PO Box 1980, Hobbs, NM 88241-1980

District II

PO Drawer DD, Artesia, NM 88211-0719

District [I]

1000 Rio Brazos Rd., Aztec, NM 87410

5/13/96

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

District IV PO Box 2088, Santa Fe, NM 87504-2088 AMENDED REPORT APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE Operator Name and Address. 1 ()GRID Number 020451 SDX Resources, Inc. API Number P. O. Box 5064 30 - 0*25-*3345/ Midland, TX 79704 Property Name ' Wall No. ⁴ Property Code Jalmat Field Yates Sand Unit 014577 163 ⁷ Surface Location Feet from the North/South line UL or lot no. Section Township Range Lot Idn Feet from the East/West line County 11 **22S** 35E 1310 South 1310 East Lea 8 Proposed Bottom Hole Location If Different From Surface North/South line UL or lot no. Section Township Range Lot Ide Feet from the Feet from the County 'Proposed Pool 1 16 Proposed Pool 2 Jalmat Tansill Yates-Seven Rivers Work Type Code 12 Well Type Code 15 Cable/Rotary 14 Lease Type Code " Ground Level Elevation N 3604 " Proposed Depth " Formation " Multiple " Contractor M Spud Date No 4200 Yates Rod-Ric Drlg 6/05/96 ²¹ Proposed Casing and Cement Program Casing weight/foot Hole Size Casing Size Setting Depth Sacks of Cement **Estimated TOC** 12-1/4" 8-5/8" 24# 350 t 250 Surface 7-7/8" 5-1/2" 15.5# 4200 1000 Surface 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 some. Describe the blowout prevention program, if any. Use additional sheets if necessary. Permit Expires 1 Year From Approval **Date Unless Drilling Underway** Drill 12-1/4" hole to 350', set 8-5/8" casing, cement to surface, RU BOP's. Drill 7-7/8" hole to 4200', set 5-1/2" casing, cement to surface, RD BOP's, Rt. Perforate Yates and fracture stimulate and place Yates on test, Note: Standard location by OCD Order No. R 10533 ²⁸ I hereby certify that the information given above is true and complete to the best OIL CONSERVATION DIVISION of my knowledge and belief. Segnature: Approved by: ORIGINAL SIGNED BY JERRY SEXTON Printed name DISTRICT I SUPERVISOR Title Janice Courtney Title: Expiration Date: 20 1996 Regulatory Tech Conditions of Approval:

Attached

915/685-1761