SDX Resources, Inc. - JB State Com. #1 Unit E, 1980' FNL & 660' FWL Sec. 32, T23S, R28E, Eddy Co., NM

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Proposed Program (Continued) Page 2

Dress off top of 7-5/8" & pressure test. Cleanout to 6150' & circulate hole w/2% KC1. Run CBL & perforate selectively from 5700'-6000'. Acidize perfs and swab test. Frac well if necessary. Place well on production test and assemble battery, if needed.