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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-101
Revised 1-1-89

RECEIVED
JAN 1993
O. C. D.
ARTESIA, OFFICE

API NO. (assigned by OCD on New Wells) 30-015-27302

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No. 648

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:
DRILL [X] RE-ENTER [ ] DEEPEN [ ] PLUG BACK [ ]

b. Type of Well:
OIL WELL [X] GAS WELL [ ] OTHER SINGLE ZONE [ ] MULTIPLE ZONE [X]

7. Lease Name or Unit Agreement Name: East Millman

2. Name of Operator: SDX RESOURCES, INC.

8. Well No. 196

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 L : 10 Feet From The West Line and 2630 Feet From The South Line

Section 14 Township 19-S Range 28-E NMPM Eddy County

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

13. Elevations (Show whether DF, RT, GR, etc.)	14. Kind & Status Plug. Bond	15. Drilling Contractor	16. Approx. Date Work will start
3445 GR	Blanket	Capstar	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

POST 101
2-5-93
VERBAL APPROVAL

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 Engr. DATE 1/29/93

TYPE OR PRINT NAME Chuck Morgan TELEPHONE NO. 744-9814

(This space for State Use)

APPROVED BY Mark Ashley TITLE Geologist DATE 2-3-93

CONDITIONS OF APPROVAL, IF ANY: