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Form 3160-3
(July 1992)BY **UNITED STATES**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTSUBMIT IN TRIPLICATE
(Other instructions on
reverse side)FORM APPROVED
OMB NO. 1004-0136
Expires: February 26, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.
LC-058181

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
Enron Federal #8

9. API WELL NO.

30-015-32662

10. FIELD AND POOL, OR WILDCAT

Red Lake, QN-GB-SA

11. SEC. T., R., N., OR BLK.
AND SURVEY OR AREA

Sec 25, T17S, R27E, Unit M

12. COUNTY OR PARISH
Eddy13. STATE
NM

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

OTHER

SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

SDX Resources, Inc.

3. ADDRESS AND TELEPHONE NO.

PO Box 5061, Midland, TX 79704 915/685-1761

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface 330' FSL 330' FWL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

8.5 miles East of Artesia, NM

15. DISTANCE FROM PROPOSED
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest well, well log, F.S.M.)

330'

16. NO. OF ACRES IN LEASE

160

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

933'

19. PROPOSED DEPTH

4000'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether OF, RT, GR, etc.)

3587' GR

Koswell Controlled Water Basin

22. APPROX. DATE WORK WILL START
03/01/03

21.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	300'	325 sx
7-7/8"	5-1/2"	14#	4000'	600 sx

Plan to drill a 12-1/4" hole to appx 300' & set 8-5/8" surf csg to 300'. Circ CI 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.

Specific programs as per Onshore Oil & Gas Order #1 are outlined in the following attachments:

Drilling Program

Surface Use & Operating Plan

Exhibit #1 - Location & Elevation Plat

Exhibit #2 - BOP Equipment

Exhibit #3 - Planned Roads & Access

Exhibit #4 - One Mile Radius Map

Exhibit #5 - Drilling Rig Layout

Letter of Responsibility

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24.

SIGNED

Bonnie Otter

TITLE Regulatory Tech

DATE 01/22/03

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Lee M. Lora Acting

FIELD MANAGER

DATE

2/24/03

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Record I
 Fred R. French Dr. Hobbs, NM 88240
 Record II
 811 South First, Artesia, NM 88210
 Record III
 1000 New Braun Rd., Artesia NM 87410
 Record IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources
OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, N M 87505

Form C-102
 Revised March 17, 1999
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 51300	Pool Name Red Lake, QN-CB-SA
Property Code 29217	Property Name ENRON FEDERAL	Well Number 8
ORRD No. 020451	Operation Name SDX RESOURCES INC.	Elevation 3587

Surface Location

UL or Lot No.	Section	Township	Range	Lot Id.	Feet from the	North/South line	Feet from the	East/West line	County
M	25	17-S	27-E		330	SOUTH	330	WEST	EDDY

Bottom Hole Location if Different From Surface

UL or Lot No.	Section	Township	Range	Lot Id.	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DMSION

					OPERATOR CERTIFICATION I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
					Signature <i>Bonnie Atwater</i>
					Printed Name Bonnie Atwater
					Title Regulatory Tech
					Date 1/22/03
					SURVEYOR CERTIFICATION I HEREBY CERTIFY THAT THE WELL LOCATION SHOWN ON THIS PLAT WAS PLACED FROM FIELD NOTES OF A SURVEY MADE BY ME OR UNDER MY SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
					Date of Survey JANUARY 12, 2003
					Signature and Seal of Surveyor

Exhibit #1

R27E

SECTION-25

SDX RESOURCES, INC.
ENRON 25 FED. #5
1800' FSL
2310' FSL
(PROPOSED WELL)

NEW ROAD

EXISTING FIELD ROAD
BIS FLOW LINE

NEW ROAD

EXISTING COUNTY ROAD

SDX RESOURCES, INC.
ENRON 25 FED. #6
900' FSL
2310' FWL
(PROPOSED WELL)

SDX RESOURCES, INC.
ENRON 25 FED. #3
800' FSL
1800' FSL
(EXISTING WELL)



Scale $1'' = 1000\text{ ft}$

PREPARED BY: DAN R. REDDY NM PE & PS
PREPARED FOR: SDX RESOURCES, INC.
APRIL 1, 2002

Exhibit 3c

Hand-drawn site plan on graph paper showing proposed and existing features. The plan includes a diagonal line labeled "CR 2004" on the left, a horizontal line labeled "Existing access Road" at the bottom, and a diagonal line labeled "Existing access Road" on the right. A "Proposed access Road" is shown as a dashed line. A "Proposed Flowline" is indicated with a dashed line and a distance of "1950'". An "Existing Flowline" is shown with a solid line and a distance of "900' (3=rdy)". Two "Proposed Euron #5" locations are marked with dots and labeled "5". An "Existing Euron #23 Battery" is marked with a dot and labeled "3". A "Mack Energy" location is marked with a dot and labeled "Mack Energy". The plan also includes labels "N" and "O".

Eddy Co.
corrected 4 Feb: List # 3B

N

175-177m