

**District I**

1625 N. French Dr., Hobbs, NM 88240

**District II**

1301 W. Grand Avenue, Artesia, NM 88210

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410

**District IV**

1220 S. St. Francis Dr., Santa Fe, NM 87505

**State of New Mexico**

**Energy, Minerals & Natural Resources Department**

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

**OIL CONSERVATION DIVISION**

1220 South St. Francis Dr.

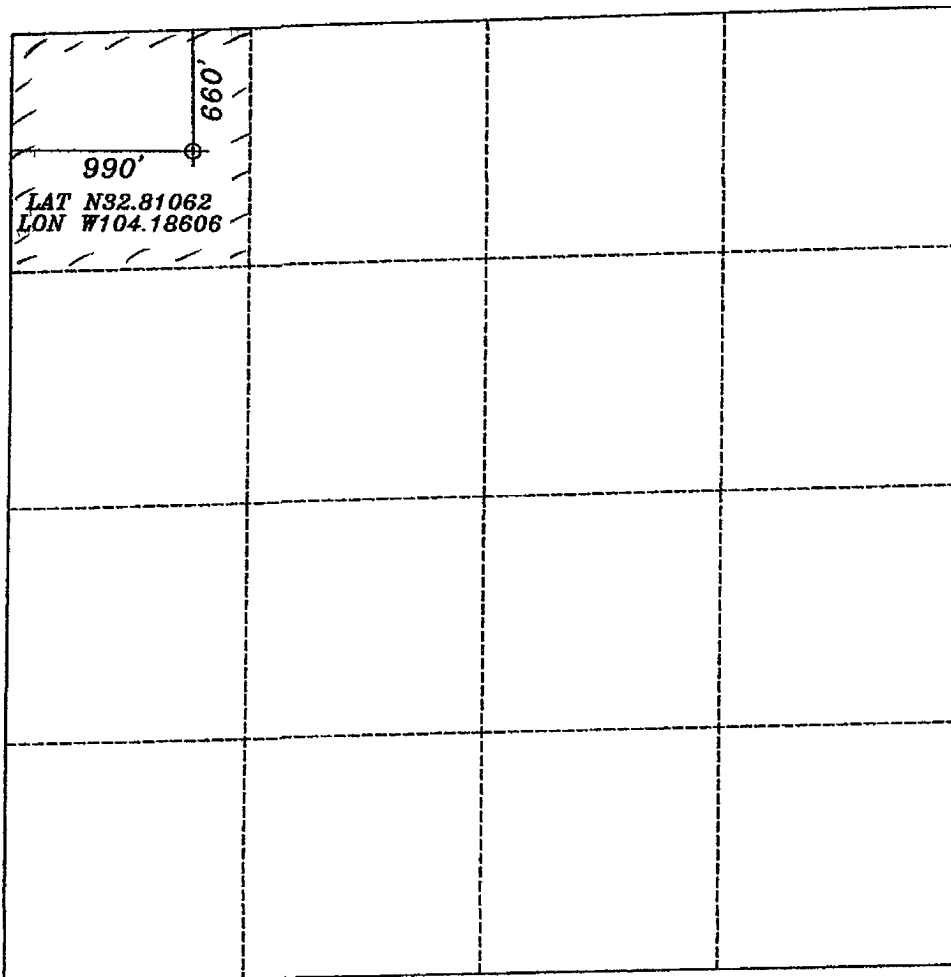
Santa Fe, NM 87505

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number 30 015 36031		2 Pool Code 51300		3 pool Name Red Lake, QN-GB-SA					
4 Property Code 28535		5 Property Name WELCH RL STATE						6 Well Number 4	
7 OGRID No. Q2Q451		8 Operator Name SDX RESOURCES, INC.						9 Elevation 3603	
10 Surface Location									
UL or lot no. D	Section 28	Township 17-S	Range 28-E	Lot Idn.	Feet from the 660	North/South line NORTH	Feet from the 990	East/West line WEST	County EDDY
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 40									
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.



**1 OPERATORS CERTIFICATION**

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 or a mineral interest in the land underlying 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 mineral or working interest, or to voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Bonnie Atwater* 12/20/07

Signature

Date

Bonnie Atwater

Printed Name

**18 SURVEYOR CERTIFICATION**

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.

DECEMBER 13, 2007

Date of Survey

Signature and Seal of Professional Surveyor:

*DAN R. REDDY*

Certification Numbers: DAN R. REDDY NM PE&PS 5412

**Arrant, Bryan, EMNRD**

**From:** Kanicia Carrillo [KCarrillo@conchoresources.com]  
**Sent:** Thursday, January 03, 2008 1:09 PM  
**To:** Arrant, Bryan, EMNRD  
**Cc:** Diane Kuykendall; Phyllis Edwards  
**Subject:** RE: Welch RL State # 4

Hi Bryan,

We have rights from the surface to the base of the premier sands. It appears to us that SDX Resources may have picked an incorrect pool code? That's all we could come up with.

Let me know when you find out something.

Thanks,

*Kanicia Carrillo*

Regulatory Analyst  
 COG Operating LLC  
 432-685-4332

"A smile is a curve that sets everything straight!"

**From:** Arrant, Bryan, EMNRD [mailto:bryan.arrant@state.nm.us]  
**Sent:** Thursday, January 03, 2008 12:14 PM  
**To:** batwater@sdxresources.com  
**Cc:** Ezeanyim, Richard, EMNRD; Kanicia Carrillo  
**Subject:** Welch RL State # 4

Hi Bonnie and Kanicia,

I need your help in explaining to me how the submitted application to drill for the Welch RL State # 4 (on OCD Online by SDX Resources, Inc. in Unit D, 28-17S-28E, 660' FNL & 990' FWL) is to be permitted in the Red Lake; Queen-Grayburg-San Andres Pool?

I find (2) completed wells (API # 30-015-33166 & 30-15-33189) that have been completed in the Red Lake Shores; Grayburg Pool in the same unit.

Currently these wells are operated by COG Operating, LLC.

So as I read it with the APD submitted, SDX Resources, Inc. will need to apply for an exception with NMOCD Rule 19.15.3.104(E) or apply for hearing in Santa Fe, which ever applies.

In reviewing the pools in this area, SDX Resources, Inc. has the Red Lake; San Andres Oil Pool vertical boundary in the NW/4 of section 28.

As always, thanks for your guidance and help.

*Bryan G. Arrant*

District II Geologist  
 New Mexico Oil Conservation Division  
 1301 West Grand Ave.  
 Artesia, NM 88210  
 505-748-1283 Ext. 103

1/3/2008

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