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

Submit to appropriate District Office

☐ 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		OGRID Number 020451	
Property Code 33269		Property Name Aztec	
Proposed Pool 1 Osudo, S. Morrow (82200)		Proposed Pool 2	

Surface Location									
UL or lot no. E D	Section 15	Township 21S	Range 35E	Lot Idn	Feet from the 810	North/South line North	Feet from the 929	East/West line West	County Lea

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 OG	Cable/Rotary Rotary	Lease Type Code S	Ground Level Elevation 3588
Multiple N	Proposed Depth 12600	Formation Morrow	Contractor Patterson	Spud Date 7/15/05
Depth to Groundwater >50 <100		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: 9000 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"/>				

Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	54.5#	1450'	900	Surf
12-1/4"	9-5/8"	40#	5500'	1200	Surf
8-3/4"	5-1/2"	17#	12600'	800	8000'

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.

Propose to drill 17-1/2" hole to 1450' & set 54.5# 13-3/8" csg & circ cmt to surf. Drill out w/12-1/4" bit to 5500' & set 9-5/8" 40# csg. Cmt to surf. Drill out w/8-3/4" bit to TD of 12,600'. Will set 5-1/2" 17# S-95 csg & cmt w/800 sx. TOC appx 8000'. Will use double ram 5000# WP BOP. Will perf & stimulate the Morrow formation as necessary for optimum production.

No H2S is expected & no contingency plan is necessary.

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: 6/20/05

Phone: 432/685-1761

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Conditions of Approval Attached ☐

PETROLEUM ENGINEER

DEC 07 2005

Expiration Date:

Permit Expires 1 Year From Approval
 Date Unless Drilling Underway

State of New Mexico

DISTRICT I

1625 N. FRENCH DR., HOBBES, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-37405	Pool Code 8220	Pool Name Osuda, S. Morrow
Property Code 33269	Property Name AZTEC	Well Number 2
OGRID No. 020451	Operator Name SDX RESOURCES, INC.	Elevation 3588'

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	15	21-S	35-E		810	NORTH	810	WEST	LEA

Bottom Hole Location If Different From Surface

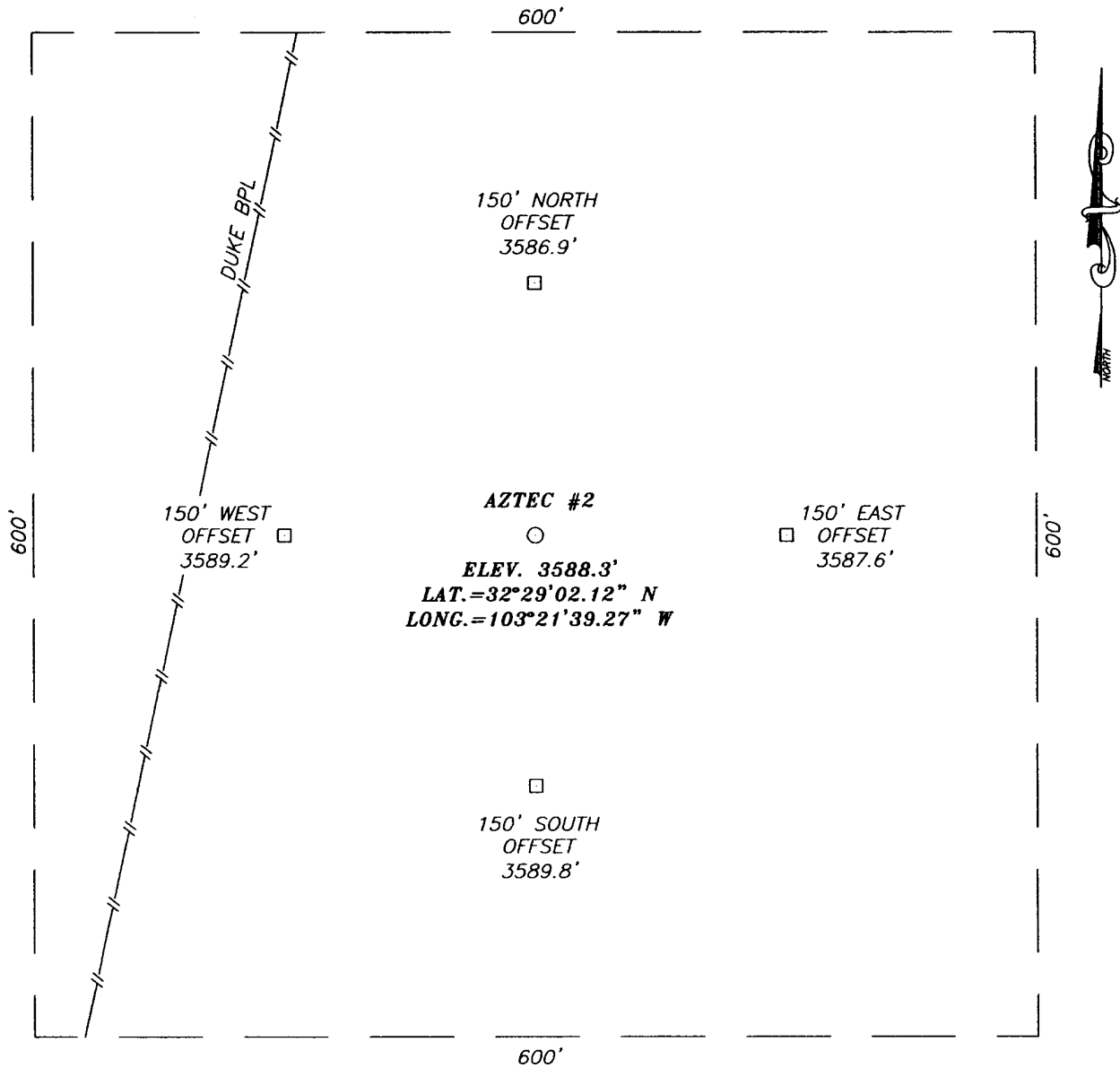
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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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

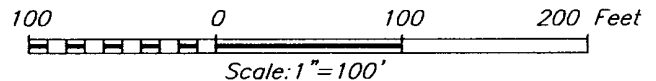
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=541130.6 N X=799859.1 E</p> <p>LAT.=32°29'02.12" N LONG.=103°21'39.27" W</p> <p>#1</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Chuck Morgan</i> Signature</p> <p>Chuck Morgan Printed Name</p> <p>Engr. Title</p> <p>6/20/05 Date</p>	
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JUNE 13, 2005</p> <p>Date Surveyed _____ LA</p> <p>Signature & Seal of Professional Surveyor <i>GARY E. EDSON</i> GARY E. EDSON NEW MEXICO 12641 05.11.0893 6/17/05</p> <p>Certificate No. GARY EDSON 12641</p>	

SECTION 15, TOWNSHIP 21 SOUTH, RANGE 35 EAST, N.M.P.M.,
 LEAS COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

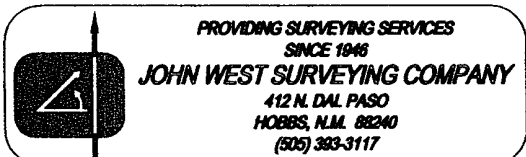
FROM THE INTERSECTION OF ST. HWY. #8 AND ST. HWY. #176 GO WEST APPROX. 5.6 MILES TO A LEASE ROAD. TURN NORTH AND GO APPROX. 0.9 MILES. PROPOSED LOCATION IS APPROX. 1750' WEST.



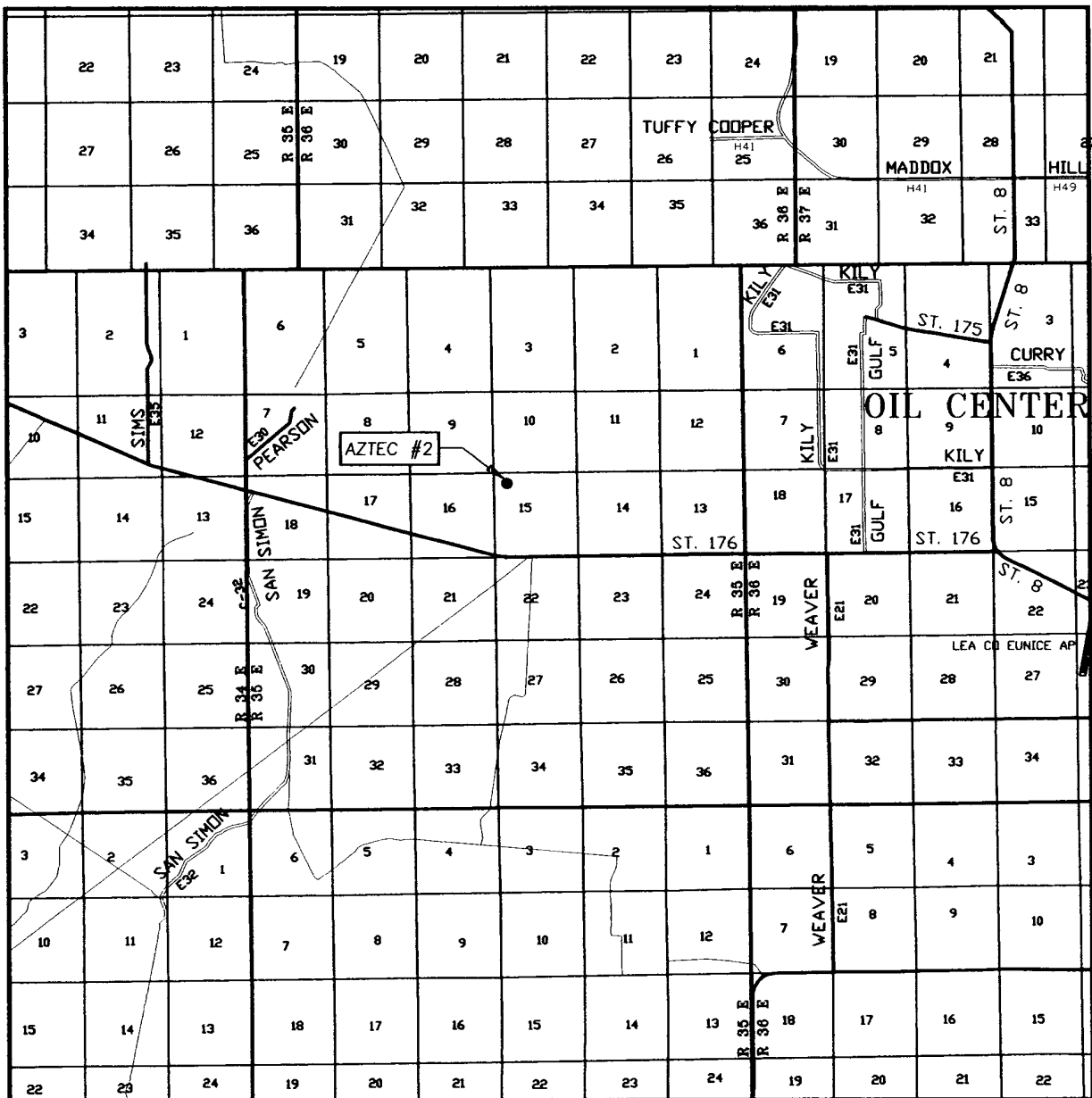
SDX RESOURCES, INC.

AZTEC #2 WELL
 LOCATED 810 FEET FROM THE NORTH LINE
 AND 810 FEET FROM THE WEST LINE OF SECTION 15,
 TOWNSHIP 21 SOUTH, RANGE 35 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

Survey Date: 6/13/05	Sheet 1 of 1 Sheets
W.O. Number: 05.11.0893	Dr By: LA
Date: 6/16/05	Rev 1: N/A
Disk: CD#4	05110893
Scale: 1"=100'	



VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 15 TWP. 21-S RGE. 35-E

SURVEY N.M.P.M.


COUNTY LEA

DESCRIPTION 810' FNL & 810' FWL

ELEVATION 3588'

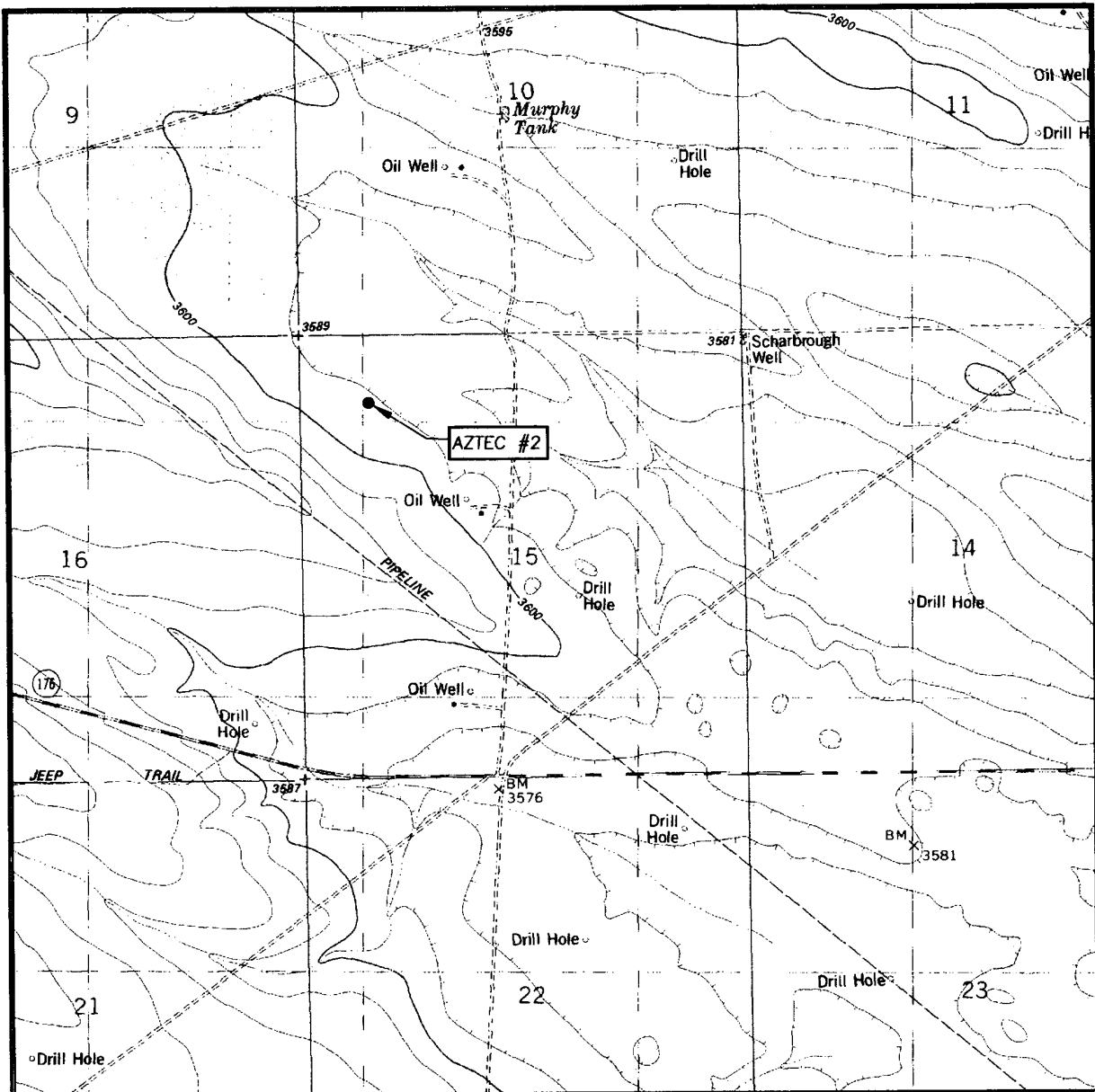
OPERATOR SDX RESOURCES, INC.

LEASE AZTEC



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
OIL CENTER, N.M. - 10'

SEC. 15 TWP. 21-S RGE. 35-E

SURVEY N.M.P.M.

COUNTY LEA

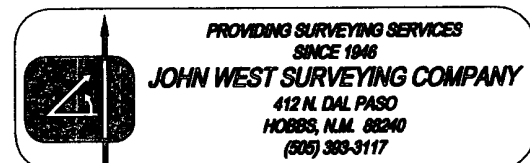
DESCRIPTION 810' FNL & 810' FWL

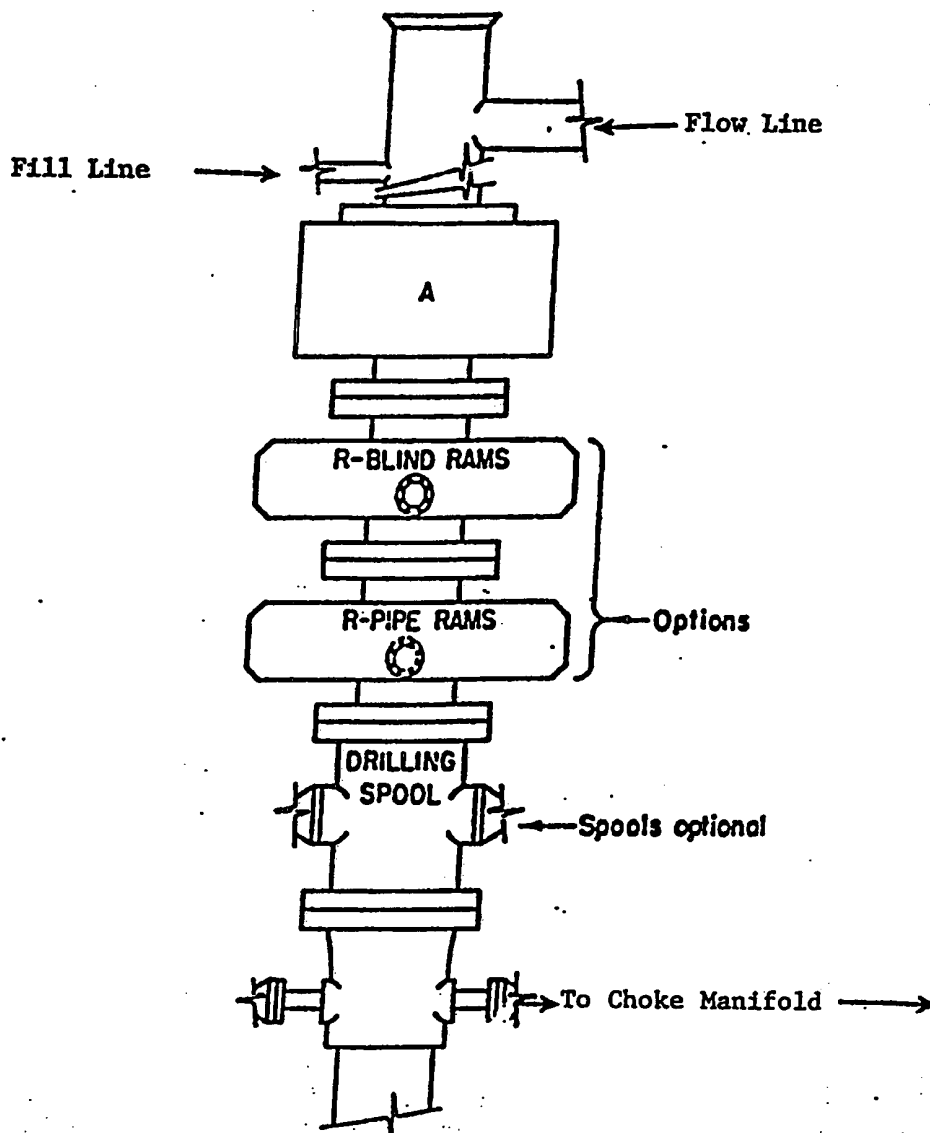
ELEVATION 3588'

OPERATOR SDX RESOURCES, INC.

LEASE AZTEC

U.S.G.S. TOPOGRAPHIC MAP
OIL CENTER, N.M.





ARRANGEMENT SRRA

1500 Series

5000# Working Pressure

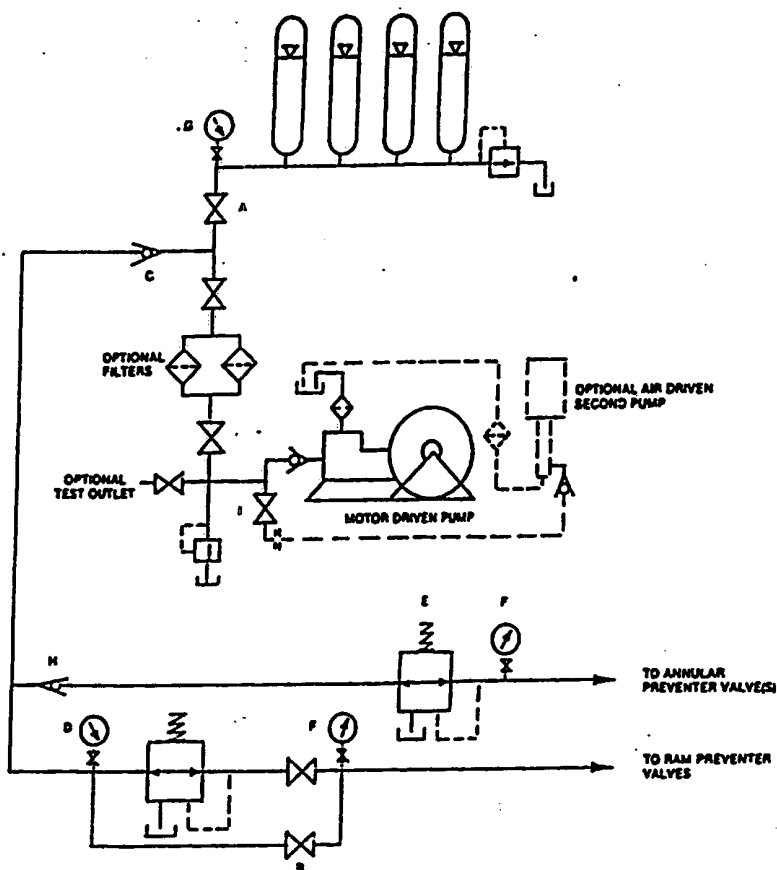


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

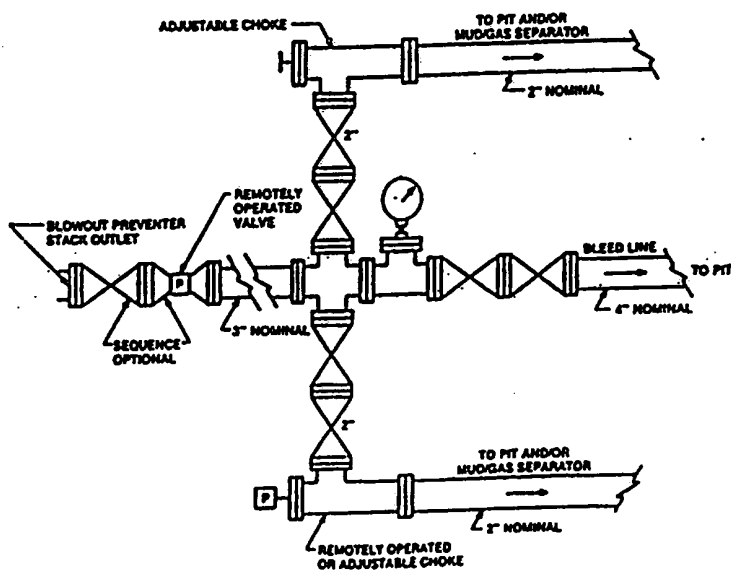


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service — surface installation.