

Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-101
 Revised 1-1-89
 O.C.D.
 BVA
 50P

OIL CONSERVATION DIVISION

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

FEB 0 1993

O.C.D.

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

API NO. (assigned by OCD on New Wells)
 30-015-27300

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 648

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:
 DRILL RE-ENTER DEEPEN PLUG BACK
 b. Type of Well:
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE

7. Lease Name or Unit Agreement Name
 East Millman

2. Name of Operator
 SDX RESOURCES, INC.

8. Well No.
 194

3. Address of Operator
 P.O. BOX 5061 Midland, TX. 79704-5061

9. Pool name or Wildcat
 E. Millman Q-G-SA

4. Well Location Unit Letter K : 1330 Feet From The West Line and 382 Feet From The South Line
 Section 14 Township 19-S Range 28-E NMPM Eddy County

10. Proposed Depth 2600 11. Formation Grayburg 12. Rotary or C.T. Rot

13. Elevations (Show whether DF, RT, GR, etc.) 3426 GR 14. Kind & Status Plug. Bond Blanket 15. Drilling Contractor Capstar 16. Approx. Date Work will start Feb. 01

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24#	350'+	300	surf
7-7/8"	5-1/2"	15.50#	2600'	500	surf

Plan to drill a 12-1/4" hole to approx. 350'; set 8-5/8" surface casing. Circulate "C" cement. Drill 7-7/8" hole to TD. Run open hole logs (LDT-CNL-GR & DLL). Run 5-1/2" casing and circulate 50/50 POZ "C" cement. Perforate the Grayburg-Queen and stimulate as necessary for optimum production.

POST IO-1
 2-5-93
 NEW LOG & API

Mud Program: Fresh water mud 0'-350'
 Salt water mud 350'-TD.

APPROVAL VALID FOR 180 DAYS
 PERMIT EXPIRES 3-3-93
 UNLESS DRILLING UNDERWAY

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
 SIGNATURE Chuck Morgan TITLE Engr. DATE 1/29/93
 TYPE OR PRINT NAME Chuck Morgan TELEPHONE NO. 744-9914

(This space for State Use)
 APPROVED BY Mark Kelly TITLE Geologist DATE 2-3-93
 CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

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 Santa Fe, New Mexico 87504-2088

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WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

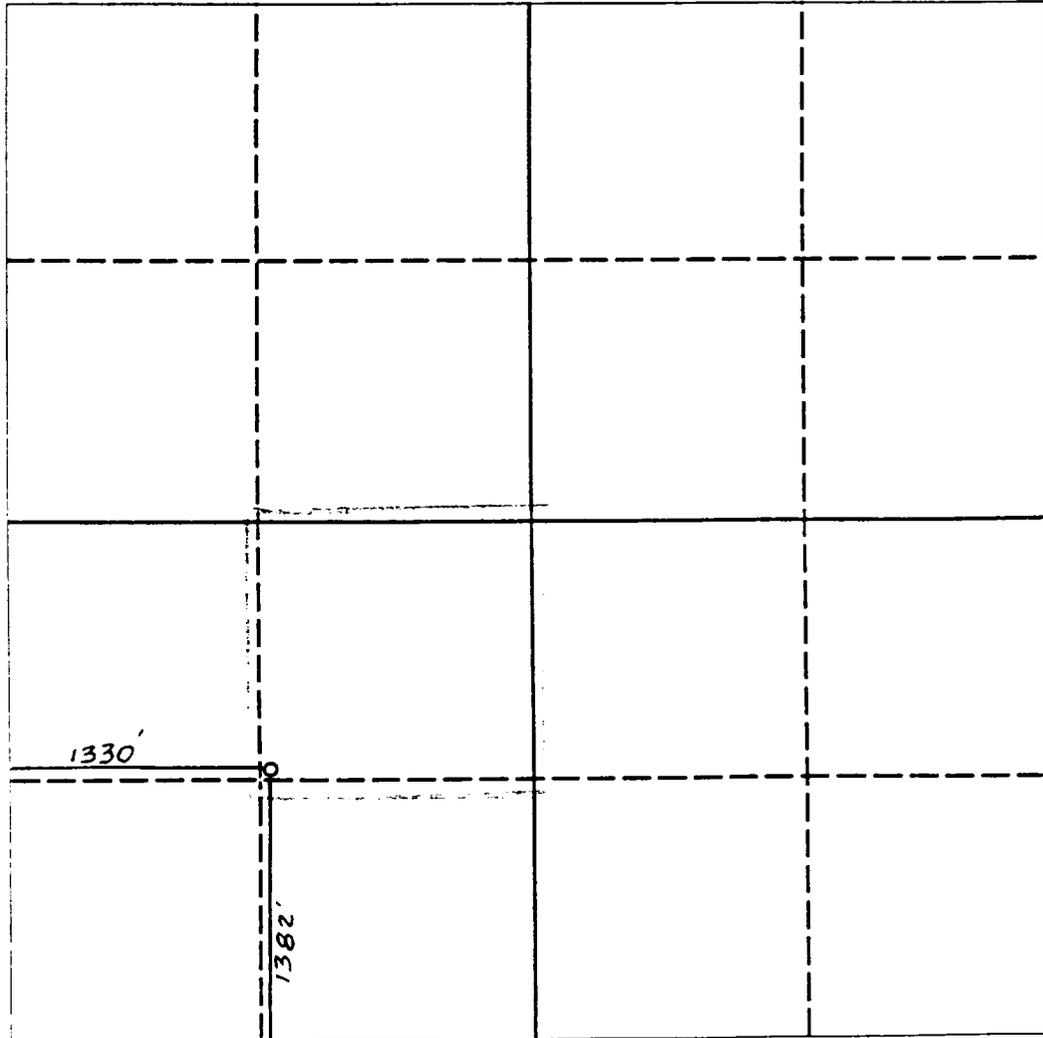
Operator SDX RESOURCES, INC.			Lease EAST MILLMAN UNIT		Well No. 194
Unit Letter K	Section 14	Township 19 SOUTH	Range 28 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: 1382 feet from the SOUTH line and 1330 feet from the WEST line					
Ground level Elev. 3426.	Producing Formation Q. - Gb.	Pool East Millman Q. - Gb. - SA.		Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature: *Chuck Morgan*
 Printed Name: **Chuck Morgan**
 Position: **Engr.**
 Company: **SDX Resources, Inc**
 Date: **1/29/93**

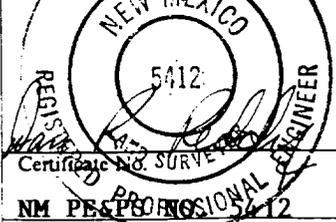
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

JANUARY 27 1993

Signature & Seal of Professional Surveyor



Certificate No. SURVEYOR

NM REGISTERED PROFESSIONAL SURVEYOR 5412

