

State of New Mexico
Energy, Minerals and Natural Resources

RECEIVED

MAY 26 2010

NMOCD ARTESIA

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30 015 37296

5. Indicate Type of Lease

STATE x FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Challenger 1 State

8. Well Number 2H

9. OGRID Number

217955

10. Pool name or Wildcat

Corral Draw Delaware Northwest (96464)

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well x Gas Well Other -

2. Name of Operator

OGX Resources, LLC

3. Address of Operator

P.O. Box 2064, Midland, TX 79702

4. Surface Well Location

Unit Letter 3 : 660 feet from the North line and 1980 feet from the West line

Section 1 Township 25S Range 29E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3118' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDONTEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A

CASING/CEMENT JOB

OTHER: Surface Commingle/Identical Ownership

OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Requesting permission to surface commingle the crude oil produced from the following:

Pierce Crossing; Bone Springs, East (96473); Challenger 1 State, 30 015 36535, Well #1H.

Average daily production: 22 bbls oil and 160 mcf gas. Oil POD 269577, Gas POD 241472.

Corral Canyon Delaware, Northwest (96464), Challenger 1 State, 30 015 37296, Well #2H.

Average daily production: 170 bbls oil and 35 mcf gas.

Oil will be allocated by monthly production tests, the gas will be measured separately.

Effective month May 1, 2010. Ownership is identical.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

TITLE

Regulatory Agent

DATE 5-15-10

Type or print name Ann E. Ritchie

E-mail address: ann.wtor@gmail.com

PHONE: 432 684-6381

For State Use Only

APPROVED BY:

TITLE

Field supervisor

DATE

9-22-10

Conditions of Approval (if any):