

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|--|--|
| ¹ Operator Name and Address. SDX Resources, Inc. P. O. Box 5061 Midland, TX 79704 | | ¹ OGRID Number 020451 |
| | | ¹ API Number 30 - 0 25-33709 |
| ⁴ Property Code 009334 | ¹ Property Name Northeast Pearl Queen Unit | ¹ Well No. 27 |

⁷ Surface Location

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 24 | 19S | 35E | | 330 | North | 990 | West | Lea |

⁸ Proposed Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|--|---------|----------|-------|---------|------------------------------|------------------|---------------|----------------|--------|
| ¹ Proposed Pool 1 Pearl; Queen (49780) | | | | | ¹ Proposed Pool 2 | | | | |

| | | | | |
|-----------------------------------|---------------------------------------|--------------------------------------|--|---|
| ¹¹ Work Type Code N | ¹¹ Well Type Code O | ¹¹ Cable/Rotary Rotary | ¹¹ Lease Type Code S | ¹¹ Ground Level Elevation 3729' |
| ¹¹ Multiple No | ¹¹ Proposed Depth 5000' | ¹¹ Formation Queen | ¹¹ Contractor Rod Ric Drlg Co. | ¹¹ Spud Date 1/10/97 |

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# | 350' | 350 sxs Cl C | Surf. |
| 7-7/8" | 5-1/2" | 14# | 5000' | 350 sxs Poz + | Surf. |
| | | | | 400 sxs Lite | |
| | | | | | |
| | | | | | |

²¹ 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 approximately 350' and set 8-5/8" surface casing at 350'. Circulate Class "C" cement. Drill 7-7/8" hole to total depth. Run logs. Run 5-1/2" casing and circulate cement. Perforate the Queen formation and stimulate as necessary for optimum production.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

| | | | |
|---|--|--|------------------|
| ²¹ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Janice Courtney</i> | | OIL CONSERVATION DIVISION | |
| Printed name: Janice Courtney | | Approved by: ORIGINAL SIGNED BY JENNY SEXTON | |
| Title: Regulatory Tech | | Title: DISTRICT I SUPERVISOR | |
| Date: 11/22/96 | | Approval Date: DEC 6 1996 | Expiration Date: |
| Phone: 915/685-1761 | | Conditions of Approval: Attached <input type="checkbox"/> | |

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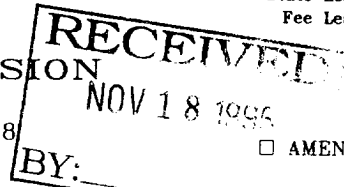
State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
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Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088



☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-----------------------------------|--|----------------------------------|
| API Number 30-025-33709 | Pool Code 49780 | Pool Name Pearl; Queen |
| Property Code 009834 | Property Name NORTHEAST PEARL QUEEN UNIT | Well Number 27 |
| OGRID No. 020451 | Operator Name SDX RESOURCES, INC. | Elevation 3729 |

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 | 24 | 19 S | 35 E | | 330 | NORTH | 990 | WEST | LEA |

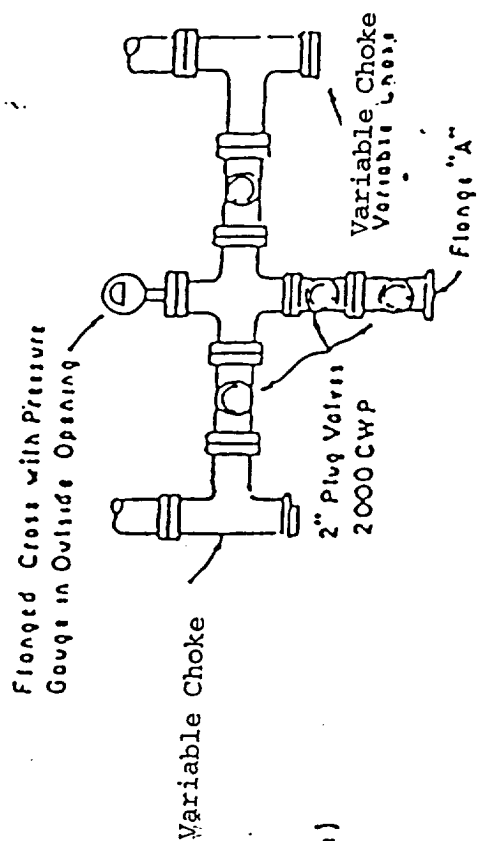
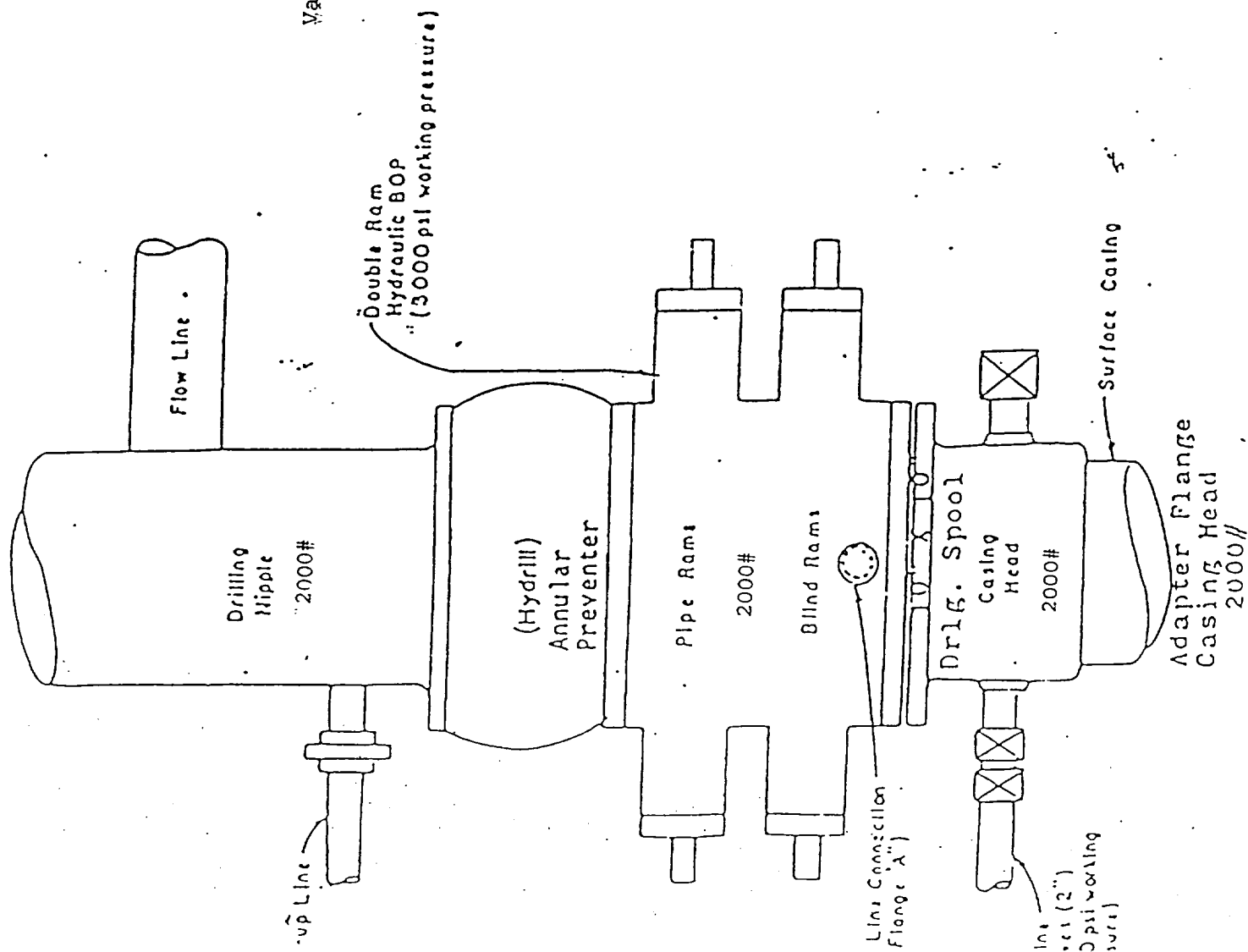
Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|------------------------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| | | | | | | | | | |
| Dedicated Acres 40 | Joint or Infill | Consolidation Code | 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

| | | |
|--|--|--|
| | OPERATOR CERTIFICATION <i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature Janice Courtney Printed Name Regulatory Tech Title 11/22/96 Date | |
| | SURVEYOR CERTIFICATION <i>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.</i> NOV. 12, 1996 Date Surveyed Signature & Seal of Professional Surveyor Certificate No. JOHN W. WEST 676 RONALD J. EIDSON 3239 GARY EIDSON 12641 | |

BLOWOUT PREVENTER DIAGRAM



PLAN VIEW - CHOKE MANIFOLD