SDX Resources, Inc.
P.O. Box 5061
MIDLAND, TX 79704
TEL: (432) 685-1761 FAX: (432) 685-0533
TOLL FREE: (800) 344-1761

NW State Reservior Overview:

Total Acres: 560
Existing wells: 20
Gross Production to Date: 533,830 Bbl. Oil
1,731,566 Mcf Gas

EUR Gross: 1,058,294 Bbl. Oil
3,791,634 Mcf Gas

Average per well EUR: 52,914 Bbl. Oil
189,581 Mcf Gas

Current estimated Decline Rate: 12-14%

Estimated Recovery Factor on Primary: 10%

Original Oil In Place (stock tank barrels): 1,058,294/.10= 10,582,940 STBbls.

Boi = 1.25

Average porosity = 6%

SW calculated at 40%

Average reservoir pay height estimated at 80'

Approximate Acres Drained/well: (529,140)(1.25)/(7758)(80)(.06)(.60)=30 acres

Secondary Recovery Estimates: 1 to 1 Secondary to Primary
Primary EUR: 1,058,294 Bbl. Oil
Seconddary EUR: 1,058,294

Approximate Permeability Values: (derived from NW State #7 sidewall cores):

.05-5.82 mDarcy

First injection well: NW State #8 API # 30-015-30815
Sec. 32 T17S R28E
1090' FSL & 2126' FWL
Eddy County

BEFORE THE OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 13923....Exhibit No. 5
Submitted by:
SDX RESOURCES, INC.
Hearing Date: May 24, 2007

NW State #8:

EUR = 32,754 bbl Oil
100,838 Mcf Gas

OIP = 32,754/.10=327,540 Bbl.

H=60'

Porosity= 5%

Sw= .40

Proposed future injector: NW State #5 API # 30-015-30781
Sec. 32 T17S R28E
1900' FSI & 2146' FWL
Eddy County

Date: 5/21/2007 Time: 9:12 AM

Annual CashFlow Report

Project: H:\Program Files\IHS Energy\PowerTools v8.0\SDX Comb.mdb

Lease Name: NW STATE (8)
County, ST: EDDY, NM
Location: 32N 17S 28E NE SE SW

Operator: SDX RESOURCES INCORPORATED
Field Name: ARTESIA
Reserve Type/Class: Proved/Developed, Producing

Date	Well Count	Gross Production Oil (Bbl)	Gross Production Gas (Mcf)	Net Production Oil (Bbl)	Net Production Gas (Mcf)	Average Prices Oil ($/Bbl)	Average Prices Gas ($/Mcf)	Sales Total ($)
12/2007	1	623	3,424	485	2,662	55.00	7.50	46,628
12/2008	1	546	2,758	424	2,144	55.00	7.50	39,419
12/2009	1	493	2,419	383	1,881	55.00	7.50	35,186
12/2010	1	450	2,198	350	1,709	55.00	7.50	32,075
12/2011	1	415	2,038	323	1,585	55.00	7.50	29,637
12/2012	1	385	1,915	300	1,489	55.00	7.50	27,651
12/2013	1	360	1,815	280	1,412	55.00	7.50	25,991
12/2014	1	338	1,733	263	1,348	55.00	7.50	24,575
12/2015	1	319	1,663	248	1,293	55.00	7.50	23,350
12/2016	1	302	1,603	235	1,247	55.00	7.50	22,277
12/2017	1	287	1,550	223	1,206	55.00	7.50	21,327
12/2018	1	274	1,504	213	1,169	55.00	7.50	20,479
12/2019	1	262	1,462	203	1,137	55.00	7.50	19,716
12/2020	1	251	1,424	195	1,107	55.00	7.50	19,026
12/2021	1	241	1,390	187	1,080	55.00	7.50	18,397
Remainder:		2,680	17,157	2,084	13,341	55.00	7.50	214,686
Grand Total:		8,227	46,052	6,397	35,809	55.00	7.50	620,422

Date	Operating Expenses ($)	Taxes ($)	Operating Income ($)	Other Costs ($)	Periodic Cash Flow ($)	Cumulative Cash Flow ($)	10% Cash Flow ($)
12/2007	12,000	3,476	31,152	0	31,152	31,152	29,675
12/2008	12,000	2,932	24,488	0	24,488	55,640	21,181
12/2009	12,000	2,615	20,571	0	20,571	76,211	16,172
12/2010	12,000	2,383	17,692	0	17,692	93,904	12,643
12/2011	12,000	2,202	15,435	0	15,435	109,338	10,026
12/2012	12,000	2,055	13,596	0	13,596	122,934	8,028
12/2013	12,000	1,933	12,058	0	12,058	134,992	6,472
12/2014	12,000	1,828	10,747	0	10,747	145,739	5,244
12/2015	12,000	1,738	9,612	0	9,612	155,351	4,264
12/2016	12,000	1,659	8,618	0	8,618	163,969	3,475
12/2017	12,000	1,589	7,738	0	7,738	171,707	2,837
12/2018	12,000	1,527	6,953	0	6,953	178,660	2,317
12/2019	12,000	1,470	6,246	0	6,246	184,906	1,892
12/2020	12,000	1,420	5,606	0	5,606	190,512	1,544
12/2021	12,000	1,373	5,024	0	5,024	195,536	1,258
Remainder:	170,000	16,072	28,615	0	28,615	224,151	4,702
Grand Total:	350,000	46,271	224,151	0	224,151	224,151	131,729

Discount Present Worth:

0.00 %	224,151
5.00 %	165,498
7.00 %	149,957
10.00 %	131,729
40.00 %	64,522
50.00 %	56,487
60.00 %	50,630
70.00 %	46,154
80.00 %	42,614
90.00 %	39,736
100.00 %	37,346

Economic Dates:

Effective Date	01/2007
Calculated Limit	02/2036
Economic Life	350 Months
	29 Years 2 Months

Economics Information:

Net Payout Date:	01/2007
Rate of Return:	>100 %
Return on Investment:	0.00
Disc Return on Invest:	0.00

Initial Division of Interest:

Economics Summary:

	Bbl Oil	Mcf Gas
Ultimate Gross	32,754	100,838
Historic Gross	24,698	55,754
Gross at Eff Date	24,527	54,786
Remaining Gross	8,227	46,052
Remaining Net	6,397	35,809

BTU Content: 1.000 mmbtu/mcf
Gravity: Oil: 28.00 Gas: 0.800

			NRI	ORI
WI:	100.000000	Oil:	77.756857	0.000000
		Gas:	77.756857	0.000000
Reversion Date:	None	Injection:	0.000000	0.000000

Rate/Time Graph

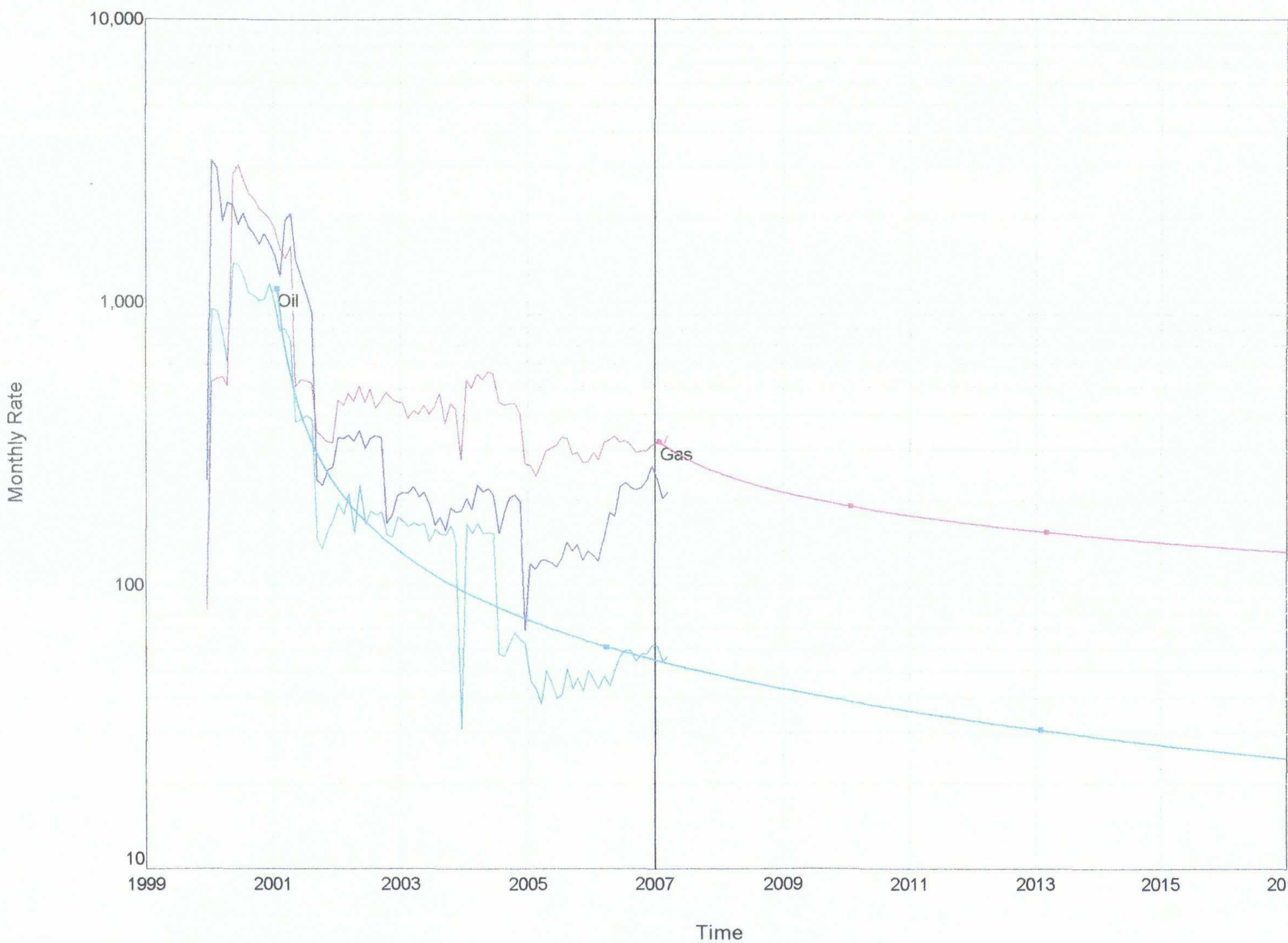
Project: H:\Program Files\IHS Energy\PowerTools v8.0\SDX Comb.mdb

Date: 5/21/2007
Time: 9:10 AM

Lease Name: NW STATE (8)
County, ST: EDDY, NM
Location: 32N 17S 28E NE SE SW

Operator: SDX RESOURCES INCORPORATED
Field Name: ARTESIA

NW STATE - 8 30015308150000



Economic Limit: 02/2036
Economic Life: 350 mo
Future Net Revenue: $224,151
Present Worth: $131,729
Rate of Return: >100 %
Return on Invest: 0.00
Payout Date: n/a

Oil at Effective Date: 54 bbl
Oil at Economic Limit: 13 bbl
Rem Oil (Decline): 8,227 bbl
Ult Oil (Decline): 32,754 bbl
Oil Decline at Eff Date: 12.45 %
Cum Oil at Eff Date: 24,527 bbl

Gas at Effective Date: 0 mcf
Gas at Economic Limit: 91 mcf
Rem Gas (Decline): 46,052 mcf
Ult Gas (Decline): 100,838 mcf
Gas Decline at Eff Date: 0.00 %
Cum Gas at Eff Date: 54,786 mcf

Water at Effective Date: 16 bbl
Water at Economic Limit: 0 bbl
Rem Water (Decline): 915 bbl
Ult Water (Decline): 50,484 bbl
Water Decline at Eff Date: 47.44 %
Cum Water at Eff Date: 49,569 bbl

Inj at Effective Date: 0 bbl
Inj at Economic Limit: 0 bbl
Rem Inj (Decline): 0 bbl
Ult Inj (Decline): 0 bbl
Inj Decline at Eff Date: 0.00 %
Cum Inj at Eff Date: 0 bbl

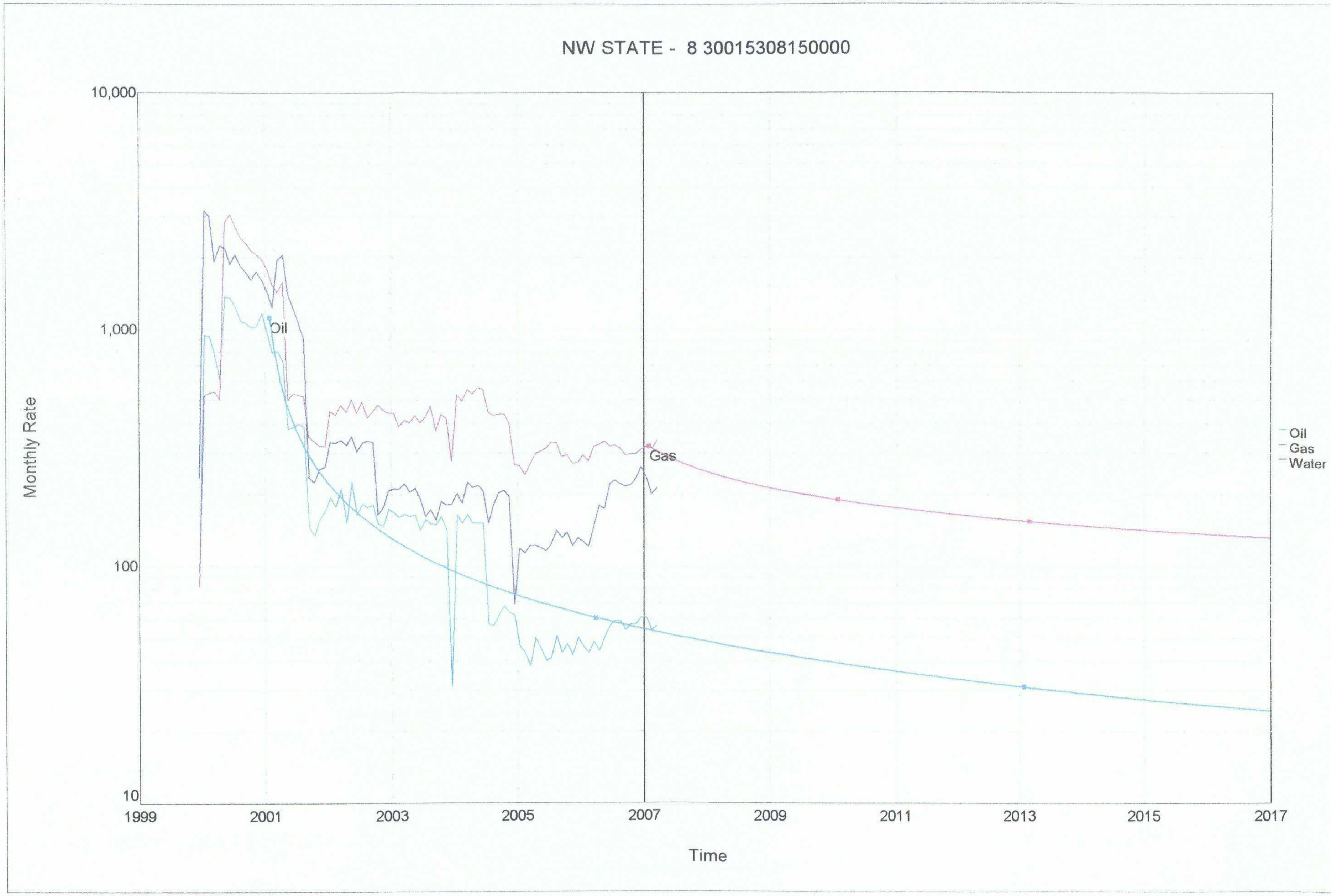
Rate/Time Graph

Project: H:\Program Files\IHS Energy\PowerTools v8.0\SDX Comb.mdb

Date: 5/21/2007
Time: 9:12 AM

Lease Name: NW STATE (8)
County, ST: EDDY, NM
Location: 32N 17S 28E NE SE SW

Operator: SDX RESOURCES INCORPORATED
Field Name: ARTESIA



Date: 5/21/2007 Time: 9:16 AM

Annual CashFlow Report

Project: H:\Program Files\IHS Energy\PowerTools v8.0\SDX Comb.mdb

Summary Lease Report NW STATE

Date	Well Count	Gross Production Oil (Bbl)	Gross Production Gas (Mcf)	Net Production Oil (Bbl)	Net Production Gas (Mcf)	Average Prices Oil ($/Bbl)	Average Prices Gas ($/Mcf)	Sales Total ($)
12/2007	20	27,770	89,816	21,593	69,838	55.00	7.50	1,711,427
12/2008	20	24,022	73,623	18,679	57,247	55.00	7.50	1,456,674
12/2009	20	21,496	65,524	16,714	50,950	55.00	7.50	1,301,420
12/2010	20	19,501	59,683	15,163	46,408	55.00	7.50	1,182,028
12/2011	20	17,862	55,108	13,889	42,851	55.00	7.50	1,085,288
12/2012	20	16,483	51,370	12,817	39,943	55.00	7.50	1,004,501
12/2013	20	15,201	48,080	11,820	37,386	55.00	7.50	930,491
12/2014	19	14,069	45,225	10,940	35,166	55.00	7.50	865,419
12/2015	19	13,208	42,943	10,270	33,391	55.00	7.50	815,298
12/2016	19	12,443	40,935	9,675	31,830	55.00	7.50	770,849
12/2017	18	11,576	38,300	9,001	29,781	55.00	7.50	718,407
12/2018	17	10,734	35,794	8,346	27,833	55.00	7.50	667,784
12/2019	16	10,080	33,776	7,838	26,263	55.00	7.50	628,042
12/2020	16	9,600	32,627	7,465	25,370	55.00	7.50	600,848
12/2021	16	9,163	31,579	7,125	24,555	55.00	7.50	576,010
Remainder:		278,454	1,098,726	216,517	854,335	55.00	7.50	18,315,967
Grand Total:		511,662	1,843,112	397,852	1,433,146	55.00	7.50	32,630,452

Date	Operating Expenses ($)	Taxes ($)	Operating Income ($)	Other Costs ($)	Periodic Cash Flow ($)	Cumulative Cash Flow ($)	10% Cash Flow ($)
12/2007	240,000	125,792	1,345,635	0	1,345,635	1,345,635	1,281,310
12/2008	240,000	106,928	1,109,746	0	1,109,746	2,455,381	959,598
12/2009	240,000	95,519	965,901	0	965,901	3,421,282	759,153
12/2010	240,000	86,764	855,264	0	855,264	4,276,546	611,025
12/2011	240,000	79,679	765,610	0	765,610	5,042,155	497,214
12/2012	240,000	73,766	690,735	0	690,735	5,732,891	407,785
12/2013	235,000	68,355	627,136	0	627,136	6,360,026	336,562
12/2014	228,000	63,600	573,819	0	573,819	6,933,845	279,939
12/2015	228,000	59,933	527,364	0	527,364	7,461,209	233,881
12/2016	228,000	56,682	486,166	0	486,166	7,947,376	196,005
12/2017	216,000	52,834	449,574	0	449,574	8,396,949	164,770
12/2018	201,000	49,120	417,664	0	417,664	8,814,613	139,153
12/2019	192,000	46,202	389,839	0	389,839	9,204,452	118,072
12/2020	192,000	44,217	364,631	0	364,631	9,569,083	100,396
12/2021	192,000	42,404	341,606	0	341,606	9,910,689	85,505
Remainder:	8,249,000	1,353,066	8,713,901	0	8,713,901	18,624,590	530,468
Grand Total:	11,601,000	2,404,862	18,624,590	0	18,624,590	18,624,590	6,700,835

Discount Present Worth:

0.00 %	18,624,590
5.00 %	9,284,726
7.00 %	7,990,015
10.00 %	6,700,835
40.00 %	2,957,909
50.00 %	2,565,346
60.00 %	2,283,723
70.00 %	2,071,020
80.00 %	1,904,211
90.00 %	1,769,576
100.00 %	1,658,408

Economic Dates:

Effective Date	01/2007
Calculated Limit	12/2106
Economic Life	1200 Months
	100 Years 0 Months

Economics Information:

Net Payout Date:	01/2007
Rate of Return:	>100 %
Return on Investment:	0.00
Disc Return on Invest:	0.00

Economics Summary:

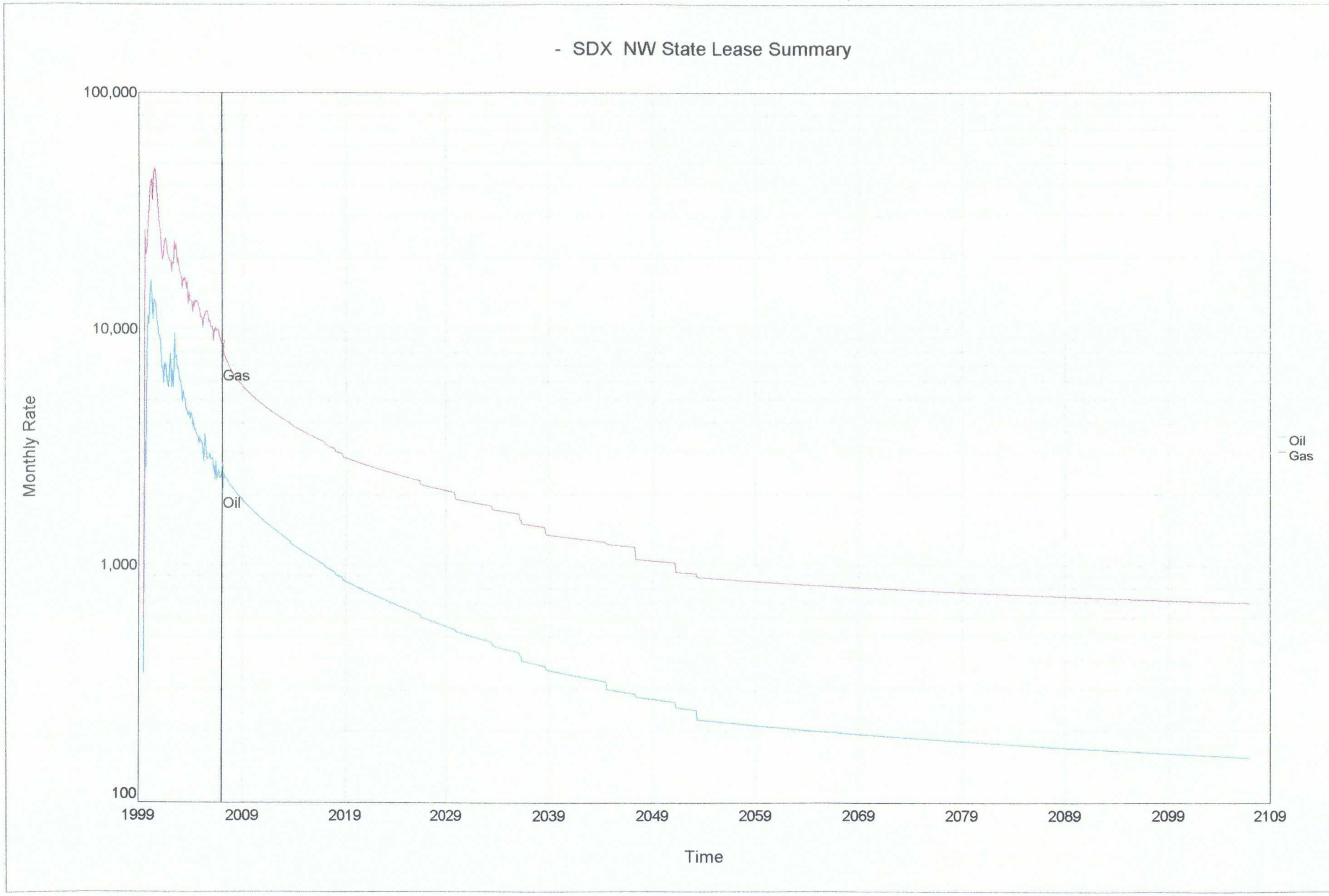
	Bbl Oil	Mcf Gas
Ultimate Gross	1,037,914	3,548,637
Historic Gross	533,830	1,731,566
Gross at Eff Date	526,252	1,705,525
Remaining Gross	511,662	1,843,112
Remaining Net	397,852	1,433,146

Rate/Time Graph

Project: H:\Program Files\IHS Energy\PowerTools v8.0\SDX Comb.mdb

Date: 5/22/2007
Time: 8:46 AM

Summary Lease Report



Date: 5/21/2007 Time: 9:23 AM

Annual CashFlow Report

Project: H:\Program Files\IHS Energy\PowerTools v8.0\SDX Comb.mdb

Lease Name: NW State Summary Lease ()
County, ST: ,
Location: 0-0-0

Operator:
Field Name:
Reserve Type/Class: /

Date	Well Count	Gross Production Oil (Bbl)	Gross Production Gas (Mcf)	Net Production Oil (Bbl)	Net Production Gas (Mcf)	Average Prices Oil ($/Bbl)	Average Prices Gas ($/Mcf)	Sales Total ($)
12/2007	20	26,405	94,901	21,124	75,921	40.00	5.00	1,224,562
12/2008	20	22,435	80,138	17,948	64,110	40.00	5.00	1,038,484
12/2009	20	20,011	70,383	16,009	56,306	40.00	5.00	921,890
12/2010	20	18,073	63,080	14,459	50,464	40.00	5.00	830,672
12/2011	20	16,488	57,376	13,190	45,901	40.00	5.00	757,120
12/2012	20	15,166	52,778	12,133	42,222	40.00	5.00	696,420
12/2013	20	14,046	48,980	11,237	39,184	40.00	5.00	645,392
12/2014	20	13,085	45,782	10,468	36,625	40.00	5.00	601,842
12/2015	20	12,251	43,045	9,801	34,436	40.00	5.00	564,202
12/2016	20	11,520	40,673	9,216	32,539	40.00	5.00	531,318
12/2017	20	10,873	38,595	8,699	30,876	40.00	5.00	502,325
12/2018	20	10,298	36,755	8,238	29,404	40.00	5.00	476,555
12/2019	20	9,782	35,114	7,826	28,091	40.00	5.00	453,488
12/2020	20	9,317	33,640	7,454	26,912	40.00	5.00	432,711
12/2021	20	8,896	32,306	7,117	25,845	40.00	5.00	413,892
Remainder:		313,395	1,312,563	250,716	1,050,050	40.00	5.00	15,278,897
Grand Total:		532,042	2,086,109	425,633	1,668,887	40.00	5.00	25,369,769

Date	Operating Expenses ($)	Taxes ($)	Operating Income ($)	Other Costs ($)	Periodic Cash Flow ($)	Cumulative Cash Flow ($)	10% Cash Flow ($)
12/2007	240,000	0	984,562	0	984,562	984,562	937,833
12/2008	240,000	0	798,484	0	798,484	1,783,046	690,534
12/2009	240,000	0	681,890	0	681,890	2,464,936	536,023
12/2010	240,000	0	590,672	0	590,672	3,055,608	422,068
12/2011	240,000	0	517,120	0	517,120	3,572,728	335,894
12/2012	240,000	0	456,420	0	456,420	4,029,148	269,500
12/2013	240,000	0	405,392	0	405,392	4,434,540	217,600
12/2014	240,000	0	361,842	0	361,842	4,796,382	176,561
12/2015	240,000	0	324,202	0	324,202	5,120,584	143,809
12/2016	240,000	0	291,318	0	291,318	5,411,902	117,473
12/2017	240,000	0	262,325	0	262,325	5,674,226	96,164
12/2018	240,000	0	236,555	0	236,555	5,910,781	78,833
12/2019	240,000	0	213,488	0	213,488	6,124,269	64,677
12/2020	240,000	0	192,711	0	192,711	6,316,979	53,076
12/2021	240,000	0	173,892	0	173,892	6,490,872	43,539
Remainder:	20,400,000	0	-5,121,103	0	-5,121,103	1,369,769	158,473
Grand Total:	24,000,000	0	1,369,769	0	1,369,769	1,369,769	4,342,055

Discount Present Worth:

0.00 %	1,369,769
5.00 %	5,292,009
7.00 %	4,908,932
10.00 %	4,342,055
40.00 %	2,095,422
50.00 %	1,829,211
60.00 %	1,635,752
70.00 %	1,488,335
80.00 %	1,371,972
90.00 %	1,277,584
100.00 %	1,199,341

Economic Dates:

Effective Date	01/2007
Entered Limit	12/2106
Economic Life	1200 Months
	100 Years 0 Months

Economics Information:

Net Payout Date:	01/2007
Rate of Return:	n/a
Return on Investment:	0.00
Disc Return on Invest:	0.00

Economics Summary:

	Bbl Oil	Mcf Gas
Ultimate Gross	1,058,294	3,791,634
Historic Gross	533,830	1,731,566
Gross at Eff Date	526,252	1,705,525
Remaining Gross	532,042	2,086,109
Remaining Net	425,633	1,668,887

BTU Content: 1.000 mmbtu/mcf
Gravity: Oil: 28.00 Gas: 0.800

Initial Division of Interest:

			NRI	ORI
WI:	100.000000	Oil:	80.000000	0.000000
		Gas:	80.000000	0.000000
Reversion Date:	None	Injection:	0.000000	0.000000

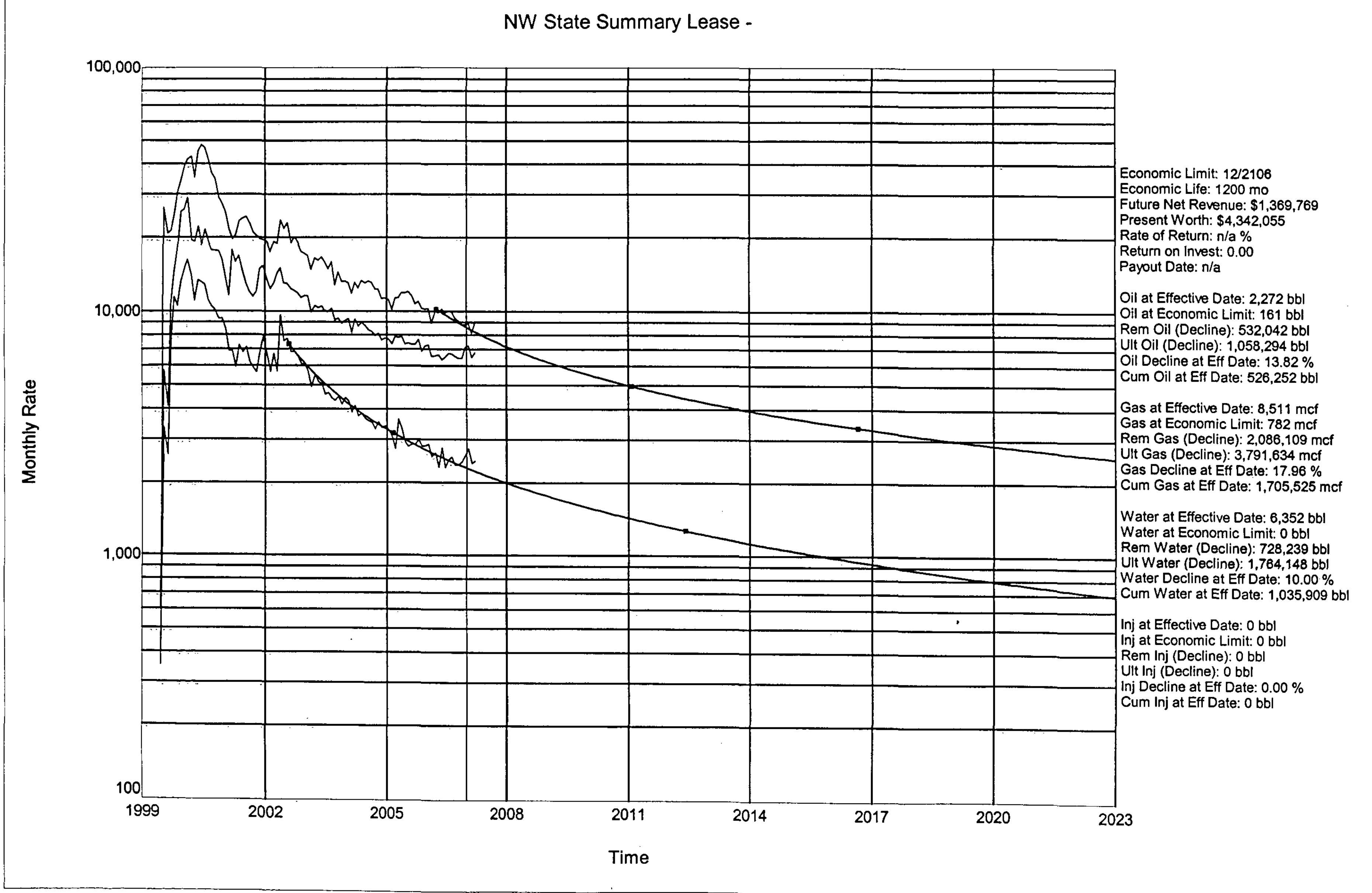
Rate/Time Graph

Project: H:\Program Files\IHS Energy\PowerTools v8.0\SDX Comb.mdb

Date: 5/21/2007
Time: 9:20 AM

Lease Name: NW State Summary Lease ()
County, ST: ,
Location: 0-0-0

Operator:
Field Name:



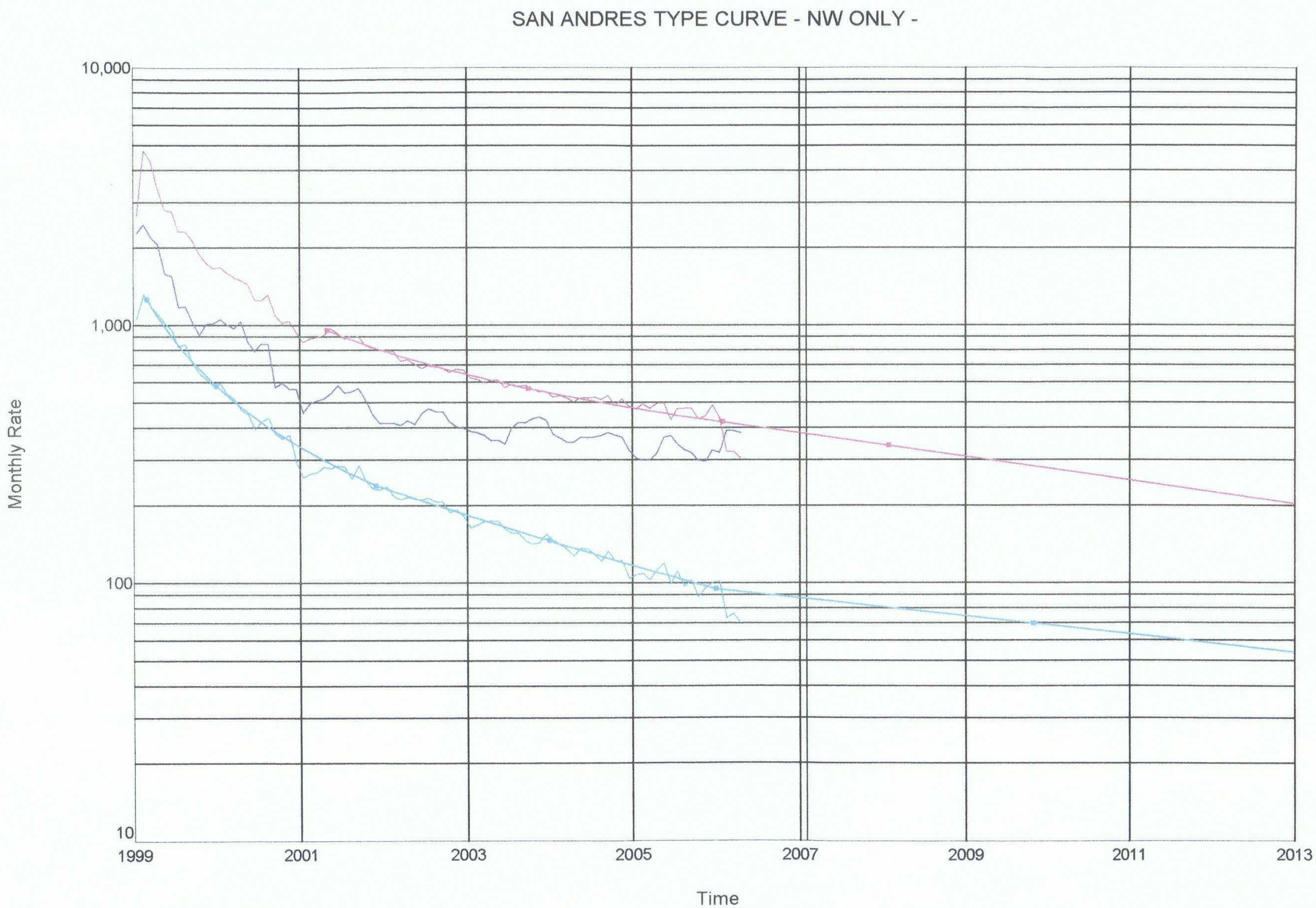
Rate/Time Graph

Project: H:\Program Files\IHS Energy\PowerTools v8.0\NW State Wells.mdb

Date: 4/30/2007
Time: 10:12 AM

Lease Name: SAN ANDRES TYPE CURVE - NW ONLY ()
County, ST: ,
Location: 0-0-0

Operator:
Field Name:



Date: 4/30/2007 Time: 10:11 AM

Annual CashFlow Report

Project: H:\Program Files\IHS Energy\PowerTools v8.0\NW State Wells.mdb

Lease Name: SAN ANDRES TYPE CURVE - NW ONLY () Operator:
County, ST: , Field Name:
Location: 0-0-0 Reserve Type/Class: /

Date	Well Count	Gross Production Oil (Bbl)	Gross Production Gas (Mcf)	Net Production Oil (Bbl)	Net Production Gas (Mcf)	Average Prices Oil ($/Bbl)	Average Prices Gas ($/Mcf)	Sales Total ($)
12/2007	1	924	3,975	693	2,981	40.00	6.00	45,607
12/2008	1	933	3,920	699	2,940	40.00	6.00	45,618
12/2009	1	860	3,528	645	2,646	40.00	6.00	41,672
12/2010	1	793	3,175	595	2,382	40.00	6.00	38,072
12/2011	1	731	2,858	548	2,143	40.00	6.00	34,788
12/2012	1	674	2,572	505	1,929	40.00	6.00	31,792
12/2013	1	621	2,315	466	1,736	40.00	6.00	29,057
12/2014	1	573	2,083	430	1,563	40.00	6.00	26,562
12/2015	1	528	1,875	396	1,406	40.00	6.00	24,284
12/2016	1	487	1,688	365	1,266	40.00	6.00	22,204
12/2017	1	449	1,519	337	1,139	40.00	6.00	20,305
12/2018	1	414	1,367	310	1,025	40.00	6.00	18,571
12/2019	1	382	1,230	286	923	40.00	6.00	16,987
12/2020	1	352	1,107	264	830	40.00	6.00	15,540
12/2021	1	324	996	243	747	40.00	6.00	14,219
Remainder:		417	1,244	313	933	40.00	6.00	18,101
Grand Total:		9,461	35,453	7,096	26,590	40.00	6.00	443,379

Date	Operating Expenses ($)	Taxes ($)	Operating Income ($)	Other Costs ($)	Periodic Cash Flow ($)	Cumulative Cash Flow ($)	10% Cash Flow ($)
12/2007	11,000	0	34,607	0	34,607	34,607	33,033
12/2008	12,000	0	33,618	0	33,618	68,225	29,295
12/2009	12,000	0	29,672	0	29,672	97,897	23,506
12/2010	12,000	0	26,072	0	26,072	123,969	18,778
12/2011	12,000	0	22,788	0	22,788	146,757	14,921
12/2012	12,000	0	19,792	0	19,792	166,549	11,782
12/2013	12,000	0	17,057	0	17,057	183,606	9,231
12/2014	12,000	0	14,562	0	14,562	198,168	7,165
12/2015	12,000	0	12,284	0	12,284	210,452	5,495
12/2016	12,000	0	10,204	0	10,204	220,656	4,150
12/2017	12,000	0	8,305	0	8,305	228,961	3,072
12/2018	12,000	0	6,571	0	6,571	235,532	2,210
12/2019	12,000	0	4,987	0	4,987	240,519	1,525
12/2020	12,000	0	3,540	0	3,540	244,059	985
12/2021	12,000	0	2,219	0	2,219	246,278	562
Remainder:	17,000	0	1,101	0	1,101	247,379	253
Grand Total:	196,000	0	247,379	0	247,379	247,379	165,964

Discount Present Worth:

0.00 %	247,379
10.00 %	165,964
20.00 %	124,555
30.00 %	100,317
40.00 %	84,627
50.00 %	73,702
60.00 %	65,672
70.00 %	59,523
80.00 %	54,660
90.00 %	50,716
100.00 %	47,448

Economic Dates:

Effective Date 02/2007
Calculated Limit 05/2023
Economic Life 196 Months
16 Years 4 Months

Economics Information:

Net Payout Date: 02/2007
Rate of Return: >100 %
Return on Investment: 0.00
Disc Return on Invest: 0.00
Initial Division of Interest:

Economics Summary:

	Bbl Oil	Mcf Gas
Ultimate Gross	37,098	126,809
Historic Gross	26,828	87,806
Gross at Eff Date	27,636	91,356
Remaining Gross	9,461	35,453
Remaining Net	7,096	26,590

BTU Content: 1.000 mmbtu/mcf
Gravity: Oil: 28.00 Gas: 0.800

			NRI	ORI
WI: 100.000000		Oil:	75.000000	0.000000
		Gas:	75.000000	0.000000
Reversion Date:	None	Injection:	0.000000	0.000000