

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

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Bum
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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 87504-2088

API NO. (assigned by OCD on New Wells)
30-015-27768
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-5136
7. Lease Name or Unit Agreement Name AR State
8. Well No. 1
9. Pool name or Wildcat East Millman-Q-GR-SA

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK					
1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>					
b. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>					
2. Name of Operator SDX Resources, Inc.					
3. Address of Operator P. O. Box 5061, Midland, Texas 79704					
4. Well Location Unit Letter <u>F</u> : <u>1650</u> Feet From The <u>North</u> Line and <u>1650</u> Feet From The <u>West</u> Line Section <u>23</u> Township <u>19 South</u> Range <u>28 East</u> NMPM <u>Eddy</u> County					
10. Proposed Depth 3000'		11. Formation Grayburg		12. Rotary or C.T. Rotary	
13. Elevations (Show whether DF, RT, GR, etc.) 3400' Ground		14. Kind & Status Plug. Bond Blanket		15. Drilling Contractor Capstar	
16. Approx. Date Work will start December 6, 1993					
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	Surface
7 7/8"	5 1/2"	15.5#	2950' +/-	300	Surface

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

10-1
12-10-93
M. J. R.

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 Rebecca J. Robinson TITLE Agent DATE 12-03-93
TYPE OR PRINT NAME Rebecca J. Robinson TELEPHONE NO.

(This space for State Use)

APPROVED BY Mark Bailey TITLE GEOLOGIST DATE 12-3-93
CONDITIONS OF APPROVAL, IF ANY:

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 6-3-94