

District I - (505) 393-6161
1625 N. French Dr
Hobbs, NM 88241-1980

District II - (505) 748-1283
811 S. First
Artesia, NM 88210

District III - (505) 334-6178
1000 Rio Brazos Road
Artesia, NM 87410

District IV - (505) 334-6178
1000 Rio Brazos Road
Artesia, NM 87410

JUN 24 1999

New Mexico

Energy Minerals and Natural Resources Department

Oil Conservation Division

2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE

APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address SDX RESOURCES, INC. P. O. Box 5061 Midland, TX 79704							OGRID Number 020451		
Contact Party Charles M. Morgan							Phone 915-685-1761		
Property Name Marathon 25 State					Well Number 9		API Number 30-015-30497		
UL F	Section 25	Township 17S	Range 28E	Feet From The 1650	North/South Line North	Feet From The 2289	East/West Line West	County Eddy	

II. Date/Time Information

Spud Date Jan 25, 1999	Spud Time 05:30 PM	Date Completed February 15, 1999	Pool Red Lake (QN-GB-SA)
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III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

State of TEXAS)
County of Midland)
ss.

John Pool, being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- To the best of my knowledge, this application is complete and correct.

Signature [Signature] Title Vice President Date 6/23/99

SUBSCRIBED AND SWORN TO before me this 23rd day of JUNE, 1999.

[Signature]
Notary Public

My Commission expires: 7/26/01

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

The Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>[Signature]</u>	Title <u>P.E. Spec.</u>	Date <u>6-25-99</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 6/30/99

NOTICE: The operator must notify all working interest owners of this New Well certification.

PVZV2005847750

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

JP

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

MAR 15 1999

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30-015-30497
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.
Lease Name or Unit Agreement Name Marathon 25 State
Well No. 9
Pool name or Wildcat Red Lake (QN-GB-SA)

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.)

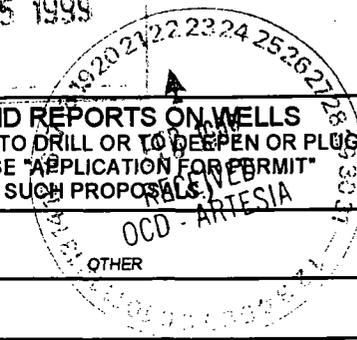
Type of Well:
OIL WELL GAS WELL OTHER

Name of Operator
SDX Resources, Inc.

Address of Operator
PO Box 5061, Midland, TX 79704

Well Location
Unit Letter F 1650 Feet From The North Line and 2289 Feet From The West Line
Section 25 Township 17S Range 28E NMPM Eddy County

Elevation (Show whether DF, RKB, RT, GR, etc.)
3689' GR



11 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"/>	PLUG AND ANBANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: Spud & Set Surf & Prod Csg. <input checked="" type="checkbox"/>	

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.

Spud 12-1/4" hole 1-25-99. Drill to 409'. Run 10 jts 8-5/8" 24# J55 csg. Set @ 404'. Cmt w/325 sx Class C cmt. Circ 115 sx. WOC 18 hrs. Drill 7-7/8" hole to 3510' TD. Reach TD 1-31-99. Ran DLL-GR & LDT-CNL-GR logs. Ran 98 jts 15.5-17# K55 csg + 7 jts LT&C 15.5# csg + 51 jts ST&C & 39 jts LT&C 17# csg. Land @ 3503'. Cmt w/450 sx 63/35 POZ C lead + 450 sx Class C tail. Circ 5 sx to pit. Release Rig 2-1-99.

WO Completion.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Bonnie Atwater TITLE Regulatory Tech. DATE 02-19-99
TYPE OR PRINT NAME Bonnie Atwater TELEPHONE NO. 915/685-1761

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY TIM W. GUM TITLE DISTRICT II SUPERVISOR DATE 3-3-99

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies
DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-105
 Revised 1-1-89

OIL CONSERVATION DIVISION

2040 Pacheco St.
 Santa Fe, NM 87505

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd, Aztec, NM 87410

WELL API NO.
 30-015-30497

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
 OIL WELL GAS WELL DRY OTHER _____
 b. Type of Completion:
 NEW WELL WORK OVER DEEPEN PLUG BACK DIFF RESVR OTHER _____

7. Lease Name or Unit Agreement Name
 Marathon 25 State

2. Name of Operator
 SDX Resources, Inc.

8. Well No.
 9

3. Address of Operator
 PO Box 5061 Midland, TX 79704

9. Pool name or Wildcat
 Red Lake (QN-GB-SA)

4. Well Location
 Unit Letter F 1650 Feet From The North Line and 2289 Feet From The West Line
 Section 25 Township 17S Range 28E NMPM Eddy County

10. Date Spudded 01/25/99 11. Date T.D. Reached 01/31/99 12. Date Compl. (Ready to Prod.) 02/15/99 13. Elevations (DF & RKB, RT, GR, etc.) 3689' GR 14. Elev. Casinghead

15. Total Depth 3510 16. Plug Back T.D. 3480 17. If Multiple Compl. How Many Zones? _____ 18. Intervals Drilled By _____ Rotary Tools Cable Tools _____

19. Producing Interval(s), of this completion - Top, Bottom, Name 2715 - 3151 20. Was Directional Survey Made Yes

21. Type Electric and Other Logs Run DLL-GR, LDT-CNL-GR & GR-CCL 22. Was Well Cored No

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24# J-55	404'	12-1/4"	325 sx C Circ	None
4-1/2"	15.5# - 17#	3503'	7-7/8"	450 sx 63/53 POZ + 450 sx C, Circ	None

24. LINER RECORD				25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SIZE	DEPTH SET	PACKER SET
				2-3/8"	3169'	

26. Perforation record (interval, size, and number)
2715', 17, 19, 21, 27, 35, 47, 49, 76, 78, 2801, 14, 26, 28, 54, 62, 77, 2901, 16, 30, 32, 40, 49, 51, 62, 76, 86, 90, 3007, 22, 36, 60, 79, 90, 3103, 28, 38, 46, 51 (1 spf, 39 shots, 4" select fire)

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
 DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED
2715 - 3151 | A: 2000 gal 15% HCL & NEFE
 | F: 55,566 gal Delta 20 + 95,000# 16/30
 | + 35,000# 12/20 Sd

28. PRODUCTION

Date First Production 02/24/99 Production Method (Flowing, gas lift, pumping - Size and type pump) Pump 2" x 1-1/2" x 12' RWAC Well Status (Prod. or Shut-in) Prod

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
<u>02/28/99</u>	<u>24</u>			<u>85</u>	<u>105</u>	<u>140</u>	<u>1235</u>

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
			<u>85</u>	<u>105</u>	<u>140</u>	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold Test Witnessed By Chuck Morgan

30. List Attachments
Deviation Survey, Logs

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Bonnie Atwater Printed Name Bonnie Atwater Title Regulatory Tech. Date 03/15/99

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all specific tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____ 430.0	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____ 595.0	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____ 740.0	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____ 900.0	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____ 1440.0	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____ 1888.0	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____ 2172.0	T. Simpson _____	T. Gallup _____	T. Ignacio Otzte _____
T. Glorieta _____	T. McKee _____	Base Greenhom _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Delaware Sand _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Bone Springs _____	T. Entrada _____	T. _____
T. Abo _____	T. _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from _____ to _____ No. 3, from _____ to _____
 No. 2, from _____ to _____ No. 4, from _____ to _____

IMPORTANT WATER SANDS

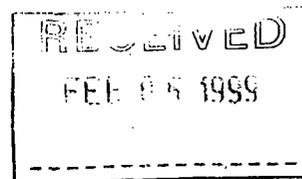
Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from _____ to _____ feet _____
 No. 2, from _____ to _____ feet _____
 No. 3, from _____ to _____ feet _____

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
0.0	150.0	150.0	Caliche/Redbed				
150.0	200.0	50.0	Sand/Gravel				
200.0	430.0	230.0	Anhy				
430.0	595.0	165.0	Salt				
595.0	1440.0	845.0	Anhy/Dolo				
1440.0	2172.0	732.0	Anhy/Sd/Dolo				
2172.0	3506.0	1334.0	Dolo				

SDX Resources, Inc.
P.O. Box 5061
Midland, Texas 79704

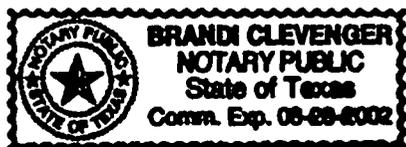


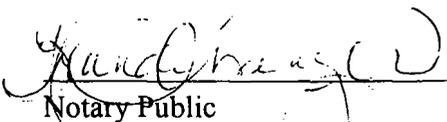
Marathon 25 # 9
Eddy County, NM

409	4.09	1 1/4	2.19	8.95	8.95
900	4.91	1	1.75	8.59	17.54
1400	5.00	1 1/4	2.19	10.94	28.48
1898	4.98	2	3.50	17.43	45.91
2393	4.95	1 1/4	2.19	10.83	56.74
2891	4.98	1	1.75	8.72	65.45
3416	5.25	1	1.75	9.19	74.64
3510	0.94	3/4	1.31	1.23	75.87


Michael Roghair - Drilling Superintendent

The attached instrument was acknowledged before me on the 3 day of Feb., 1999 by Michael Roghair - Drilling Superintendent, CapStar Drilling.

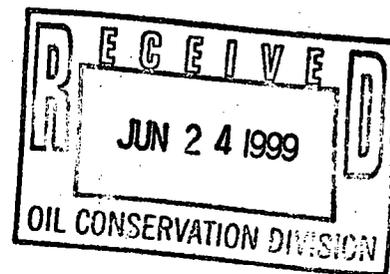



Notary Public

PROPERTY	PROPERTY NAME	EFFECTIVE				D.D.I.	PREPAYMENT LEASE WELL	COST CTR.	AFIL CODE
		DECK	DATE	OWNER	OWNER NAME				
021000-09	MARATHON 25 STATE #9	A	**BASE**	3604205	HIBERNIA "II"	0.80000000	021000-09	0	N
LOE AFTER HIBERNIA FARMOUT TO TARA				9999802	STEPHEN G. SELL	0.12600000	000099-	0	Y
				9999803	JOHN D. POOL	0.05400000	000099-	0	Y
				9999812	FRED C. COREY	0.01333333	021000-09	0	Y
				9999814	CHARLES M. MORGAN	0.00666667	021000-09	0	Y
				*** DECK TOTAL	5 OWNERS	1.00000000			

SDX RESOURCES, INC.

P.O. BOX 5061
MIDLAND, TEXAS 79704
(915) 685-1761



June 23, 1999

Mr. Rand Carroll
Oil Conservation Division
2040 S. Pacheco St.
Santa Fe, NM 87505

Re: Application for New Well Status
Marathon 25 State #9
Eddy County, New Mexico

Dear Mr. Carroll:

Please find enclosed one original and two copies of the Application for New Well Status on the captioned well.

If you should have any questions or need additional information, please contact me. Thank you for your consideration and prompt attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Barbara E. Wickham".

Barbara E. Wickham

\bw

Enclosures