

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

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

JUN 13 '94

API NO. (assigned by OCD on New Wells)

30-015-27985

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

848

648

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

ARTESIA, OFFICE

PLUG BACK ☐

b. Type of Well:

OIL WELL ☒

GAS WELL ☐

OTHER ☐

SINGLE ZONE ☐

MULTIPLE ZONE ☒

7. Lease Name or Unit Agreement Name

State 21

8. Well No.

9. Pool name or Wildcat

E. Millman Q-G-SA

2. Name of Operator

SDX RESOURCES, INC.

3. Address of Operator

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

4. Well Location

Unit Letter H : 330 Feet From The East

Line and 2310

Feet From The North

Line

Section 21

Township 19-S

Range 28-E

NMPM

Eddy

County

10. Proposed Depth  
2600

11. Formation  
Grayburg

12. Rotary or C.T.  
C.T.

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

3410 GR

14. Kind & Status Plug. Bood  
Blanket

15. Drilling Contractor  
Hammond

16. Approx. Date Work will start  
8/15

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.

Part 10-1  
6-12-94  
New Loc & API

APPROVAL VALID FOR 180 DAYS  
PERMIT EXPIRES 12-13-94  
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

6/11/94

TYPE OR PRINT NAME

Chuck Morgan

TELEPHONE NO. 748-9724

(This space for State Use)

APPROVED BY

Mark Kelly

TITLE

GEOLOGIST

DATE

6-13-94

CONDITIONS OF APPROVAL, IF ANY:

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                              |  |                                        |  |                                           |                      |
|------------------------------|--|----------------------------------------|--|-------------------------------------------|----------------------|
| 1 API Number<br>30-015-27985 |  | 2 Pool Code<br>46555                   |  | 3 Pool Name<br>East Millman In - Gb - Sa. |                      |
| 4 Property Code<br>STATE 21  |  | 5 Property Name                        |  |                                           | 6 Well Number<br>2   |
| 7 OGRID No.                  |  | 8 Operator Name<br>SDX RESOURCES, INC. |  |                                           | 9 Elevation<br>3410. |

10 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| H             | 21      | 19S      | 28E   |         | 2310          | NORTH            | 330           | EAST           | EDDY   |

11 Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|               |         |          |       |         |               |                  |               |                |        |

|                    |                    |                       |              |
|--------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. |
|                    |                    |                       |              |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

|    |  |  |  |  |             |                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----|--|--|--|--|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 16 |  |  |  |  | 2310<br>330 | 17 OPERATOR CERTIFICATION<br>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. |                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|    |  |  |  |  |             | Signature<br>Chuck Morgan                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|    |  |  |  |  |             | Printed Name<br>Chuck Morgan                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|    |  |  |  |  |             | Title<br>Engr.                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|    |  |  |  |  |             | Date<br>6/11/94                                                                                                                                  | 18 SURVEYOR CERTIFICATION<br>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 belief.<br><br>JUNE 10, 1994<br>Date of Survey<br>Signature and Seal of Professional Surveyer:<br>DAVID R. REDDY<br>NEW MEXICO<br>REGISTERED LAND SURVEYOR<br>5412<br>ENGINEER<br>NM PLATS NO. 5412 |
|    |  |  |  |  |             |                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|    |  |  |  |  |             |                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|    |  |  |  |  |             |                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                        |

B.O.P. Diagram  
Cable Tool Rig

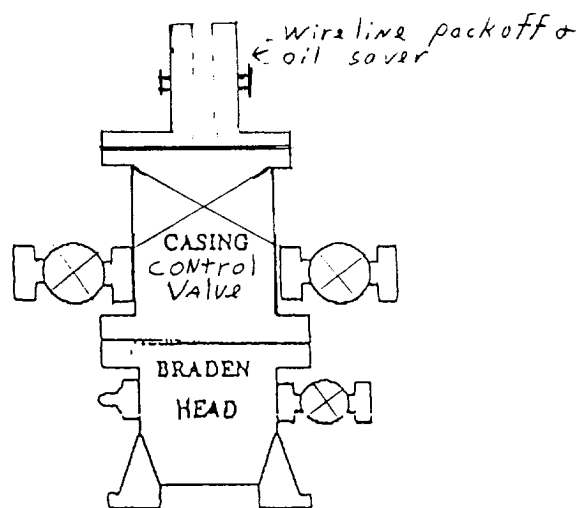


Exhibit #1