

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

OIL CONSERVATION DIVISION

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

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)

30-015-27301

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

648

7. Lease Name or Unit Agreement Name

East Millman

8. Well No.

195

9. Pool name or Wildcat

E. Millman Q-G-SA

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL  
WELL ☒

GAS  
WELL ☐

OTHER ☐

SINGLE  
ZONE ☐

MULTIPLE  
ZONE ☐

2. Name of Operator

SDX RESOURCES, INC. ✓

3. Address of Operator

P.O. BOX 5061 Midland, TX. 79704-5061

4. Well Location

Unit Letter K : 2506 Feet From The West Line and 1375 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.)

3404 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.

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

APPROVAL VALID FOR 180 DAYS  
PERMIT EXPIRES 8-3-93  
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

Engineer

DATE

1/29/93

TYPE OR PRINT NAME

Chuck Morgan

TELEPHONE NO. 748-9514

(This space for State Use)

APPROVED BY

Mark Ralby

TITLE

Geologist

DATE

2-3-93

CONDITIONS OF APPROVAL, IF ANY:

\* 1/29/93