

DATE IN 12/4/06	SUSPENSE	ENGINEER Jones	LOGGED IN 12/8/06	TYPE DHC 3831	APP NO. PTDSOC 34232032
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR
- [D] Other: Specify \_\_\_\_\_
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**
- [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note:** Statement must be completed by an individual with managerial and/or supervisory capacity.

_____ Print or Type Name	_____ Signature	_____ Title	_____ Date
_____ e-mail Address			

RECEIVED

DEC 04 2006

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

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

NMOCD  
1220 S. St. Francis Drive  
Santa Fe, NM 87504

Nov. 30, 2006

Attention: Mr. Will Jones

RE: Downhole commingling application  
Enron State #4  
Sec. 31 T17S R28E  
Eddy County, New Mexico

Dear Mr. Jones

SDX Resources respectfully request permission to downhole commingle production from the Red Lake Yeso Glorietta pool with production from the Artesia-Qn-Gb- Sa pool in their Enron State #4 well (Previously covered by order # PC1096). Ownership is identical for both pools on the lease. The oil from both pools is sour and is close to the same gravity. There should therefore be no difference in revenue to the interest owners including the State government. Downhole commingling will improve the economics of the lease, extending its life, resulting in the recovery of additional reserves.

The following data is submitted for your information:

Attachment 1-A&B:	PC-1096 & Lease Maps
Attachment 2	C-107
Attachment 3	Production History
Attachment 4:	Well Plat and Completion Data
Attachment 5:	Supporting Data

Sincerely,



Chuck Morgan

**District I**  
1625 N. French Drive, Hobbs, NM 88240

**District II**  
1301 W. Grand Avenue, Artesia, NM 88210

**District III**  
1000 Rio Brazos Road, Aztec, NM 87410

**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

**Oil Conservation Division**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
 Single Well  
 Establish Pre-Approved Pools  
EXISTING WELLBORE  
Yes  No

**APPLICATION FOR DOWNHOLE COMMINGLING**

*DHC-3831*

SDX Resources, Inc. PO Box 5061, Midland, TX 79704  
Operator Address

Enron State 4 D, Sec 31, T17S, R28E Eddy  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 020451 Property Code 27087 API No. 30-015-32162 Lease Type: Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Artesia, QN-GB-SA		Artesia, QN-GB-SA Yes
Pool Code	03230 ✓		51300 96830
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2080' - 2298'		3281' - 3399'
Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	N/A		N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)	36		37
Producing, Shut-In or New Zone	Producing		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	New Zone Date: 11/25/06 Rates: 13.5 BOPD 41.5 MCFGPD	Date: Rates:	Date: 9/30/06 Rates: 3.5 BOPD 8.5 MCFGPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 79.4 % 83 %	Oil Gas % %	Oil Gas 20.6 % 17 %

**ADDITIONAL DATA**

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes  No   
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes  No

Are all produced fluids from all commingled zones compatible with each other? Yes  No

Will commingling decrease the value of production? Yes  No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes  No

NMOCD Reference Case No. applicable to this well: PC-1096

**Attachments:**

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

**PRE-APPROVED POOLS**

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE *Chuck Morgan* TITLE Engineer DATE 11/30/06

TYPE OR PRINT NAME Chuck Morgan TELEPHONE NO. (432) 685-1761

E MAIL ADDRESS cmorgan@sdresources.com

**SDX RESOURCES, INC.**

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

State Land Office  
310 Old Santa Fe Trail  
Santa Fe, NM 87501

June 5, 2003

Attention: Mr. Pete Martinez

**RE: Surface commingling application  
Enron State 1,2,&4  
Sec. 31-32 T17S R28E  
Eddy County, New Mexico**

Dear Mr. Martinez

SDX Resources respectfully request permission to commingle production into a common battery from their Enron State #4 well (producing from the Red Lake Glorietta pool) with production from their Enron State #1&2 wells( producing from the Artesia Qn Gb Sa pool). Ownership is identical in all three wells in their producing horizons. The oil from both pools is sour and is close to the same gravity. There should therefore be no difference in revenue to the interest owners including the State government. Surface commingling will improve the economics of the well, extending its life, resulting in the recovery of additional reserves.

Production will be allocated based on well tests performed quarterly with a Port-A-Check test unit.

Enclosed with this letter is a commingle pre-application, a check for the application fee, and a copy of the application sent to the NMOCD.

Sincerely,



Chuck Morgan

BA

**SDX RESOURCES, INC.**

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

State Land Office  
310 Old Santa Fe Trail  
Santa Fe, NM 87501

June 5, 2003

Attention: Mr. Pete Martinez

RE: Surface commingling application  
Enron State 1,2,&4  
Sec. 31-32 T17S R28E  
Eddy County, New Mexico

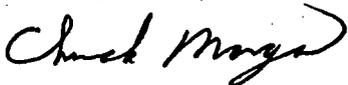
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Chuck Morgan

**COMMINGLE PRE-APPLICATION**

State Land Office rules 1.053-1.055 apply to commingling oil and gas production from New Mexico State Lands. Please provide the following information so that we can determine whether or not a commingle application package should be submitted.

1. Briefly describe what you propose to do.

Surface commingle production from SDX's Enron State #1&2 wells from the Artesia-Qn- Gb- San Andres pool with production from their Enron State #4 well in the Red Lake Glorietta pool.

2. Fill in the following information for each well.

Well #	Legal Description	Lessee of Record	N.M. Lease #	Formation
4	Sec. 31 T17S R28E 460 N 990 W	Rolph Gallinger	B5862	Glorietta
1	Sec. 32 T17S R28E 530 N 1650 W	Rolph Gallinger	B5862	San Andres
2	Sec. 32 T17S R28E 990 N 990 W	Rolph Gallinger	B5862	San Andres

NAME: Chuck Morgan  
COMPANY: SDX Resources, Inc.  
PHONE NUMBER: 915/685-1761

**SDX RESOURCES, INC.**

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

State Land Office  
310 Old Santa Fe Trail  
Santa Fe, NM 87501

June 5, 2003

Attention: Mr. Pete Martinez

RE: Surface commingling application  
Enron State 1,2,&4  
Sec. 31-32 T17S R28E  
Eddy County, New Mexico

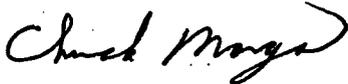
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Chuck Morgan

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2	Sec. 32 T17S R28E 990 N 990 W	Rolph Gallinger	B5862	San Andres

NAME: Chuck Morgan  
COMPANY: SDX Resources, Inc.  
PHONE NUMBER: 915/685-1761

**SDX RESOURCES, INC.**

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

NMOCD  
1220 S. St. Francis Drive  
Santa Fe, NM 87504

June 5, 2003

Attention: Mr. Dave Catanach

RE: Surface commingling application  
Enron State 1,2,&4  
Sec. 31-32 T17S R28E  
Eddy County, New Mexico

Dear Mr. Catanach,

SDX Resources respectfully request permission to commingle production into a common battery from their Enron State #4 well (producing from the Red Lake Glorietta pool) with production from their Enron state #1&2 wells (producing from the Artesia-Qn Gb- Sa pool). Ownership is identical for all three wells in their producing horizons. The oil from both pools is sour and is close to the same gravity. There should therefore be no difference in revenue to the interest owners including the State government. Surface commingling will improve the economics of the well, extending its life, resulting in the recovery of additional reserves.

Production will be allocated based on well tests performed quarterly with a Port-A-Check test unit

The following data is submitted for your information:

- Attachment 1: Lease Map
- Attachment 2: Well Plats and Completion Data
- Attachment 3: Production Data
- Attachment 4: Ownership Certification
- Attachment 5: State Land Office notice

Sincerely,



Chuck Morgan



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.  
 30-015-31530

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  
 Enron State

2. Name of Operator  
 SDX Resources, Inc.

8. Well No.  
 1

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

9. Pool name or Wildcat  
 Artesia, QN-GB-SA

4. Well Location  
 Unit Letter C 530 Feet From The North Line and 1650 Feet From The West Line

Section 32 Township 17S Range 28E NMPM Eddy County

10. Date Spudded \_\_\_\_\_ 11. Date T.D. Reached \_\_\_\_\_ 12. Date Compl. (Ready to Prod.) 11/21/01 13. Elevations (DF & RKB, RT, GR, etc.) 3678 14. Elev. Casinghead \_\_\_\_\_

15. Total Depth 4000 16. Plug Back T.D. 3700 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 2420 - 2549 20. Was Directional Survey Made \_\_\_\_\_

21. Type Electric and Other Logs Run \_\_\_\_\_ 22. Was Well Cored \_\_\_\_\_

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

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"		390	12-1/4"	325 sx C	-
5-1/2"		3993	7-7/8"	300 sx C Lite + 600 sx C	-

24. **LINER RECORD** 25. **TUBING RECORD**

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8"	3180	

26. Perforation record (interval, size, and number)  
 Orig: 3456-3534, 3766 - 3822; CIBP 3700'  
 New: 2420, 24, 32, 35, 40, 50, 54, 57, 65, 67, 79, 92, 95, 96, 2085,  
 18, 20, 21, 26, 32, 43, 45, 47, 49

27. **ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.**

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
2420 - 2549	4000 gal 15% NEFE
	55000 gal Viking 25 + 100000# 16/30 + 35000 12/20 Brady Sd

28. **PRODUCTION**

Date First Production 11/21/01 Production Method (*Flowing, gas lift, pumping - Size and type pump*) 2-1/2" x 1-3/4" x 20' RHAC 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
12/06/01	24			87	181	30	2080

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
			87	181	30	

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

30. List Attachments \_\_\_\_\_

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

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.  
 30-015-31920

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  FLUG BACK  DIFF RESVR  OTHER \_\_\_\_\_

7. Lease Name or Unit Agreement Name  
 Enron State

2. Name of Operator  
 SDX Resources, Inc.

8. Well No.  
 2

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

9. Pool name or Wildcat  
 Artesia, GLYE Q-G-5A

4. Well Location  
 Unit Letter D 990 Feet From The North Line and 990 Feet From The West Line

Section 32 Township 17S Range 28E NMPM Eddy County

10. Date Spudded 09/04/01 11. Date T.D. Reached 09/11/01 12. Date Compl. (Ready to Prod.) 10/26/01 13. Elevations (DF & RKB, RT, GR, etc.) 3699 14. Elev. Casinghead

15. Total Depth 4030 16. Plug Back T.D. 3983 17. If Multiple Compl. How Many Zones? \_\_\_\_\_ 18. Intervals Drilled By \_\_\_\_\_ Rotary Tools  Cable Tools \_\_\_\_\_

18. Producing Interval(s), of this completion - Top, Bottom, Name 2268 - 2647 20. Was Directional Survey Made Yes

21. Type Electric and Other Logs Run LDT-CNL-GR, DLL-GR 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	386	12-1/4"	325 sx CI CI - Circ	None
5-1/2"	17 & 15.5# J-55	4010	7-7/8"	325 sx Lite + 650 sx CI C	None

**24. LINER RECORD**      **25. TUBING RECORD**

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8"	2672'	

26. Perforation record (Interval, size, and number)  
2268, 74, 77, 2309, 20, 26, 33, 35, 53, 60, 2447, 54, 73, 79, 87, 93, 2500, 06, 22, 35, 48, 55, 68, 78, 97, 2607, 14, 28, 41, 47 (30 holes, 1 spf)

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.  
 DEPTH INTERVAL: 2268 - 2647  
 AMOUNT AND KIND MATERIAL USED:  
 A: 86 bbls 15% NEFE  
 F: 60000 gal Viking 25 + 95000# 16/30 + 35000# 12/20 Brady

**28. PRODUCTION**

Date First Production 10/29/01 Production Method (Flowing, gas lift, pumping - Size and type pump) Pmp 2-1/2" x 2" x 12' RWAC Well Status (Prod. or Shut-in) Prod

Date of Test 10/29/01 Hours Tested 24 Choke Size \_\_\_\_\_ Prod'n For Test Period \_\_\_\_\_ Oil - Bbl. 106 Gas - MCF 80 Water - Bbl. 296 Gas - Oil Ratio 755

Flow Tubing Press. \_\_\_\_\_ Casing Pressure \_\_\_\_\_ Calculated 24-Hour Rate \_\_\_\_\_ Oil - Bbl. 106 Gas - MCF 80 Water - Bbl. 296 Oil Gravity - API - (Corr.) \_\_\_\_\_

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

30. List Attachments  
Logs, Deviation Survey

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 1/13/02

Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 6 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. 30-015-32162
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  Enron State
b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR <input type="checkbox"/> OTHER _____	

2. Name of Operator SDX Resources, Inc.	8. Well No. 4
--	------------------

3. Address of Operator PO Box 5061, Midland, TX 79704 432/685-1761	9. Pool name or Wildcat Red Lake, <del>CH-GB-SA</del> <i>GL</i>
---	--

4. Well Location Unit Letter <u>D</u> <u>460</u> Feet From The <u>North</u> Line and <u>990</u> Feet From The <u>West</u> Line	
Section <u>31</u> Township <u>17S</u> Range <u>28E</u> NMPM	Eddy County

10. Date Spudded 03/26/03	11. Date T.D. Reached 04/02/03	12. Date Compl. (Ready to Prod.) 05/11/03	13. Elevations (DF & RKB, RT, GR, etc.) 3628' GR	14. Elev. Casinghead
------------------------------	-----------------------------------	--	---	----------------------

15. Total Depth 3460	16. Plug Back T.D. 3430	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By Rotary Tools <input checked="" type="checkbox"/> Cable Tools
-------------------------	----------------------------	--	--

19. Producing Interval(s), of this completion - Top, Bottom, Name 3281 - 3399	20. Was Directional Survey Made Yes
--	--

21. Type Electric and Other Logs Run DLT-CNL-GR, DLL-GR	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	468	12-1/4	375 ex C - Circ	-
5-1/2"	14 - 15.5# J-55	3454'	7-7/8	350 ex 35/65 POZ C + 350 C - Circ	-

24. LINER RECORD					25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8"	3366	

26. Perforation record (interval, size, and number) 3281, 84, 92, 3302, 04, 12, 14, 22, 29, 40, 45, 49, 55, 57, 62, 71, 73, 78, 80, 85, 87, 99 (22 holes, 4" select fire 0)	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	3281-3399	3500 gal 15% NEFE

**28. PRODUCTION**

Date First Production 05/06/03	Production Method (Flowing, gas lift, pumping - Size and type pump) Pmp 2-1/2" x 2" x 12' RWAC				Well Status (Prod. or Shut-in) Prod		
Date of Test 05/11/03	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - Bbl. 30	Gas - MCF 38	Water - Bbl. 64	Gas - Oil Ratio 1267
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl. 30	Gas - MCF 38	Water - Bbl. 64	Oil Gravity - API - (Corr.)	

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

30. List Attachments Logs, Deviation Survey
--

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

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
611 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

Form C-102  
Revised March 17, 1999

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name	
		03230	Artesia (QN-GB-SA)	
Property Code	Property Name		Well Number	
	ENRON STATE		I	
OGRID No.	Operator Name		Elevation	
020451	SDX RESOURCES, INC.		3678.	

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	32	17-S	28-E		530	NORTH	1650	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p>		
	<p>Signature <u>Bonnie Atwater</u></p> <p>Printed Name Bonnie Atwater</p>		
	<p>Title Regulatory Tech</p> <p>Date 1/2/01</p>		
	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p>		
<p>DECEMBER 20, 2000</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p>			

District I  
1625 N. French Dr., Hobbs, NM 88240

District II  
811 South First, Artesia, NM 88210

District III  
1890 Rio Brazos Rd., Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

JUN 14 2001

Form C-102  
Revised March 17, 1999

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		03230	Artesia QN-GB-SA
Property Code	Property Name		Well Number
27087	ENRON STATE		2
OGRID No.	Operator Name		Elevation
020451	SDX RESOURCES, INC.		3699.

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	32	17-S	28-E		990	NORTH	990	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p>	
				<p>Signature <i>Bonnie Atwater</i></p> <p>Printed Name Bonnie Atwater</p> <p>Title Regulatory Tech</p> <p>Date 7/23/01</p>	
				<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p>	
				<p>JUNE 11 2001</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p></p>	

District I  
1625 N. French Dr. Hobbs, NM 88240

District II  
511 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, N M 87505

Form C-102  
Revised March 17, 1999  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 03230	Pool Name Artesia, QN-GB-SA
Property Code 27087	Property Name <b>ENRON STATE</b>	Well Number 4
OGRID No. 020451	Operation Name <b>SDX RESOURCES, INC.</b>	Elevation 3628

Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
D	31	17-S	28-E		460	NORTH	990	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County				
<table border="1"> <tr> <td>Dedicated Acres 40 4/3.50</td> <td>Joint or Infill</td> <td>Consolidation Code</td> <td>Order No.</td> </tr> </table>										Dedicated Acres 40 4/3.50	Joint or Infill	Consolidation Code	Order No.
Dedicated Acres 40 4/3.50	Joint or Infill	Consolidation Code	Order No.										

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><b>OPERATOR CERTIFICATION</b> I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.</p>
	<p><i>Bonnie Atwater</i> Signature</p>
	<p>Printed Name <b>Bonnie Atwater</b></p>
	<p>Title <b>Regulatory Tech</b></p>
	<p>Date <b>1/13/02</b></p>
	<p><b>SURVEYOR CERTIFICATION</b> I HEREBY CERTIFY THAT THE WELL LOCATION SHOWN ON THIS PLAT WAS PLOTTED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.</p>
	<p>NOV 21 2001 Date of Survey <b>R. R. EDDY</b></p>
	<p>Signature and Seal of Registered Professional Engineer    <b>5412</b>  <b>REGISTERED PROFESSIONAL ENGINEER</b>  <b>NM REGISTERED PROFESSIONAL ENGINEER</b>  <b>7-3-02</b>            Certificate Number</p>

SDK Resources Inc.  
 FROM 02/01/2003 THRU 03/31/2003

PRODUCTION DETAIL REPORT BY PROPERTY

DV300 06/05/2003 PAGE 1  
 (Base/Allocated Properties)  
 (At State Pressure Base)

PROPERTY NAME	PROD ST MONTH	OIL PROD	DAILY AVG	GAS PROD	DAILY AVG	GOR or BBL/MM	WATER BBLs	DAILY AVG	DAY PRD	*----- CUMULATIVE ----*		PRICE /MCF
										OIL BBL	GAS MCF	
ENRON STATE #01	NM 02/03	672	24.00	2098	74.92	3122	91	3.25	28	672	2098	4.77
ENRON STATE #01	NM 03/03	754	24.32	2391	77.12	3171	115	3.70	31	1426	4489	6.53
Totals for ENRON STATE	025800-01	1426		4489			206					
ENRON STATE #02	NM 02/03	263	9.39	1877	67.03	7136	272	9.71	28	263	1877	4.77
ENRON STATE #02	NM 03/03	296	9.54	2139	69.00	7226	346	11.16	31	559	4016	6.53
Totals for ENRON STATE	025800-02	559		4016			618					
Report totals		1985		8505			824					

**Enron State #4**

<b><u>DATE</u></b>	<b><u>BO</u></b>	<b><u>MCF</u></b>	<b><u>BW</u></b>
5/6/03	38	30	246
5/7/03	72	89	156
5/8/03	74	94	113
5/9/03	46	57	107
5/10/03	37	44	107
5/11/03	30	38	64
5/12/03	23	30	65
5/13/03	23	32	56
5/14/03	15	20	49
5/15/03	26	25	37
5/16/03	20	27	48
5/17/03	26	32	49
5/18/03	7	27	43
5/19/03	15	16	50
5/20/03	15	16	48
5/21/03	13	19	36
5/22/03	15	16	50
5/23/03	15	21	33
5/24/03	13	18	38
5/25/03	13	17	37
5/26/03	13	17	35
5/27/03	13	17	41
5/28/03	10	17	30
5/29/03	10	15	36
5/30/03	10	14	30
5/31/03	10	14	33
6/1/03	10	13	35
6/2/03	3	13	35
6/3/03	10	15	35

**Steve Sell**  
P. O. Box 5061  
Midland, TX 79704  
432-685-1761, 1-800-344-1761  
Fax 432-685-0110

June 5, 2003

NMOCD  
1220 S. St. Francis Drive  
Santa Fe, NM 87504

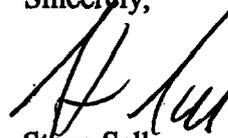
Re: Ownership Certification  
Enron State #1, #2 & #4  
Sec. 31-32; T17S-R28E  
Eddy County, New Mexico

Dear Gentlemen:

After reviewing the associated land files for the captioned wells, this is to inform you that the ownership is identical in all of the producing horizons to be commingled.

If you should have any questions or comments, please contact me at the letterhead address. Thank you for your consideration and prompt attention to this matter.

Sincerely,



Steve Sell  
Landman

\bw

cc: New Mexico State Land Office  
310 Old Santa Fe Trail  
Santa Fe, NM 87501

SDX RESOURCES, INC.

028786

JUNE 6, 2003

CHECK NO. 028786

STATE LAND OFFICE

\$30.00

FOR: SURFACE COMMINGLE APPLICATION  
FOR ENRON #4

SDX RESOURCES, INC.  
OPERATING ACCOUNT  
P.O. BOX 5061  
MIDLAND, TEXAS 79704-5061  
PH. (915) 685-1761

WESTERN NATIONAL BANK  
Odessa, TX  
88-737/1163

028786

CHECK NO. 028786

JUNE 6, 2003  
DATE

\$30.00  
AMOUNT  
DOLLARS

THIRTY AND NO/100

BY  
OTHER  
ORDER  
OF

STATE LAND OFFICE  
310 OLD SANTA FE TRAIL  
SANTA FE NM 87501

SDX RESOURCES, INC.  
OPERATING ACCOUNT

VOID AFTER 90 DAYS

⑈028786⑈ ⑆16307370⑆

80970192⑈

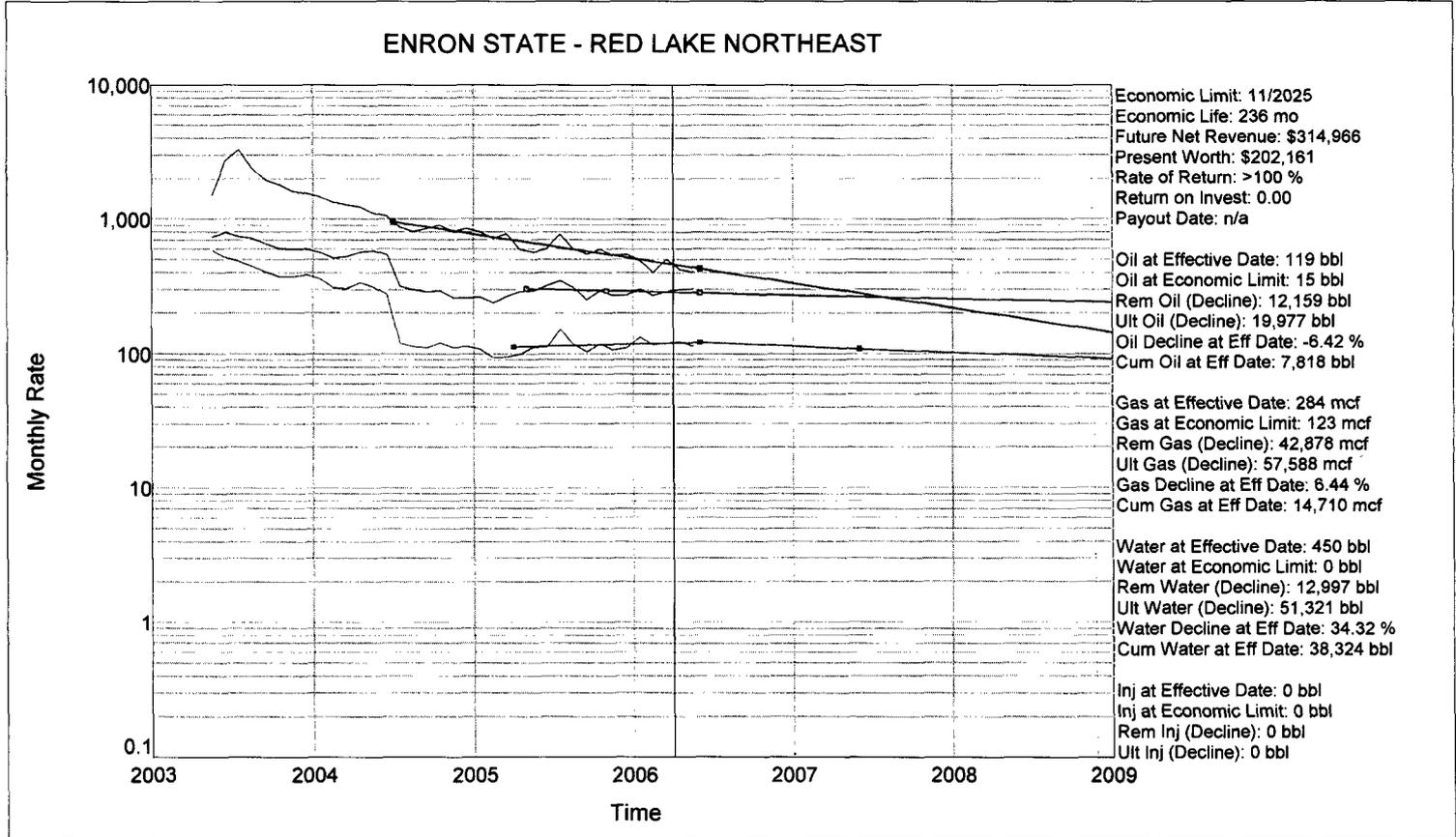
Security features are included. Details on back.

# Last Twelve Months Historic Production Report

Project: H:\Program Files\IHS Energy\PowerTools v8.0\Projects\Enron State.mdb

Lease Name: ENRON STATE (4)  
 County, ST: EDDY, NM  
 Location: 31 17S 28E NE NW NW

Operator: SDX RESOURCES INCORPORATED  
 Field Name: RED LAKE NORTHEAST



Date	Well Count	Days On	Oil (bbl)	Gas (mcf)	Water (bbl)	Injection (bbl)
Previous		740	6,637	11,791	32,747	0
06/2005	1	30	111	320	601	0
07/2005	1	31	151	347	775	0
08/2005	1	30	116	312	599	0
09/2005	1	30	103	251	546	0
10/2005	1	31	117	293	593	0
11/2005	1	30	106	268	533	0
12/2005	1	31	110	271	542	0
01/2006	1	31	132	302	489	0
02/2006	1	28	116	268	400	0
03/2006	1	31	119	287	499	0
04/2006	1	30	122	298	420	0
05/2006	1	31	113	303	405	0
<b>Total:</b>		<b>1,104</b>	<b>8,053</b>	<b>15,311</b>	<b>39,149</b>	<b>0</b>

SDX Resources, Inc. - ENRON STATE #4 - API #30-015-32162, Eddy Co., NM,  
United  
Drlg Rig # , New Drill.

- 3/21/03 - Build location. Had to shoot pits. Will line pits this weekend and rig should move in Monday 3/24/03.  
DWC: \$13,930 CWC: \$13,930
- 3/24/03 - WO rig.  
3/25/03 CWC: \$13,930
- 3/26/03 - MI rig.  
CWC: \$13,930
- 3/27/03 - 475' - Anhy. Day #1. MW 8, Vis 28, PP 800, SPM 60. Bit #1: 12-1/4", Jets 13-13-13, WOB all, RPM 70.  
MIRU United Rig #4. Spud 12-1/4" hole @ 2:00 pm 3/26/03.  
DWC: \$9,520 CWC: \$23,450
- 3/28/03 - 475' - Anhy. Day #2. MW 10, Vis 28, Bit #2: 7-7/8", Jets 3-13.  
Circ & cond hole. TOH w/10 8" DCs. RU Bull Rogers & run 11 jts 24# J-55 8-5/8" csg 460'. Land off @ 468' (GL). RU BJ Hughes & cmt w/375 sx of Cl C w/2% CaCl. Circ 100 sx to pit. Float not holding. SI csg. PD 11:30 am. WOC.  
DWC: \$14,200 CWC: \$37,650
- 3/29/03 - 1283' - Made 808'. Day #3. MW BW, PP 700, SPM 61. Bit #2: 7-7/8", Jets 3-13, 40'/Hr, WOB 40, RPM 60. Dev: 3/4° @ 626', 3/4° @ 1007'.  
Continue drlg formation.  
DWC: \$12,212 CWC: \$49,862
- 3/30/03 - 1774' - Made 491'. Day #4. MW 9.9, Vis 27, WL 38, Ph 10, PP 800, SPM 60, Bit #2: 7-7/8", Jets 3-13, 24'/Hr, WOB 40, RPM 60. Dev: 3/4° @ 1499'.  
Continue drlg formation.  
DWC: \$11,564 CWC: \$61,426
- 3/31/03 - 2175' - Made 401'. Day #5. MW 9.9, Vis 31, Ph 9, PP 800, GPM 307, SPM 60. Bit #2: 7-7/8", Jets 3-13-, 17'/Hr, WOB 40, RPM 60. Dev: 3/4° @ 1836', 3/4° @ 2017'.  
Continue drlg formation.  
DWC: \$6,691 CWC: \$68,117
- 4/1/03 - 2682' - Made 507'. Day #6. Dolo. MW 10, Vis 30, WL 30, Ph 10. PP 800, GPM 310, SPM 60. Bit #2: 7-7/8", Jets 3-13, 21'/Hr, WOB 40, RPM 60. Dev: 1° @ 2501'.  
Continue drlg formation.  
DWC: \$8,030 CWC: \$76,147

Enron State #4

Page 2

- 4/2/03 - 3261' - Made 579'. Day #6. Dolo. MW 10, Vis 30, WL 30, Ph 10, PP 850, GPM 315, SPM 60. Bit #2: 7-7/8", Jets. 3-13, WOB 40, RPM 60. Dev: 1° @ 3018'.  
Continue drlg formation.  
DWC: \$8,050 CWC: \$84,197
- 4/3/03 - 3460' TD - Made 199'. Day #7. Dev: ¾° @ 3460'.  
Reached TD 3460' @ 11:30 pm 4/2/03. RU loggers & run wire logs. RU csg crew & begin running csg.  
DWC: \$7,546 CWC: \$91,743
- 4/4/03 - Run 85 jts 14-15.5# J-55 5-1/2" csg. Land off @ 3453.55'. (PBTD 3430'). 1 jt 40.9' scraped due to bad pin. Circ bottoms up. RD csg crew. RU BJ Services. Cmt w/350 sx 35/65 POZ C lead & 350 sx C tail. PD 9:30 am. Circ 85 sx to pit. ND & set slips. Jet pits & prepare to move out. RR 12:00 pm 4/3/03. Transferred 5 jts 5-1/2" csg from Artesia yard to Enron #4.  
DWC: \$25,465 CWC: \$117,208
- 4/5/03 - WO completion.  
4/30/03 CWC: \$117,208
- 5/1/03 - MIRU. Tally 112 jts 2-7/8" tbg = 3515'. NU BOP & TIH. Tag w/109 + 10' @ 3430'. Roll csg w/2% & test 1000#. TOH. Run GR & CCL 3930-1400'. Tied into LDT CNL & GR OH log. TIH w/4" select fire & perf: 3281', 84, 92, 3302, 04, 12, 14, 22, 29, 40, 45, 49, 55, 57, 62, 71, 73, 78, 80, 85, 97 & 99 (22 holes). TIH w/5-1/2" pkr & 102 jts. Set @ 3208' & SDON.  
DWC: \$57,563 CWC: \$174,771
- 5/2/03 - TIH and spot acid across perfs. Pull up and set packer at 3216'. (102 jts. + 8' sub.) Repair pump truck. Acidize with 3500 gallons of 15% NEFE at 4 bpm. Dropped 30 balls and balled out. Avg pressure 1130# at 4 bpm. ISIP = 826# 5 min SIP 802# 10 min SIP = 763# 15 min SIP 737#. Flow back acid & begin swabbing. Swabbed 18 runs. Fluid level staying at 1200' with a 5% oil cut. Shut down for 30 minutes and fluid came up to 950'. Final fluid level 1200' with a 5% oil cut.  
SDFN  
DWC: \$10,200 CWC: \$184,971
- 5/3/03 - 190# overnight SIP. FL @ 950'. Blow down well & begin swbg. Pulled 17 runs in 5 hrs. FL staying @ ~1500' w/a 10-15% oil cut & good gas. Rec !100 bbls in 5 hrs. Unset pkr & TIH past perfs. Pull up & reset pkr. Load annulus & test pkr. SI well & SDFN. Cancelled hot acid job & frac tanks. Sample of fl to BJ.  
DWC: \$1,950 CWC: \$186,921
- 5/4/03 - SD for weekend.  
5/5/03 CWC: \$186,921

- 5/6/03 - 100# TP. Blow down to pit. TOH w/tbg & pkr. TIH w/tbg. ND BOP. Set TAC, pack off tbg head, assemble wellhead. TIH w/pump & rods, space out rods, SI tbg & csg. Flowline not complete. SDON.  
1 - 2-7/8" MA w/topped bull plug @ 3401'  
1 - 2-7/8" x 4' slotted sub  
1 - 2-7/8" API SN @ 3366.24'  
5 jts - 2-7/8" tbg 155.62'  
1 - 2-7/8" x 5-1/2" TAC @ 3210.62', 40K, shear  
102 jts - 2-7/8" tbg 3210'  
1 - 1-1/4" x 1' strainer nipple  
1 - 2-1/2" x 2" x 12' RWAC PS, SM, DV pump  
1 - 1' x 1" lift sub  
57 - 3/8" rods  
73 - 7/8" rods  
1 - 7/8" x 2' sub  
1 - 1-1/4" x 29' polish rod w/1-1/2" x 12' liner  
DWC: \$10,400 CWC: \$197,321
- 5/7/03 - RD & clean location. Finish flow line & flush line w/FW. Build header @ battery. Tie in flow line & service pmpg unit. Pmpg to battery @ 11:00 am 5/6/03. Lufkin 320 X SN D82498N - 432831 w/30 hp motor & size 3 control panel, 100" st @ 8 spm = 360 bbls @ 100%.  
DWC: \$3,840 CWC: \$201,161
- 5/8/03 - Prod for 5/6/03: 38 BO, ~30-40 MCF, 246 BW. 11 jts to FL  
5/9/03 - Prod for 5/7/03: 72 BO, 89 MCF, 156 BW. 65 jts to FL  
5/10/03 - Prod for 5/8/03: 74 BO, 94 MCF, 113 BW. 107 jts to FL. Put on 50% clock.  
5/11/03 - Prod for 5/9/03: 46 BO, 57 MCF, 107 BW  
5/12/03 - Prod for 5/10/03: 37 BO, 44 MCF, 107 BW  
5/13/03 - Prod for 5/11/03: 30 BO, 38 MCF, 64 BW  
5/14/03 - Prod for 5/12/03: 23 BO, 30 MCF, 65 BW. **FINAL REPORT**

**SDX Resources, Inc. - ENRON STATE #4 - Completion.**

- 6/18/03 - MIRU. Pump stuck. Strip rods & tbg out of hole. PU 5-1/2 AS-1X pkr. TIH w/47 jts. SD due to storm.  
DWC: \$9,150 CWC: \$206,471
- 6/19/03 - Finish TIH w/pkr. Set pkr @ 3184'. Load 7 test annulus & BOP. Held ok. RU BJ Services & pump hot acid job. Treated w/30,000 gal of 40# linear gel, 20,000 gal of 20% HCL acid & 3000 gal of 15% cool down acid. Avg rate & press = 5.9 bpm @ 1120#. Dropped 10 balls during job. ISIP = 720#. Flow back acid.  
DWC: \$42,999 CWC: \$249,470
- 6/20/03 - Left well flwg back to pit overnight. Well was dead this morning. Initial FL 500'. Swbd down to 1200' in 14 runs. FL staying @ 1200' w/good gas and an intermittent 5-10% oil cut. SDFN.  
DWC: \$1,950 CWC: \$250,420
- 6/21/03 - Well dead. Release pkr & TOH. Run back in the hole w/API 2-7/8" SN & set tbg anchor. ND. Assemble well head. Run pump & rods & begin pmpg back load.  
1 - 2-7/8" MA w/tapped bull plug @ 3401'  
1 - 2-7/8" x 4' slotted sub  
1 - 2-7/8" API SN @ 3366'  
5 jts - 2-7/8" tbg (155')  
1 - 2-7/8" x 5-1/2" TAC @ 3210' (40 K sheer)  
102 jts - 2-7/8" tbg (3210')  
1 - 1-1/4" x 1' strainer nipple on pump  
1 - 2-1/2" x 2" x 16' RWAC P/S, S/M, D/V pump  
1 - 1' x 1" lift sub  
57 - 3/4" rods & 73 7/8" rods  
2 - 7/8" x 8' subs  
1 - 1-1/4" x 22' PR w/1-1/2" x 1-1/4" x 12' PRL  
DWC: \$3,700 CWC: \$254,120
- 6/24/03 - Prod for 6/22/03 - 22 BO, 52 MCF, 316 BW. 23 jts to FL, 84 jts to SN
- 6/25/03 - Prod for 6/23/03 - 32 BO, 56 MCF, 305 BW. 36 jts to FL, 70 jts to SN
- 6/26/03 - Prod for 6/24/03 - 29 BO, 62 MCF, 252 BW. 73 jts to FL, 34 jts to SN
- 6/27/03 - Prod for 6/25/03 - 35 BO, 68 MCF, 275 BW
- 6/28/03 - Prod for 6/26/03 - 38 BO, 65 MCF, 248 BW
- 6/29/03 - Prod for 6/27/03 - 38 BO, 59 MCF, 228 BW
- 6/30/03 - Prod for 6/28/03 - 32 BO, 48 MCF, 200 BW
- 7/1/03 - Prod for 6/29/03 - 20 BO, 37 MCF, 186 BW. 102 jts to FL, 5 jts to SN. Line press - erratic.
- 7/2/03 - Prod for 6/30/03 - 18 BO, 33 MCF, 158 BW. LP up for a few hrs.
- 7/3/03 - Prod for 7/1/03 - 20 BO, 24 MCF, 166 BW. LP back down.

**FINAL REPORT**

**ENRON STATE #4 - API # 30-015-32162 - Eddy Co., NM - Workover**

- 10/14/06 - Hot watered well & flowline w/75 bbls FW & Chem. Set swab tk & road rig to location. SD for weekend.  
DWC: \$1,600 CWC: \$1,600
- 10/15/06 - SD for weekend.
- 10/16/06 CWC: \$1,600
- 10/17/06 - RU. TOH w/rods & pump. NU BOP & test tbg out. 5000# w/6 sec hold. Tally tbg out. Plumb in swab tank & shop pmp & TAC. SDON.  
DWC: \$4,250 CWC: \$5,850
- 10/18/06 - TIH w/Halliburton 3L RBP & 80 jts set @ 2507'. Break circ & test 1000#. Roll csg w/2% KCL, dump 2 sx sd & clear tbg. TOH w/tbg. RU WL. Shift perms to CCL log & perf 2080', 82, 2104, 08, 09, 10, 17, 32, 44, 46, 47, 63, 68, 75, 85, 2201, 03, 05, 25, 28, 38, 48, 59, 61, 82, 94, 98 (27 holes). TIH w/5-1/2" PPI pkr w/18' spacing. Spot acid across perms & break down perms 2080' - 2298' in 9 settings w/1 bbl ec. Pull up to 1998'. Fish valves. Reverse csg. Set pkr & acidize w/70 bbls 15% NEFE & 50 ball sealers @ 5 bpm. Balled out @ 4328#. Surged balls off & flush to bottom perf. ISIP = 986#, 15 min = 651#. Flow back to tk & left tbg cracked to tk over night. SDON.  
DWC: \$22,798 CWC: \$28,648
- 10/19/06 - FL @ 600'. Swab dry in 4 runs. Treating fl & no gas. 1 hr = 200' entry, treating fl w/iron sulfide, 2<sup>nd</sup> hrly = 400' entry w/5% oil cut & sm gas, 3rd hrly = 400' entry w/10% oil cut & sm gas, 4<sup>th</sup> hrly = 400' entry w/10% oil cut & good gas. SDON.  
DWC: \$5,910 CWC: \$34,558
- 10/20/06 - 550# TP. Blow down to tk. 1000' entry overnight w/600' free oil. Swab dry in 3 runs. TIH knocking off balls. Reset pkr & swab dry. 3 cons hrly runs = 400' entry w/15% oil cut & very good gas. TOH w/tbg & pkr. ND BOP. NU frac valve. RU BJ & frac dn 5-1/2" csg w/47,000 gal Lightning 27 + 66,000# 16/30 & 35,000# 12/20 Brady. Staged 1-4# w/4# hold on 12/20 @ 35 bpm. Avg treating psi = 1680#. ISIP = 1135#, 15 min 820#. RD BJ & RU flow back lines. SDON.  
DWC: \$64,127 CWC: \$98,685

10/21/06 - 250# CP. Blow down to tank. NU BOP. TH. Tag sd @ 2442'.  
Wash sd to RBP. Get on RBP & TOH. TIH w/tbg. ND BOP. Land  
off tbg & assemble wellhead. TIH w/pump & rods. Space out  
rods. Good pmp action. RD & clean location. Emptied frac tk  
& swa tk. Haul to disposal. Released all rentals. Pmpg back  
load to battery.  
1 - 2-7/8" MA w/tapped bull plug @ 3401'  
1 - 2-7/8" x 4' slotted sub  
1 - 2-7/8" API SN @ 3366'  
5 jts - 2-7/8" tbg = 155'  
1 - 2-7/8" x 5-1/2 " TAC @ 3210' (40K shear)  
102 jts - 7/8" tbg = 3210'  
1 - 2-1/2" x 2" x 12' RWAC P/S, S/M, D/V  
1 - 1" x 1' left sub  
57 - 3/4" rods  
73 - 7/8" rods  
1 - 7/8" x 8' x 8' x 4' subs = 20'  
1 - 1-1/4" x 22' polish rod  
1 - 1-1/4" x 1-1/2" x 12' liner  
DWC: \$8,750 CWC: \$107,438

10/23/06 - Production for 10/20/06: 0 BO, 30 MCF, 100 BW  
Production for 10/21/06: 0 BO, 30 MCF, 150 BW  
10/24/06 - Production for 10/22/06: 21 BO, 32 MCF, 209 BW  
10/25/06 - Production for 10/23/06: 28 BO, 32 MCF, 86 BW. 68 JFL  
39 JSN  
10/26/06 - Production for 10/24/06: 34 BO, 34 MCF, 127 BW  
10/27/06 - Production for 10/25/06: 31 BO, 30 MCF, 132 BW. 67 JFL 40  
JSN  
10/30/06 - Production for 10/26/06: 31 BO, 45 MCF, 128 BW  
Production for 10/27/06: 34 BO, 43 MCF, 165 BW  
Production for 10/28/06: 24 BO, 44 MCF, 136 BW  
10/31/06 - Production for 10/29/06: 21 BO, 48 MCF, 126 BW  
11/1/06 - Production for 10/30/06: 26 BO, 49 MCF, 137 BW  
11/2/06 - Production for 10/31/06: 28 BO, 52 MCF, 138 BW  
11/3/06 - Production for 11/1/06: 28 BO, 59 MCF, 135 BW  
11/6/06 - Production for 11/2/06: 34 BO, 60 MCF, 130 BW  
Production for 11/3/06: 28 BO, 61 MCF, 125 BW  
Production for 11/4/06: 21 BO, 55 MCF, 85 BW  
11/7/06 - Production for 11/5/06: 13 BO, 50 MCF, 73 BW  
Will install BP regulator 11/7/06  
11/8/06 - Production for 11/6/06: 23 BO, 51 MCF, 86 BW  
11/9/06 - Production for 11/7/06: 23 BO, 62 MCF, 88 BW  
11/10/06 - Production for 11/8/06: 33 BO, 131 MCF, 88 BW

**FINAL REPORT**

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.  
30-015-32162

5. Indicate Type of Lease  
STATE  FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name  
Enron State

8. Well No.  
4

9. Pool name or Wellcat  
Floridita - yes  
Red Lake, ONDOSA

10. Date Spudded  
03/28/03

11. Date T.D. Reached  
04/02/03

12. Date Compl. (Ready to Prod.)  
05/11/03

13. Elevations (DF & RKB, RT, GR, etc.)  
3628' GR

14. Elev. Castinghead

15. Total Depth  
3460

16. Plug Back T.D.  
3430

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  
3281 - 3399

20. Was Directional Survey Made  
Yes

21. Type Electric and Other Logs Run  
DLT-CNL-GR, DLL-GR

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	468	12-1/4	375 ex C - Circ	-
5-1/2"	14 - 15.5# J-55	3454'	7-7/8	390 ex 35/65 POZ C + 390 C - Circ	-

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2-7/8"	3306	

26. Perforation record (interval, size, and number)  
3281, 84, 92, 3302, 04, 12, 14, 22, 29, 40, 45, 49, 55, 57, 62, 71, 73, 78, 80, 85, 97, 99 (22 holes, 4" select fire)

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
3281-3399	3500 gal 15% NEFE

28. PRODUCTION

Date First Production  
05/06/03

Production Method (Flowing, gas lift, pumping - Size and type pump)  
Pmp 2-1/2" x 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
05/11/03	24			30	38	64	1267

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
			30	38	64	

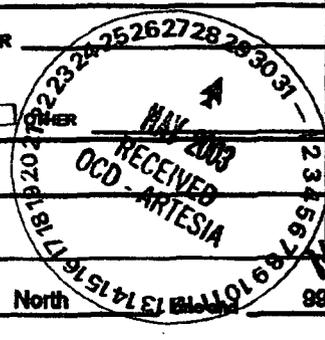
29. Disposition of Gas (Sold, used for fuel, vented, etc.)  
Sold

Test Witnessed By  
Chuck Morgan

30. List Attachments  
Logs, Deviation Survey

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 05/28/03



District I  
1625 N. French Dr. Hobbs, NM 88240

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources  
**OIL CONSERVATION DIVISION**  
2040 South Pacheco  
Santa Fe, N M 87505

Form C-102  
Revised March 17, 1999  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-015-32162	Pool Code 03230	Pool Name Artesia, QN-GB-SA
Property Code 27087	Property Name <b>ENRON STATE</b>	Well Number 4
OGRID No. 020451	Operation Name <b>SDX RESOURCES, INC.</b>	Elevation 3628

**Surface Location**

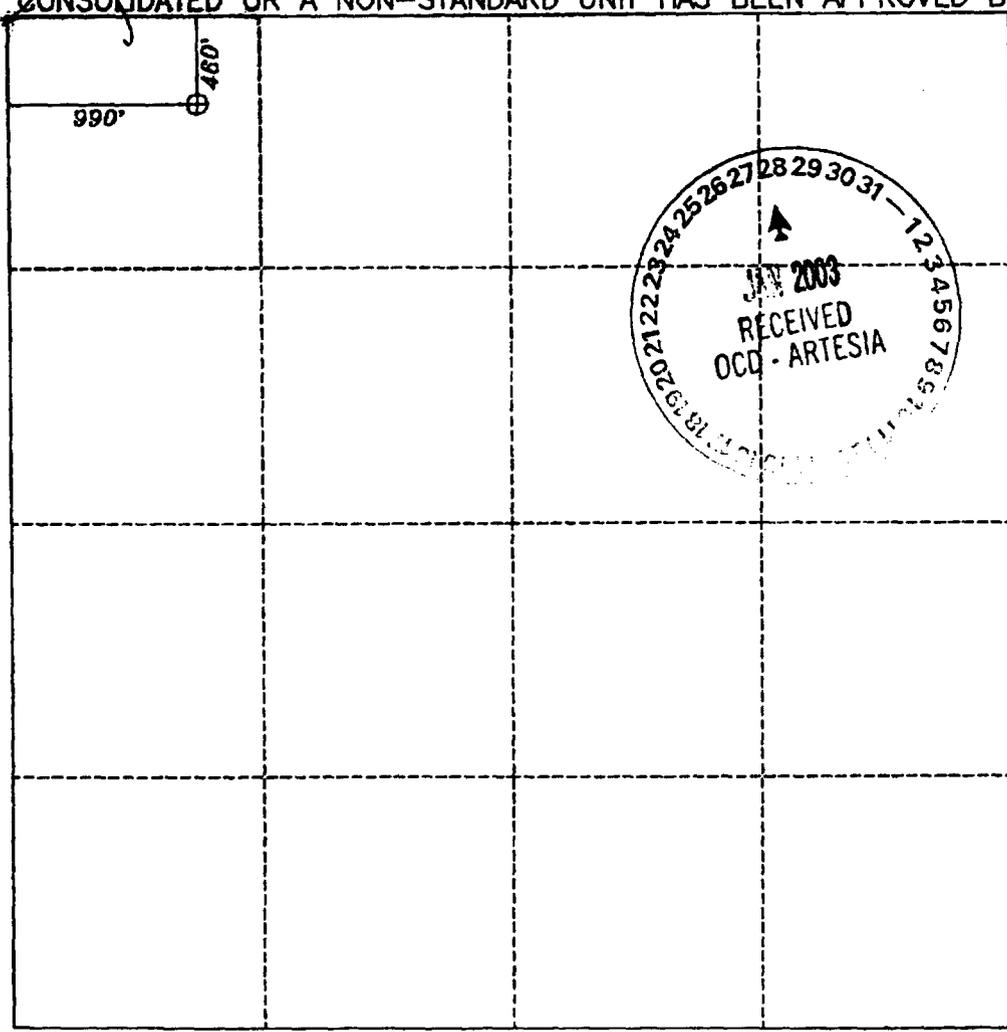
UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
D	31	17-S	28-E		460	NORTH	990	WEST	EDDY

**Bottom Hole Location If Different From Surface**

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 40 43.50	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



**OPERATOR CERTIFICATION**  
I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

*Bonnie Atwater*  
Signature  
Printed Name **Bonnie Atwater**  
Title **Regulatory Tech**  
Date **10-14-06**

**SURVEYOR CERTIFICATION**  
I HEREBY CERTIFY THAT THE WELL LOCATION SHOWN ON THIS PLAT WAS PLOTTED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

**NOV 21 2001**  
Date of Survey  
*R. E. UDY*  
Signature and Seal of Professional Surveyor  
**NEW MEXICO**  
**REGISTERED LAND SURVEYOR**  
**5412**  
**NM PROFESSIONAL SURVEYOR**  
Certificate Number

District I  
1625 N. French Dr. Hobbs, NM 88240

District II  
811 South First, Artesia, NM 88210

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1000 Rio Brazos Rd., Aztec NM 87410

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2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, N M 87505

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-32162	Pool Code 51300	Pool Name NE Red Lake, GL-YE
Property Code 27087	Property Name <b>ENRON STATE</b>	Well Number 4
OCRID No. 020451	Operation Name <b>SDX RESOURCES, INC.</b>	Elevation 3628

Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
D	31	17-S	28-E		460	NORTH	990	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40 4/3.50	Joint or Infill	Consolidation Code	Order No.
------------------------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><b>OPERATOR CERTIFICATION</b> I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.</p> <p><i>Bonnie Atwater</i> Signature</p> <p>Printed Name <b>Bonnie Atwater</b></p> <p>Title <b>Regulatory Tech</b></p> <p>Date <b>1/13/02</b></p>
	<p><b>SURVEYOR CERTIFICATION</b> I HEREBY CERTIFY THAT THE WELL LOCATION SHOWN ON THIS PLAT WAS PLOTTED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.</p> <p>NOV 21 2001 Date of Survey</p> <p><i>D. R. EDDY</i> Signature and Seal of Registered Surveyor</p> <p>NEW MEXICO REGISTERED LAND SURVEYOR 5412 ENGINEER</p>
	<p>NM RE 808555-2 Certificate Number</p>

**ENRON STATE #4**  
**Unit D 460' FNL 990' FWL**  
**Sec. 31, T17S, R28E**  
**Eddy Co., NM**  
**API #30-015-32162**

**Enron State #4 Yeso Zone Only:**

**Production test: 9/29/06**  
**3.5 BOPD**  
**8.7 MCFGPD**  
**15 BWPD**

**Enron State #4 San Andres & Yeso Zone Combined:**

**Production test: 11/25/06**  
**17 BOPD**  
**50 MCFGPD**  
**55 BWPD**

**By Subtraction Method:**

**Enron State #4 San Andres Only:**

**13.5 BOPD or 79.4%**  
**41.5 MCFGPD or 83%**  
**40 BWPD**