

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., 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-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.	30-025-09662
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	NM 12612
7. Lease Name or Unit Agreement Name	NM 141560
8. Well Number	Cooper Jal Unit 140
9. OGRID Number	193003
10. Pool name or Wildcat	JALMAT: Tansill, Yates & 7-Rivers; LANGLEIE MATTIX: 7-Rivers, Queen & Grayburg

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other Injector

2. Name of Operator
 SDG Resources L. P.

3. Address of Operator
 P. O. Box 1390
 Montrose, CO 81402

4. Well Location
 Unit Letter A ; 990 feet from the NORTH line and 990 feet from the EAST line
 Section 25 Township 24S Range 36E NMPM LEA County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3,296' KB

Pit or Below-grade Tank Application or Closure

Pit type DIRT Depth to Groundwater 130 feet Distance from nearest fresh water well >1000 feet Distance from nearest surface water >1000 feet
 Pit Liner Thickness: 12 mil Below-Grade Tank: Volume 200 bbls; Construction Material Synthetic

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input checked="" type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	OTHER: <input type="checkbox"/>
OTHER: Drill CIBP, Deepen, Acidize and Fracture Stimulate. <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Objective: Drill junk CIBP, deepen producer to 3,800'; acidize, and fracture stimulate.

- MIRU Pulling Unit. POOH with rods, pump and tubing string.
- RIH w/ 4 3/4" bit & 6 - 3 1/2" drill collars on 2 7/8" work string. Drill junk CIBP at 3,615'. Deepen well to new TD at 3,800'.
- Lay down bit & drill collars. RU Wireline Company. Run Compensated Neutron Log from TD to 2,800'.
- Perf Yates (3,190'-3,200'), 180 degree phasing, 2 JHPF, using 4" HSC gun. RD Wireline.
- RIH with 5 1/2" packers on 2 7/8" work string.
- Acidize open hole (3,420'-3,800'); perfs: 7-Rivers (3,249'-3,345') & Yates (2,989'-3,212'), with 4,000 gallons 15% NEFE HCl acid.
- POOH with 2 7/8" work string. RIH with 5 1/2" Frac packers on 3 1/2" work string.
- Fracture stimulate open hole (3,420'-3,880') with 60,000 12/20 mesh sand; perfs 7-Rivers (3,249'-3,345') & Yates (2,989'-3,212') with 60,000# 12/20 mesh sand. POOH and lay down 3 1/2" work string and packer.
- Clean out well to new TD with sand bailer on 2 7/8" work string. Lay down bailer and 2 7/8" work string.
- RIH 2 7/8" production string, pump and rods. Place well on production. Turn over to operations.
- Fold Pit Liner inward, cover with 20 mil liner and cover with top soil. File Form C144 with NMOCD.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Domingo Carrizales TITLE Senior Petroleum Engineer DATE 3/22/05

Type or print name For State Use Only E-mail address: Domingo@sdgresources.com Telephone No. 432-580-8500

APPROVED BY: Henry W. Wink TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE APR 04 2005

Conditions of Approval (if any):

WELLBORE SCHEMATIC AND HISTORY

CURRENT COMPLETION SCHEMATIC	LEASE NAME Cooper Jal Unit	WELL NO. 140																											
<p>Surface Csg Hole Size: 11 in Csg. Size: 8 5/8 in Set @: 286 ft Sxs Cmt: 150 Circ: Yes TOC @: surf TOC by: circ</p>	STATUS: Active Oil	API# 30-025-09662																											
	LOCATION: 990 FNL & 990 FEL, Sec 25, T - 24S, R - 36E; Lee County, New Mexico																												
	SPUD DATE: TD 3616 KB 3,296' DF																												
	INT. COMP. DATE: 06/10/54 PBDT 3616 GL 3,290'																												
	GEOLOGICAL DATA																												
	ELECTRIC LOGS:	CORES, DSTS or MUD LOGS:																											
	GR-N (6-11-54 Schlumberger)																												
	HYDROCARBON BEARING ZONE DEPTH TOPS:																												
	CASING PROFILE																												
	SURF. 8 5/8" - 24#, H-40 set@ 286' Cmt'd w/150 sxs - circ cmt to surf.																												
	PROD. 5 1/2" - 14#, J-55 set@ 3420' Cmt'd w/200 sxs - TOC @ 2380' from surf. DV tool @ 1207' - pmp 100 sxs - TOC @ 673' // surf by calc.																												
	LINER None																												
	CURRENT PERFORATION DATA																												
	CSG. PERFS:	OPEN HOLE :																											
	2989', 91', 93', 95', 97', 99', 3001', 03', 05', 12', 17', 25', 27', 29', 31', 40', 42', 44', 46', 53', 58', 65', 69', 72', 75', 84', 93', 3105', 08', 14', 17', 20', 26', 31', 38', 43', 48', 54', 60', 65', 70', 76', 78', 83', 3250', 58', 61', 65', & 69' w/ 2 spf (96 holes total)	3420 - 3616'																											
	TUBING DETAIL 5/14/2004	ROD DETAIL 5/14/04																											
	<table border="0" style="width:100%;"> <tr> <th style="text-align: left;">Length (ft)</th> <th style="text-align: left;">Detail</th> <th style="text-align: left;">Length (ft)</th> </tr> <tr> <td>2960</td> <td>94 2 7/8" 6.5#, J-55, 8rd EUE tbg.</td> <td>24 1 - 24' x 1 1/2" polish rod</td> </tr> <tr> <td>5</td> <td>1 1 - 5 1/2" x 2 7/8" TAC</td> <td>6 1 - 2', 1 - 4', K pony rods</td> </tr> <tr> <td>556</td> <td>18 2 7/8" 6.5#, J-55, 8rd EUE tbg.</td> <td>1125 45 - 3/4" K rods</td> </tr> <tr> <td>1</td> <td>1 1 - 2 7/8" SN</td> <td>2200 86 - 7/8" K rods</td> </tr> <tr> <td>28</td> <td>1 1 - 3 1/2" Mud Anchor</td> <td>150 6 - 1 1/2" sinker bars</td> </tr> <tr> <td>3550</td> <td>1 btm</td> <td>16 2 1/2" x 1 1/2" X 16' RHBC</td> </tr> <tr> <td></td> <td></td> <td>0 1 1/4" gas anchor</td> </tr> <tr> <td></td> <td>SN@ 3521' TAC@ 2960'</td> <td>3521 btm</td> </tr> </table>	Length (ft)	Detail	Length (ft)	2960	94 2 7/8" 6.5#, J-55, 8rd EUE tbg.	24 1 - 24' x 1 1/2" polish rod	5	1 1 - 5 1/2" x 2 7/8" TAC	6 1 - 2', 1 - 4', K pony rods	556	18 2 7/8" 6.5#, J-55, 8rd EUE tbg.	1125 45 - 3/4" K rods	1	1 1 - 2 7/8" SN	2200 86 - 7/8" K rods	28	1 1 - 3 1/2" Mud Anchor	150 6 - 1 1/2" sinker bars	3550	1 btm	16 2 1/2" x 1 1/2" X 16' RHBC			0 1 1/4" gas anchor		SN@ 3521' TAC@ 2960'	3521 btm	
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	WELL HISTORY SUMMARY																												
	10-Jun-54 Initial completion interval: 3420 - 3520' (Queen OH). Frac'd w/4,000 gals / 6,000#s sand. IP= 82 bopd, 0 bwpd, & GOR=4291																												
	01-Jan-56 C/O frac sand from 3503 - 3520' (17' of fill)																												
	18-Feb-87 Deepened from 3520 - 3616'. Acdz'd OH (3420 - 3616') w/5,000 gals 15% NEFE HCL & 1500#s rock salt in 3 equal stages. Found bad 5 1/2" casing from 384 - 508'. Sqz'd csg leak w/200 sxs @ 550 psi SIP. Drid out cmt & tst csg @ 300 psi. OK. Frac OH (3420 - 3616) w/37,800 gals 40# X-L & 82,000#s 12/20 sand (1.5 - 7 ppg) using 1000#s rock salt diverter. AIR=24.9 bpm PM=3460 - 2250 psi. IFIP=1150 psi, P15min=1070 psi. C/O sand from 3430 - 3616' (185'). Perf'd 2989 - 3269' w/ 2 spf (96 holes total). Set CIBP @ 3320'. Acdz'd perfs 2989 - 3269' w/ 4,500 gals 15% NEFE dropping 150 ball sealers. Very good ball action. PM=3100 - 1300 psi. AIR=5 bpm, ISIP=450 psi, P5min=vacuum. Frac'd perfs 2989 - 3269' w/33,810 gals 40# gelled X-L wr carrying 75,650#s 12/20 sand from 1.5ppg to 6 ppg concentration. PM=4410 - 2594 psi. AIR=18 bpm, ISIP=1272, P15min=1089 psi. C/O frac sand. Tried to Dlg CIBP. Could not. Pushed CIBP to 3615' and left. Ran production equipment & placed on production.																												
	23-Sep-91 Replaced 1 bad jt tbg. Returned well to production.																												
	18-Jan-96 Pulled rods & pmp. Drop standing valve & tst tbg to 500 psi. Tst OK. Change out pmp. Re-ran pmp & rods. Retruned well to production.																												
	10-Jun-96 Repaired rod part & changeout pmp. Return well to production.																												
	15-Oct-97 C/O fill from 3592 - 3615' (23'). Ran production equipment & returned well to production.																												
	13-May-04 POOH with rods. Couldn't fish parted pump. Tagged @ 3601', tally out of hole. Hydrotest tubing in hole to 7000#. RIH with pump & rods. PWOP.																												
<p>Production Csg. Hole Size: 7 7/8 in Csg. Size: 5 1/2 in Set @: 3420 ft Sxs Cmt: 300 Circ: No TOC @: 673 f / surf TOC by: calc</p>	<p>cmt sqz csg leak 384 - 508'</p> <p>TOC @ 673'</p> <p>DV Tool @ 1207'</p> <p>TOC @ 2380' By Calc.</p> <p>2989'</p> <p>3183'</p> <p>3250'</p> <p>3269'</p> <p>OH Interval 3420 - 3616'</p> <p>Fill @ 3601'</p> <p>CIBP Fish @ 3615'</p>																												
PBDT: 3616 ft TD: 3616 ft																													
OH ID: 4 3/4 in																													
PREPARED BY: Larry S. Adams D. Carrizales		UPDATED: 21-May-04																											