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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

Form C-101

May 27, 2004

Oil Conservation Division **RECEIVED** Submit to appropriate District Office
1220 South St. Francis Dr. FEB 09 2006 ☐ AMENDED REPORT
Santa Fe, NM 87505 **OCD-ARTESIA****APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

¹ Operator Name and Address SDX Resources, Inc. PO Box 5061 Midland, TX 79704		² OGRID Number 020451
³ Property Code 27122	⁴ Property Name Jeffers 36 State	⁵ API Number 30 - 015 - 34626
⁶ Proposed Pool 1 Red Lake, ON-GB-SA		⁷ Proposed Pool 2 4

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
B	36	17S	27E		935	North	2260	East	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

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3622'
¹⁶ Multiple N	¹⁷ Proposed Depth 3500	¹⁸ Formation QN-GB-SA	¹⁹ Contractor United	²⁰ Spud Date 3/1/06
Depth to Groundwater 10 PFS		Distance from nearest fresh water well >1000		Distance from nearest surface water >1000
Pit: Liner: Synthetic X 12_mils thick Clay <input type="checkbox"/> Pit Volume: 8000_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#	400'	350 sx	Surf
7-7/8"	5-1/2"	14#	3500'	300 C Lite	Surf
				+ 300 C	

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 400'. Set 8-5/8" surf csg. Circ Cl C cmt to surf. Drill 7-7/8" hole to TD. Run OH logs (LDT-CNL-GR & DLL). Run 5-1/2" csg & circ 50/50 POZ Cl C cmt. Perf the QN-GB-SA and 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: 2/8/06

Phone: 432/685-1761

OIL CONSERVATION DIVISION

Approved by

Title:

Approval Date: FEB 17 2006

Expiration Date: FEB 17 2007

Conditions of Approval Attached ☐

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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

¹ API Number		² Pool Code 51300	³ Pool Name Red Lake, QN-GB-SA
⁴ Property Code 25196	⁵ Property Name JEFFERS 36 STATE		⁶ Well Number 4
⁷ OGRID No. 020451	⁸ Operator Name SDX RESOURCES, INC.		⁹ Elevation 3622

¹⁰ Surface Location

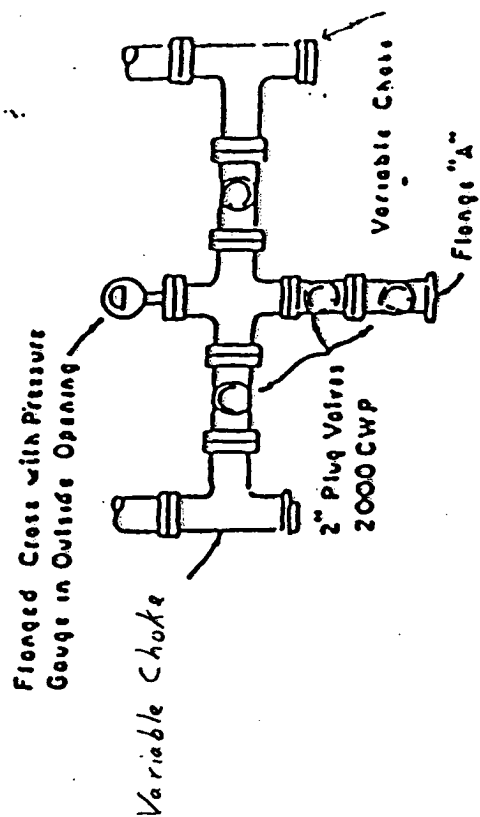
UL or lot no. B	Section 36	Township 17-S	Range 27-E	Lot Idn	Feet from the 935	North/South line NORTH	Feet from the 2260	East/West line EAST	County EDDY
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acre 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.

¹⁶ 	¹⁷ OPERATOR 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 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: <u>Bonnie Atwater</u> Date: <u>2/8/06</u> Printed Name: <u>Bonnie Atwater</u>	
	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. Date of Survey: <u>FEBRUARY 1, 2006</u> Signature and Seal of Professional Surveyor:	
	Date of Survey: <u>FEBRUARY 1, 2006</u> Signature and Seal of Professional Surveyor:	
	Certificate Number: <u>5412</u> DAN R. REDDY, NM PEAS 5412	



PLAN VIEW-CHOKE-MANIFOLD