District I PO Box 1980, Hobbs, NM 88241-1980

District II 811 South First, Artesia, NM 88210

District III 1000 Rio Brazos Rd., Aztec, NM 87410

Title:

Regulatory Tech

915/685-1761

District IV 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-101 Revised October 18, 1994 Instructions on back Submit to Appropriate District Office State Lease - 6 Copies Fee Lease - 5 Copies

AMENDED REPORT

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | | Opera | tor Name an | d Address | 234567997 234567997 001 1997 | | | 3. | 20GRID Number | | | |
|---|---|--|------------------|-------------|-----------------------|------------------------------------|--|----------------|-------------------|-----------------|--------------------------|-----------|--|
| SDX Resources, inc. P. O. Box 5061 | | | | | | | | Nº A COR | | | 020451 | | |
| Midland, TX 79704 | | | | | | | | 15 | T | | | PI Number | |
| , | | | | | | | /SÍ 601 1997 | | 7 | 30-015-24883 | | | |
| *Property Code | | | | | | sProperty Name | | | RECEIVE |) | | ₀Well No. | |
| 015786 | | | Co | noco 7 S | State | | | 1.4 | OCD - ARTESIA | | | 22 | |
| L | Surface Location | | | | | | | | | | | | |
| UL or lot no. | Section To | | ownship Range | | Lot Idn Feet from the | | North/South line | | Feet from the | EastA | Nest Line | County | |
| Е | 7 | | 19S 29E | | | 1340 | North | | 330 V | | Vest | Eddy | |
| Lot 2 .Proposed 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 | n the East/West | | County | |
| | | | | | | | hv N | | | | | | |
| Proposed Pool 1 Millman Yates-7 Rvrs-QN-GB-SA, East (46555) | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| Work Typ | e Code | | 12 | Well Type | Code | 13Cable | le/Rotary | | 14Lease Type Code | | 15Ground Level Elevation | | |
| N | | | 0 | | | R | | S | | | 3377 | | |
| 1aMultiple | | | 17Proposed Depth | | | 1sFormation | | 19Contractor | | | 20Spud Date | | |
| No | | | 3100 | | | QN/GR/SA | | United Drlg Co | | 11-05-97 | | | |
| ²¹ Proposed Casing and Cement Program | | | | | | | | | | | | | |
| Hole Size | | | asing S | ize | Casing weight/foot | | Setting Depth | | Sacks of Cement | | Estimated TOC | | |
| 12-1/4" | | | 8-5/8" | | | 24# | 3 | | 50 350 sxs CI C | | Surface | | |
| 7-7/8" | | | 5-1/2" | | 14# | | 3100 | | 350 sxs Poz + | | Surface | | |
| | | | | | | | | | 400 sxs Lite | | Part ID-1 | | |
| | | | | | | | | | | | 10 - | 17-97 | |
| | | | | | 1 | | | | | | API | + Loc | |
| ²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary. | | | | | | | | | | | | | |
| Plan to drill a 12-1/4" hole to approximately 350' and set 8-5/8" surface casing. Circulate cement to surface. Drill 7-7/8" hole to | | | | | | | | | | | | | |
| total depth of 3100'. Run Open Hole logs . Run 5-1/2" casing and circulate cement. Perforate the QN-GB-SA and stimulate as necessary for optimum production. | | | | | | | | | | | | | |
| Permitted as a standard location in Conoco 7 State Leasehold Waterflood Project (R-10589) as per OCD Order No. R 10533. | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| ²³ I barabu contifu | ²³ hereby certify that the information given above is true and complete to the OIL CONSERVATION DIVISION | | | | | | | | | | | | |
| best of my knowledge and belief. | | | | | | | OIL CONSERVATION DIVISION | | | | | | |
| Signature: (amine) (authoris | | | | | | | Approved By: ORIGINAL SIGNED BY TIM W. GUM | | | | | | |
| Printed name: Janice Courtney 10/03/97 | | | | | | | Title: DISTRICT II SUPERVISOR | | | | | | |

Approval Date: OCT 1 3 1997

Expiration Date:

1-13-9