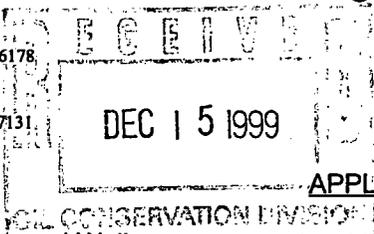


New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division

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
Aztec, NM 87410
District IV - (505) 827-7131

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, Texas 79704							OGRID Number 020451		
Contact Party Fred C. Corey							Phone 915-685-1761		
Property Name NW State					Well Number 10		API Number 30-015-30760		
UL P	Section 31	Township 17S	Range 28E	Feet From The 735	North/South Line South	Feet From The 330	East/West Line East	County Eddy	

II. Date/Time Information

Spud Date October 12, 1999	Spud Time 8:30 AM	Date Completed November 3, 1999	Pool Artesia (QN-GB-SA) (30230)
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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 December 10, 1999

SUBSCRIBED AND SWORN TO before me this 10th day of December, 1999

[Signature]
Notary Public

My Commission expires: 7-26-01

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:
This 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>JAN 03 2000</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 1/4/00

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

PVEV2007632155

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. 30-015-30760
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____	7. Lease Name or Unit Agreement Name NW State
b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR <input type="checkbox"/> OTHER _____	
2. Name of Operator SDX Resources, Inc.	8. Well No. 10
3. Address of Operator PO Box 5061, Midland, TX 79704	9. Pool name or Wildcat Artesia (QN-GB-SA) (03230)

4. Well Location
 Unit Letter P 735 Feet From The South Line and 330 Feet From The East Line
 Section 31 Township 17S Range 28E NMPM Eddy County

10. Date Spudded 10/12/99	11. Date T.D. Reached 10/18/99	12. Date Compl. (Ready to Prod.) 11/03/99	13. Elevations (DF & RKB, RT, GR, etc.) 3692	14. Elev. Casinghead
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15. Total Depth 3210	16. Plug Back T.D. 3163	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By Rotary Tools <input checked="" type="checkbox"/> Cable Tools
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19. Producing Interval(s), of this completion - Top, Bottom, Name 2482 - 2602	20. Was Directional Survey Made Yes
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21. Type Electric and Other Logs Run DLL LDT GR CNL	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# J55	495	12-1/4"	350 sx Class C	None
5-1/2"	14# J55	3192	7-7/8"	350 sx Lite + 300 sx CI C	None

24. LINER RECORD					25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-3/8"	2652	

26. Perforation record (interval, size, and number) 2482', 83, 88, 95, 2500, 06, 16, 20, 25, 27, 29, 38, 47, 54, 56, 57, 72, 78, 87, 89, 2602 (21 holes, 1 spf, 4" select fire)	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	2482 - 2602	A: 52 bbsl 15% NEFE F: 53,088 gal Delta + 95,000 16/30 + 35,000# 12/20 Brady sd

28. PRODUCTION

Date First Production 11/09/99	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 11/21/99	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - BbL. 88	Gas - MCF 140	Water - BbL. 140	Gas - Oil Ratio 1591
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - BbL. 88	Gas - MCF 140	Water - BbL. 140	Oil Gravity - API - (Corr.)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold	Test Witnessed By Chuck Morgan
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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 11/22/99

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 _____ 550.0	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____ 616.0	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____ 660.0	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____ 970.0	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____ 1396.0	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____ 1650.0	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____ 1980.0	T. Simpson _____	T. Gallup _____	T. Ignacio Otzte _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	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	Redbed/Caliche				
150.0	200.0	50.0	Sand				
200.0	550.0	350.0	Anhy				
550.0	616.0	66.0	Salt				
616.0	1396.0	780.0	Dolo/Anhy				
1396.0	1980.0	584.0	Dolo/Sd/Anhy				
1980.0	3210.0	1230.0	Dolo				

00125 1999

WELL NAME AND NUMBER N.W. State # 10

LOCATION 175 28E SEC. 31 735 FSL 330 FEL

OPERATOR SDX Resource, Inc.

DRILLING CONTRACTOR United Drilling, Inc.

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and had conducted deviation tests and obtained the following results:

<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>
<u>1/2° @ 500'</u>	_____	_____
<u>1/4° @ 1000'</u>	_____	_____
<u>1/2° @ 1589'</u>	_____	_____
<u>3/4° @ 2521'</u>	_____	_____
<u>1/2° @ 2985'</u>	_____	_____
<u>3/4° @ 3210'</u>	_____	_____
_____	_____	_____
_____	_____	_____

Drilling Contractor _____

By: George Aho, *George Aho*

Title: Business Manager

Subscribed and sworn to before me this 20th day of October, 1999.

Karina Tankersley
Notary Public

My Commission Expires: 9-25-2000

Chaves NM
County State

DP

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

DEC 01 1999

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

WELL API NO.
30-015-30760

Indicate Type of Lease
STATE FEE

State Oil & Gas Lease No.

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.)

Lease Name or Unit Agreement Name
NW State

Type of Well:
OIL WELL GAS WELL OTHER

Well No.
10

Name of Operator
SDX Resources, Inc.

Pool name or Wildcat
Artesia (QN-GB-SA) (03230)

Address of Operator
PO Box 5061, Midland, TX 79704

Well Location
Unit Letter P 735 Feet From The South Line and 330 Feet From The East Line
Section 31 Township 17S Range 28E NMPM Eddy County

Elevation (Show whether DF, RKB, RT, GR, etc.)
3692'

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 on 10/12/99 8:30 am. Drill to 500'. Run 12 jts 8-5/8" J-55 24# csg to 495'. Cmt w/350 sx Class C. WOC 18 hrs.
Drill 7-7/8" hole to TD 3210'. Reach TD 10/18/99 9:15 pm. Run 96 jts 5-1/2 J-55 14# ST&C csg. Set @ 3192'. Cmt w/350 sx Lite + 300 sx Class C.
Release Rig 10/19/99 1:00 pm



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 11-22-99
TYPE OR PRINT NAME Bonnie Atwater TELEPHONE NO. 915/685-1761

(This space for State Use)
APPROVED BY [Signature] TITLE District Supervisor DATE 11-24-99
CONDITIONS OF APPROVAL, IF ANY:

PROPERTY	PROPERTY NAME	EFFECTIVE		OWNER	OWNER NAME	D.D.I.	PREPAYMENT	COST	AFIL
		DECK	DATE				LEASE WELL	CTR.	CODE
022800-10	NW STATE #10	A	**BASE**	0321200	ERAM ALI	0.02000000	022800-10	0	N
Deck Header for 022800-10-A				0352380	ALPINE RESOURCES, LLC	0.12500000	022800-10	0	N
				2535380	ETKIND OIL, LLP	0.06250000	022800-10	0	N
				5790910	WILLIAM S. MONTGOMERY, JR.	0.05000000	022800-10	0	N
				7332200	WM. SCOTT RAMSEY	0.02000000	022800-10	0	N
				8031380	SOG INVESTORS, LLC	0.06250000	022800-10	0	N
				8096200	ST.ANSELM EXPLORATION COMPANY	0.25000000	022800-10	0	N
				9999802	STEPHEN G. SELL	0.18000000	022800-10	0	Y
				9999803	JOHN D. POOL	0.18000000	022800-10	0	Y
				9999812	FRED C. COREY	0.02500000	022800-10	0	Y
				9999814	CHARLES M. MORGAN	0.02500000	022800-10	0	Y
				*** DECK TOTAL	11 OWNERS	1.00000000			