⁵ Pool Name SWD - QN - GB	⁶ Pool Code 96187
⁷ Property Code 26100	⁸ Property Name Guajalote State	⁹ Well Number 2

II. ¹⁰ Surface Location

Ul or lot no. C	Section 5	Township 19S	Range 29E	Lot Idn	Feet from the 660	North/South Line S	Feet from the 1980	East/West line E	County Eddy
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¹¹ Bottom Hole Location

Ul or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
¹² Lse Code S	¹³ Producing Method Code	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address SWD	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description

IV. Produced Water

²³ POD 2809237	²⁴ POD ULSTR Location and Description
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V. Well Completion Data

²⁵ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ PBSD	²⁹ Perforations	³⁰ DHC, DC, MC
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		

VI. Well Test Data

³⁵ Date New Oil	³⁶ Gas Delivery Date	³⁷ Test Date	³⁸ Test Length	³⁹ Tbg. Pressure	⁴⁰ Csg. Pressure
⁴¹ Choke Size	⁴² Oil	⁴³ Water	⁴⁴ Gas	⁴⁵ AOF	⁴⁶ Test Method

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: Michael Corjay Printed name: Michael Corjay Title: Vice President Date: 12/27/99 Phone: 915/685-1761		OIL CONSERVATION DIVISION Approved by: ORIGINAL SIGNED BY TIM W. GUM DISTRICT II SUPERVISOR Title: Approval Date: JUN 15 2000	
⁴⁸ If this is a change of operator fill in the OGRID number and name of the previous operator SDX Resources, Inc. 020451 Previous Operator Signature Printed Name: John Pool Title: Vice President Date: 12/27/99			

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO. 30-015-24930
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No. L-1022
Lease Name or Unit Agreement Name Guajalote State
Well No. 2
Pool name or Wildcat SWD QN-GB

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.)	
Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER SWD <input checked="" type="checkbox"/>	
Name of Operator SDX Resources, Inc.	
Address of Operator PO Box 5061, Midland, TX 79704	
Well Location Unit Letter O 660 Feet From The South Line and 1980 Feet From The East Line Section 5 Township 19S Range 29E NMPM Eddy County	
Elevation (Show whether DF, RKB, RT, GR, etc.)	

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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: ☐

SUBSEQUENT REPORT OF:

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

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.

2/16/00 TOH w/tbg & pkr. Set RBP @ 1851'.
2/17/00 Locate hole between 360 - 345'.
2/18/00 Locate TOC @ 1180'. Perf 4 squeeze hole @ 1180'. Establish circ to surf. Set CRT @ 1102'. Cmt w/300 sx Class C w/2% CaCl.
Did not circ.
2/19&20/00 WOC
2/21/00 Tag cmt @ 1090'. Test csg & still had leak & circ to surf. Sqz hole w/135 sx Cl C w/2% CaCl. Circ cmt to surf.
2/22/00 WOC
2/23/00 Drill out cmt to 385'. Csg would not test.
2/24/00 TIH & spot 30 sx 40/60 C cmt w/4% MPA-1 from 385' to surf. TOH. Sqz 5 bbls into hole & locked up @ 500#.
2/25-27/00 WOC
2/28/00 Tag cmt @ 290' & drill to 394'. Fell out of cmt. Csg tested ok. Drill out retainer & fell out of cmt @ 1170'. Csg test ok. TIH & clean off RBP. TOH & LD bit & collars.
2/29/00 Pull RBP. TIH w/bit & collars & clean out well to appx 2715'. TOH & LD workstring & bit & collars. TIH w/79 jts 2-3/8" PC tbg to 2231'. Circ hole w/pkr fluid. Set 4-1/2" johnson 101 S internally plastic coated pkr @ 2231'. Notified OCD Artesia & pressure tested csg to 300# for 30 min. Held fine. Copy of chart attached.

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 03-03-00

TYPE OR PRINT NAME Chuck Morgan

TELEPHONE NO. 915/685-1761

(This space for State Use)

SUPERVISOR, DISTRICT II

APPROVED BY

TITLE

DATE

3-12-00

CONDITIONS OF APPROVAL, IF ANY: