

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

clg  
Bum  
5/2  
OP

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

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87502-0208

MAY 25 1992

API NO. (assigned by OCD on New Wells)

30-015-27466

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.  
207

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

APPLICATION FOR PERMIT TO DRILL, DEEPEN, ~~RE-ENTER~~ 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 ☒

2. Name of Operator

SDX RESOURCES, INC.

3. Address of Operator

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

4. Well Location

Unit Letter   : 1180 Feet From The East Line and 1400 Feet From The South Line

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

10. Proposed Depth

2900

11. Formation

Grayburg

12. Rotary or C.T.

Rot

13. Elevations (Show whether DF, RT, GR, etc.)

3301 GR

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

Capstar

16. Approx. Date Work will start

June 1st

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#             | 380'          | 300             | surf     |
| 7-7/8"       | 5-1/2"         | 15.50#          | 2900'         | 500             | surf     |

Plan to drill a 12-1/4" hole to approx. 380'; set 8-5/8" surface casing. Circulate "C" cement. Drill 7-7/8" hole to TD. Run open hole logs (LDT-CNL-GR & DL). Run 5-1/2" casing and circulate 50/50 POZ "C" cement. Perforate the Grayburg-Queen and stimulate as necessary for optimum production.

Post ID-1  
6-18-93  
New loc  
+ API

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

APPROVAL VALID FOR 180 DAYS  
PERMIT DATE 12/16/93  
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 5/24/93

TYPE OR PRINT NAME Chuck Morgan TELEPHONE NO. 748-9224

(This space for State Use)

ORIGINAL SIGNED BY

MIKE WILLIAMS

APPROVED BY SUPERVISOR, DISTRICT II

DATE JUN 17 1993

CONDITIONS OF APPROVAL, IF ANY:

NSH-3319