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1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Avenue, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Road, Aztec, NM 87410  
 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy Minerals and Natural Resources

Oil Conservation Division  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-101  
 May 27, 2004

Submit to appropriate District Office  
 RECEIVED  
 OCD - ARTESIA  
 AMENDED REPORT

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

Operator Name and Address SDX Resources, Inc. PO Box 5061 Midland, TX 79704		Well No. 12
Property Code 27087	Property Name Enron State	API Number 30 - 015 - 35050
Proposed Pool 1 Artesia, GL-YE 03230		Proposed Pool 2

**7 Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	32	17S	18E		330	North	500	West	Eddy

**8 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	East/West line	County

**Additional Well Information**

Work Type Code N	Well Type Code O	Cable/Rotary Rotary	Lease Type Code S	Ground Level Elevation 3667' GR
Multiple N	Proposed Depth 4000	Formation GL-YE	Contractor United	Spud Date 9-1-06
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic X 12_mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine X Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

**21 Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#	350	350 sx Cl C	Surf
7-7/8"	5-1/2"	14#	4000	350 POZ 400 Lite	Surf

**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 appx 350' & set 8-5/8" surf csg to 350'. Circ Cl C cmt. Drill 7-7/8" hole to TD (4000'). Run OH logs. Run 5-1/2" csg & circ cmt. Perf the QN-GB-SA zone & stimulate as necessary for optimum production. Anticipated H2S levels are not expected to be high enough to require a H2S contingency Plan.

**23** I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines X, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Bonnie Atwater

Title: Regulatory Tech

E-mail Address: batwater@sdresources.com

Date: 7/26/06

Phone: 432/685-1761

**OIL CONSERVATION DIVISION**

Approved by:

BRYAN G. ARRANT

DISTRICT II GEOLOGIST

Title:

Approval Date:

AUG 02 2006

Expiration Date:

AUG 02 2007

Conditions of Approval Attached ☐

5-17 > 9.5

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number		<sup>2</sup> Pool Code 03230		<sup>3</sup> Pool Name Artesia, GL-YE	
<sup>4</sup> Property Code 27087		<sup>5</sup> Property Name <b>ENRON STATE</b>			<sup>6</sup> Well Number <b>12</b>
<sup>7</sup> OGRID No. 020451		<sup>8</sup> Operator Name <b>SDX RESOURCES, INC.</b>			<sup>9</sup> Elevation <b>3667</b>



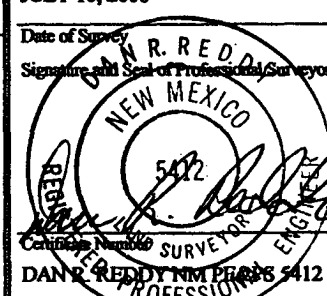
<sup>10</sup> Surface Location

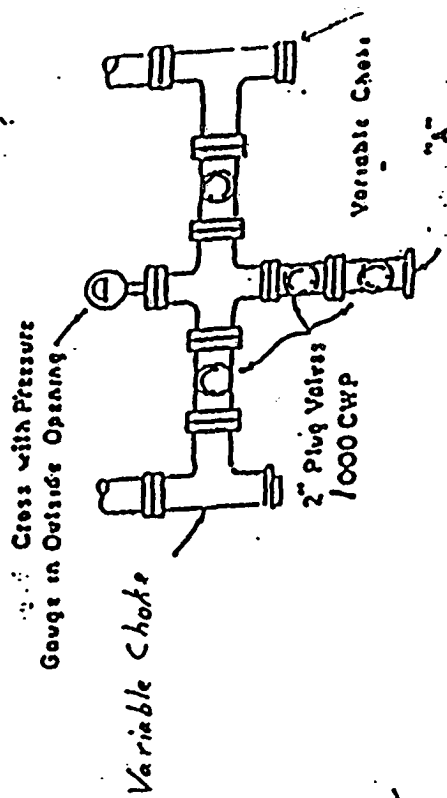
UL or lot no. <b>D</b>	Section <b>32</b>	Township <b>17-S</b>	Range <b>28-E</b>	Lot Idn	Feet from the <b>330</b>	North/South line <b>NORTH</b>	Feet from the <b>500</b>	East/West line <b>WEST</b>	County <b>EDDY</b>
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<sup>11</sup> Bottom Hole Location 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
<sup>12</sup> Dedicated Acre 40		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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.

<sup>16</sup>  LAT N32.79693 LON W104.20479				<sup>17</sup> <b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  Signature Date 7/26/06 Bonnie Atwater Printed Name	
					<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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. JULY 10, 2006 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number 5412 DAN R. REDDY NM PRS 5412 PROFESSIONAL SURVEYOR



PLAN VIEW-CHOKE-MANIFOLD

Exhibit #1