

DATE IN 10/22/07	SUSPENSE	ENGINEER W. Jones	LOGGED IN 10/22/07	TYPE DHC	APP NO. p TDS0729558885
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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

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

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

Operator

Address

Enron State

2

D/ Sec 32, T17S, R28E

Eddy

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 020451 Property Code 27087 API No. 30-015-31920 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Artesia, QN-GB-SA		Artesia, GL-YE
Pool Code	03230		96830
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2268 - 2647		3500 - 3586
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.)	Date: 10/15/07 2 BOPD Rates: 8 MCFPD 0 BWPD	Date: Rates:	New Zone Date: 10/15/07 14 BOPD Rates: 14 MCFPD 108 BWPD
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 .125 % .363 %	Oil Gas % %	Oil Gas .875 % .636 %

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-A

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 10-19-07  
TYPE OR PRINT NAME Chuck Morgan TELEPHONE NO. ( 432 ) 685-1761  
E-MAIL ADDRESS cmorgan@sdresources.com

# Last Twelve Months Historic Production Report

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

Lease Name: ENRON STATE (2)

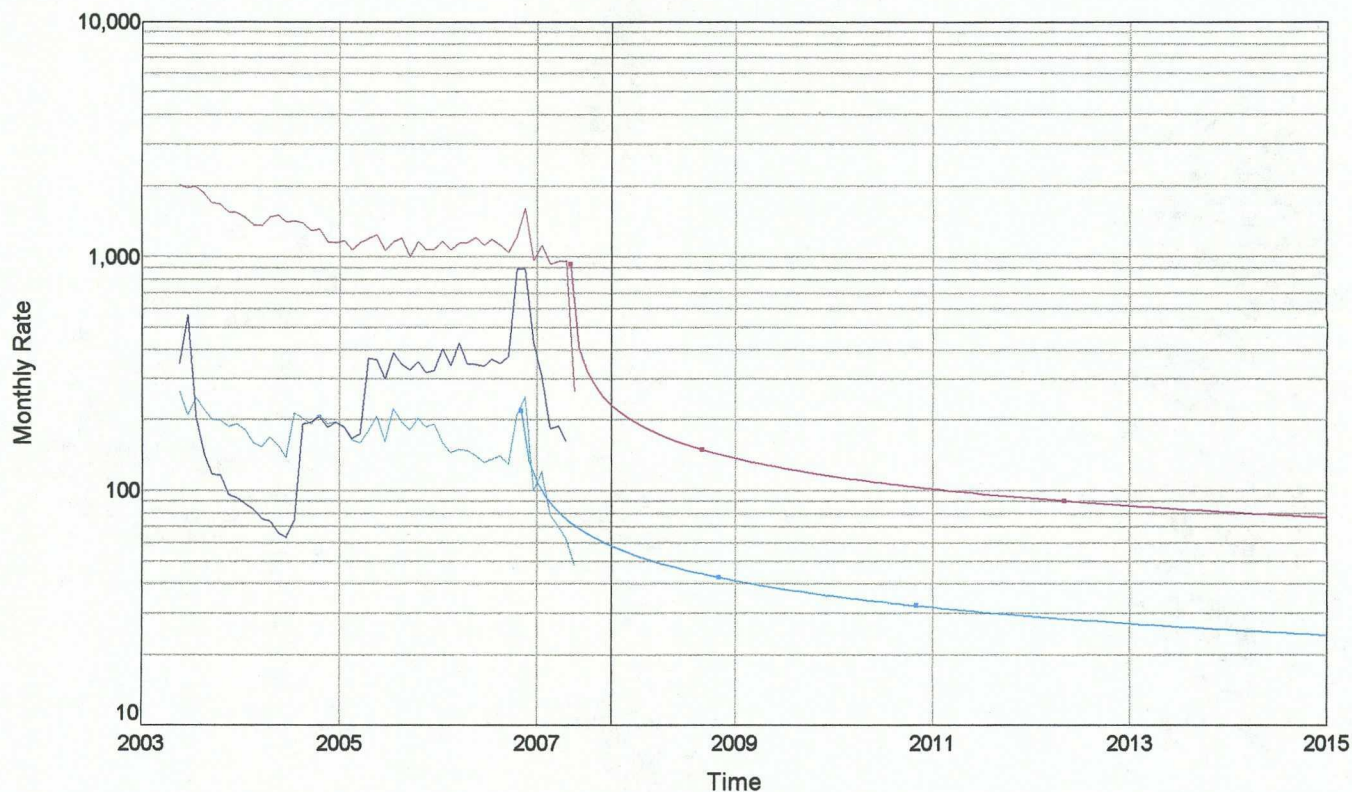
Operator: SDX RESOURCES INCORPORATED

County, ST: EDDY, NM

Field Name: ARTESIA

Location: 32D 17S 28E SE NW NW

ENRON STATE - 2



Date	Well Count	Days On	Oil (bbl)	Gas (mcf)	Water (bbl)	Injection (bbl)
Previous		1,107	6,865	50,086	8,678	0
06/2006	1	30	131	1,121	340	0
07/2006	1	31	136	1,192	366	0
08/2006	1	31	140	1,124	349	0
09/2006	1	30	129	1,046	374	0
10/2006	1	31	209	1,224	889	0
11/2006	1	30	251	1,614	890	0
12/2006	1	31	100	965	432	0
01/2007	1	31	120	1,123	308	0
02/2007	1	28	79	932	183	0
03/2007	1	31	70	958	188	0
04/2007	1	30	62	963	161	0
05/2007	1	31	48	263	0	0
Total:		1,472	8,340	62,611	13,158	0

**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 ResourcesOIL 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

				<b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.		
				Signature <i>Bonnie Atwater</i> Printed Name Bonnie Atwater		
				Title Regulatory Tech Date 7/23/01		
				<b>18 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 belief.		
					JUNE 14 2001 Date of Survey Signature <i>WALTER REDDY</i> WALTER REDDY NEW MEXICO 5412 REGISTERED PROFESSIONAL SURVEYOR NM PRECS NO. 10002-ACCESSIONAL	

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

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

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

**OIL CONSERVATION DIVISION**

2040 Pacheco St.  
Santa Fe, NM 87505

Form C-105  
Revised 1-1-89

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 ☐ PLUG BACK ☐ DIFF RESVR ☐ OTHER ☐

2. Name of Operator  
SDX Resources, Inc. /

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

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

19. 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

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

**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 11/3/02

SDX Resources, Inc. - ENRON STATE #2 - Eddy Co., NM - New Drill.

- 9/5/01 - 390' - Day #1. MW FW, PP 450, SPM 62, Bit #1: 12-1/4", Jets 13-13-13, 46'/Hr, WOB all, RPM 70. Dev: 3/4° @ 390'. Spud 12-1/4" hole 9/4/01. Drill to 390'. Circ & drop Totco. TOH. Run 9 jts 8-5/8" J-55, 24# csg. Set @ 386'. RU Dowell & cmt w/325 sx Cl C + CaCl2 + 1/8" D/30. PD 8:05 pm. Float held. Circ 93 sx to pit. WOC.  
DWC: \$34,102 CWC: \$34,102
- 9/6/01 - 1010' - Day #2. Made 620'. MW BW, PP 700, GPM 317, SPM 62. Bit #2: 7-7/8", Jets 13-13-13, 42'/Hr, WOB 80, RPM 60. Dev: 1/2° @ 995'. ND landing jt. NU hydrill. Replace Kelly swivel. TIH & test hydrill 800#. Drill shoe jt. WOC total of 20 hrs. Start drlg 7-7/8" hole.  
DWC: \$12,802 CWC: \$46,904
- 9/7/01 - 1752' - Day #3. MW BW, PP 700, GPM 317, SPM 62. Bit #2: 7-7/8", Jets 13-13-13, 36'/Hr, WOB 40, RPM 60. Dev: 1/2° @ 1510'. Continue drlg formation.  
DWC: \$12,044 CWC: \$58,948
- 9/8/01 - 2177' - Day #4. Made 425'. Dolo. MW 9.8, Vis 29, WL 40, Ph 10, PP 150, GPM 317, SPM 62. Bit #2: 7-7/8", Jets 13-13-13, 30'/Hr, WOB 40, RPM 60. Dev: 3/4° @ 1995'. Mud up @ 1800'. Continue drlg formation.  
DWC: \$8,610 CWC: \$67,558
- 9/9/01 - 2690' - Day #5. Made 513'. Dolo. MW 9.8, Vis 30, WL 40, Ph 10, PP 800, GPM 317, SPM 62. Bit #2: 7-7/8", Jets 13-13-13, 22'/Hr, WOB 40, RPM 60. Dev: 3/4° @ 2509'. Continue drlg formation.  
DWC: \$9,170 CWC: \$76,728
- 9/10/01 - 3235' - Day #6. Made 545'. Dolo. MW 9.9, Vis 30, WL 35, Ph 10, PP 850, GPM 317, SPM 62. Bit #2: 7-7/8", Jets 13-13-13, 23'/Hr, WOB 40, RPM 60. Dev: 3/4° @ 2993'. Continue drlg formation.  
DWC: \$9,327 CWC: \$86,055
- 9/11/01 - 3696' - Day #7. Made 461'. MW 9.9, Vis 31, WL 40, Ph 10, PP 850, GPM 317, SPM 62. Bit #2: 7-7/8", Jets 13-13-13, 20'/Hr, WOB 40, RPM 60. Dev: 1° @ 3511'. Continue drlg formation.  
DWC: \$8,467 CWC: \$94,522
- 9/12/01 - 4030' TD - Day #8. Made 334'. MW 9.9, Vis 31, WL 40, Ph 10, PP 850, GPM 317, SPM 62. Bit #2: 7-7/8", Jets 13-13-13, 19'/Hr, WOB 40, RPM 60. Reached TD 9/11/01. Circ & cond hole. TOH.  
DWC: \$7,461 CWC: \$101,983

- 9/13/01 - 4030' TD. Day #9. Dev: ¼° @ 4030'. TOH & LD. RU SWS. Run Platform X s/AALS 4075' - 386'. RD. RU csg crew & run 15 jts 5-1/2" J-55, 17#, LT&C = 606.18' & 79 jts 5-1/2" J-55, 15.5# = 3414.13'. Csg set @ 4010.13'. PBTD = 3983'. RD. RU Dowell. Clear pipe w/rig. Tie on Dowell & cm w/325 sx lead & 650 sx tail. PD 5:30 pm. Float held. Circ 65 sx to pit. ND hydrill. Set slips & jet working pits over. RR 9:00 pm 9/12/01. Tear down rig.  
DWC: \$48,815 CWC: \$150,798
- 9/14/01 - WO Completion.  
10/22/01 CWC: \$150,798
- 10/23/01 - MIRU. Tally 127 jts 2-7/8" tbg = 4039'. NU BOP & IH w/125 jts + 5' & tag PBTD @ 3980'. Test csg 1000# & roll csg w/2% KCL. TOH. RU Computalog & tie into OH GR. Log 3875' = 1400'. TIH w/4" select fire & tie into CCL log & perf 2268', 74, 77, 2309, 20, 26, 3, 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). TIH w/5-1/2" collar locator & PPI pkr w/14' spacing & 69 jts & set @ 2218'. SDON.  
DWC: \$37,560 CWC: \$188,358
- 10/24/01 - TIH. Hang collar & get on depth. Spot acid across perfs & load tbg. Break down perfs 2268-2647 in 14 settings w/1/2 bbl ec. Pull up to 2200'. Fish acid bar. Reverse csg. Set pkr & acidize w/86 bbls acid & 50 ball sealers @ 5 bpm. Good ball action but no ball out. Surged balls off & flush to bottom perf. ISIP = 1363#, 15 min = 575#. Flow back to pit & swab dry in 7 runs w/10% oil cut. 1<sup>st</sup> hrly swab = 650' entry w/10% oil cut & good gas. Well started kicking up the tbg. Pretty strong w/40% oil cut. Last swab run = 400' entry w/40% oil cut & started flowing again. Waited until it died down & SI tbg. SDON.  
DWC: \$10,415 CWC: \$198,771
- 10/25/01 - 900# TP. Flowed to pit 30 min w/40% oil cut. Swab dry in 4 runs w/40% oil & very good gas. Well started flowing after 35 min. Loaded up & died in 1-1/2 hrs. TIH knocking off balls. TOH w/tbg & pkr. ND BOP & NU BJ frac valve. Fill 3 frac tanks w/480 bbls ec & SDON.  
DWC: \$3,200 CWC: \$201,971
- 10/26/01 - RU BJ & frac down 5-1/2" csg w/60,000 gal Viking 25 & 95,000 16/30 & 35,000# 12/20 Brady. Staged 1-5# w/5# hold on 12/20 @ 45 bpm. Avg treating psi = 1246#. ISIP = 1195#, 15 min = 1022#. RD BJ & RU flow back ch. Get rods & wellhead assembly ready. Consolidate all fl to 1 tk w/1 load 2% KCL. 3:00 pm 400# CP. Left csg SI. SDON.  
DWC: \$48,118 CWC: \$250,089

10/27/01 - Csg dead. TIH & tag sd @ 3830'. Reverse sd out to PBTD 3980'. Pull tbg back. ND BOP & land off tbg. Build wellhead & TIH w/pmp & rods. Space out rods. Well pmpd up good. Start pmpg back load to pit 4:00 pm 10/26/01. American D228 SN T21F74-21-332 w/GE 30 hp motor SN NA, 70" st @ 12 spm = 380 bbls x 24 hrs @ 100%

1 - 2-7/8" crimped MA @ 2702'

1 - 2-7/8" API SN @ 2672'

84 jts - 2-7/8" tbg

1 - 1-1/4" x 1' strainer nipple

1 - 2-1/2" x 2" x 12' RWAC #T5-2830

1 - 1" x 1' lift sub, no safety jt

60 - 3/4" rods

46 - 7/8" rods

1 - 7/8" x 2' x 4' subs

1 - 1-1/4" x 22' polish rod

1 - 1-1/4" x 1-1/2" x 12' liner

DWC: \$16,900 CWC: \$266,989

10/28/01 - Pumping back load.

10/29/01 CWC: \$266,989

10/30/01 - Well pumping good. Flowed some oil up the csg. Turned to battery. RD & clean location. Pmpd 360 BLW to pit. Turned to battery 8:00 am 10/29/01.

DWC: \$330 CWC: \$267,319

10/29/01 - 106 BO, 80 MCF, 296 BW

10/30/01 - 204 BO, 321 MCF, 274 BW

10/31/01 - 143 BO, 320 MCF, 268 BW

11/1/01 - 150 BO, 385 MCF, 342 BW

11/2/01 - 124 BO, 370 MCF, 137 BW

11/3/01 - 125 BO, 370 MCF, 130 BW

11/4/01 - 145 BO, 400 MCF, 174 BW

11/5/01 - 114 BO, 410 MCF, 124 BW

11/6/01 - 105 BO, 505 MCF, 153 BW

11/7/01 - 101 BO, 525 MCF, 120 BW. FINAL REPORT



**SDX Resources, Inc. - ENRON STATE #2 - API #30-015-31920 - Eddy Co., NM  
- Workover.**

- 6/27/07 - Hot water csg & flowline. MIRU. TOH w/rods & pump. Shop pmp. SDON.  
DWC: \$3,450 CWC: \$3,450
- 6/28/07 - NU BOP & tally tbg out. TIH w/118 jts = 3755.22'. Hydro test to 5000# w/6 sec hold. Roll csg w/130 bbls 2% KCL & TOH. RU WL & shift perfs to C/H Depth. TIH w/4" select fire & perf: 3500', 02, 04, 12, 14, 16, 24, 28, 30, 39, 41, 48, 50, 62, 73, 77, 82, 86 (2 spf, 36 holes). TIH w/5-1/2" ASI w/ unloader + 85 jts hit salt or scale bridge @ 2720'. Could not get down. Pull back to 2228' & SDON.  
DWC: \$16,245 CWC: \$19,695
- 6/29/07 - TOH w/tbg & pkr. TIH w/bit & scrapper. Worked through tight spot @ 2720'. TIH to 3755'. TOH. TIH w/5-1/2 ASI w/unloader + 113 jts @ spot acid across perfs. Pull up to 3420'. Set pkr. Formation broke @ 2350#. Acidize w/3000 gal 15% NEFE & 60 ball sealers @ 3 bpm. Very little ball action. Did not ball out. Flush to bottom perf. Avg treating psi = 1150#, ISIP = 940#, 15 min = 560#. Flow back to tank & RU swab. Made 8 swab runs. FL @ 2200' w/20% oil cut & very good gas. SDON.  
DWC: \$14,883 CWC: \$34,578
- 6/30/07 - 220# TP. Blow down to tank. RU swab. FL @ 2200'. 8 swab runs = FL @ 2500' w/20% oil cut & very good gas. TIH knocking off balls. Pull back & reset pkr. Install BJ treating valve. Empty swab tank. Fill 3 frac tanks & SD for weekend.  
DWC: \$4,280 CWC: \$38,858
- 7/1/07 - SD for weekend.  
7/2/07 - CWC: \$38,858
- 7/3/07 - OK heated wtr. RU BJ & treat down tbg w/20,000 gal heated 20% & 30,000 gal 40# linear gel & 16 ball sealers in 21 stages. Avg treating psi = 2500#, followed w/3000 gal 15% NEFE cool down acid @ 5 bpm. ISIP = 1100#, 15 min = 986#. Flow back to swab tank. Hauled 3 loads to disposal. SI @ 9:00 pm due to lightning storm.  
DWC: \$89,460 CWC: \$115,060
- 7/4/07 - Tbg dead. TIH knocking off balls. TOH w/pkr. TIH w/BHA. ND BOP. Land off tbg & assemble wellhead. Swab cont. FL @ 2300', treating fl w/good gas. SDON.  
DWC: \$5,415 CWC: \$133,733 (Corrected CWC)
- 7/5/07 - SD for holiday.  
CWC: \$133,733

7/6/07 - Made 6 swab runs. FL @ 2300', treating fl & good gas. TIH w/pmp & rods. Space out rods: Good pmp action. RD & clean location. Released all rentals & empty swab tank. 54" st @ 9 spm = 125 bbls x 24 hrs.  
1 - 2-7/8" crimped MA @ 3606.75'  
1 - 2-7/8" API SN @ 3574.05'  
6 jts - 2-7/8" tbg = 192.15  
1 - 5-1/2 x 2-7/8 TAC @ 3381.90'  
106 jts - 2-7/8" tbg - 3378.90'  
1 - 2-1/2" x 1-1/2" x 12' RWAC PS, SM, SV  
1 - 1' x 1" lift sub  
90 - 3/4" rods  
53 - 7/8" rods  
1 - 7/8" x 2', 4', 6', 8' subs  
1 - 1-1/4" x 22' polish rod  
1 - 1-1/4" x 1-1/2" x 12' liner  
DWC: \$5,168 CWC: \$138,901

7/9/07 - Prod for 7/5/07: 0 BO, 0 MCF, 47 BW  
Prod for 7/6/07: 0 BO, 0 MCF, 103 BW  
Prod for 7/7/07: 0 BO, 0 MCF, 107 BW

7/10/07 - Prod for 7/8/07: 0 BO, 0 MCF, 59 BW. 23 JFL

7/11/07 - Prod for 7/9/07: 0 BO, 0 MCF, 103 BW

7/12/07 - Prod for 7/10/07: 8 BO, 0 MCF, 90 BW. 16 JFL, 103 JSN

7/13/07 - Prod for 7/11/07: 2 BO, 0 MCF, 88 BW

7/16/07 - Prod for 7/12/07: 4 BO, 0 MCF, 94 BW. 26 JFL, 93 JSN  
Prod for 7/13/07: 6 BO, 0 MCF, 75 BW  
Prod for 7/14/07: 2 BO, 0 MCF, 75 BW

7/17/07 - Prod for 7/15/07: 0 BO, 0 MCF, 75 BW

7/18/07 - Prod for 7/16/07: 0 BO, 0 MCF, 65 BW. 24 JFL 97 JSN. Will speed up 7/18/07.

7/19/07 - Prod for 7/17/07: 0 BO, 0 MCF, 90 BW

7/20/07 - Prod for 7/18/07: 0 BO, 0 MCF, 75 BW

7/23/07 - Prod for 7/19/07: 0 BO, 0 MCF, 80 BW  
Prod for 7/20/07: 0 BO, 0 MCF, 80 BW  
Prod for 7/21/07: 0 BO, 0 MCF, 80 BW

7/24/07 - Prod for 7/22/07: 0 BO, 0 MCF, 80 BW. 27 JFL 92 JSN

7/25/07 - Prod for 7/23/07: 0 BO, 0 MCF, 80 BW

7/26/07 - Prod for 7/24/07: 0 BO, 0 MCF, 100 BW. 20 JFL 99 JSN

7/27/07 - Prod for 7/25/07: 0 BO, 0 MCF, 110 BW

7/30/07 - Prod for 7/26/07: 0 BO, 0 MCF, 107 BW  
Prod for 7/27/07: 0 BO, 0 MCF, 110 BW  
Prod for 7/28/07: 0 BO, 0 MCF, 110 BW

7/31/07 - Prod for 7/29/07: 0 BO, 0 MCF, 120 BW. 31 JFL, 87 JSN

8/1/07 - Prod for 7/30/07: 0 BO, 0 MCF, 180 BW

8/2/07 - Prod for 7/31/07: 0 BO, 0 MCF, 120 BW. Hiline press.

8/3/07 - Prod for 8/1/07: 0 BO, 0 MCF, 110 BW. Hiline press.

8/6/07 - Prod for 8/2/07: 0 BO, 0 MCF, 120 BW. 35 JFL 83 JSN  
Prod for 8/3/07: 0 BO, 0 MCF, 110 BW  
Prod for 8/4/07: 0 BO, 0 MCF, 120 BW

8/7/07 - Prod for 8/5/07: 2 BO, 0 MCF, 120 BW

8/8/07 - Prod for 8/6/07: 0 BO, 0 MCF, 130 BW. 43 JFL 75 JSN

Enron State #2

Workover

Page 3

8/9/07 - Prod for 8/7/07: 0 BO, 0 MCF, 120 BW  
8/10/07 - Prod for 8/8/07: 0 BO, 0 MCF, 120 BW. 36 JFL 82 JSN  
8/13/07 - Prod for 8/9/07: 0 BO, 0 MCF, 130 BW  
Prod for 8/10/07: 0 BO, 0 MCF, 120 BW  
Prod for 8/11/07: 0 BO, 0 MCF, 120 BW  
8/14/07 - Prod for 8/12/07: 0 BO, 0 MCF, 110 BW  
8/15/07 - Prod for 8/13/07: 0 BO, 0 MCF, 120 BW  
8/16/07 - Prod for 8/14/07: 0 BO, 0 MCF, 120 BW

Dropping from report till further notice.

9/18/07 - Prod for 9/17/07: 14 BO, 6 MCF, 110 BW. 45 JFL 73 JSN  
9/19/07 - Prod for 9/18/07: 16 BO, 5 MCF, 110 BW  
9/20/07 - Prod for 9/19/07: 9 BO, 3 MCF, 100 BW. 50 JFL, 68 JSN  
9/21/07 - Prod for 9/20/07: 12 BO, 0 MCF, 100 BW  
9/22/07 - Prod for 9/21/07: 8 BO, 0 MCF, 110 BW  
9/23/07 - Prod for 9/22/07: 9 BO, 0 MCF, 100 BW  
9/24/07 - Prod for 9/23/07: 12 BO, 0 MCF, 110 BW  
9/25/07 - Prod for 9/24/07: 11 BO, 0 MCF, 100 BW. 47 JFL, 71 JSN  
9/26/07 - Prod for 9/25/07: 19 BO, 0 MCF, 100 BW  
9/27/07 - Prod for 9/26/07: 17 BO, 2 MCF, 110 BW. 57 JFL, 61 JSN  
9/28/07 - Prod for 9/27/07: 8 BO, 0 MCF, 100 BW  
9/29/07 - Prod for 9/28/07: 24 BO, 0 MCF, 100 BW  
9/30/07 - Prod for 9/29/07: 19 BO, 0 MCF, 100 BW  
10/1/07 - Prod for 9/30/07: 19 BO, 20 MCF, 120 BW  
10/2/07 - Prod for 10/1/07: 17 BO, 20 MCF, 120 BW  
10/3/07 - Prod for 10/2/07: 23 BO, 20 MCF, 120 BW  
10/4/07 - Prod for 10/3/07: 23 BO, 20 MCF, 120 BW  
10/5/07 - Prod for 10/4/07: 17 BO, 22 MCF, 110 BW. 47 JFL, 71 JFL  
10/6/07 - Prod for 10/5/07: 24 BO, 28 MCF, 120 BW  
10/7/07 - Prod for 10/6/07: 21 BO, 28 MCF, 110 BW  
10/8/07 - Prod for 10/7/07: 22 BO, 30 MCF, 110 BW  
10/9/07 - Prod for 10/8/07: 23 BO, 30 MCF, 110 BW  
10/10/07 - Prod for 10/9/07: 23 BO, 28 MCF, 110 BW  
10/11/07 - Prod for 10/10/07: 21 BO, 24 MCF, 120 BW  
10/12/07 - Prod for 10/11/07: 16 BO, 24 MCF, 105 BW  
10/13/07 - Prod for 10/12/07: 23 BO, 25 MCF, 134 BW  
10/14/07 - Prod for 10/13/07: 4 BO, 24 MCF, 114 BW  
10/15/07 - Prod for 10/14/07: 13 BO, 24 MCF, 120 BW

**Enron State # 2**  
990' FNL, 990' FWL  
Sec. 32 T17S R28E  
Eddy Co., N.M.  
**API # 30-015-31920**

Enron State #2 San Andres Zone Only:

**Reported Production: 5/2007**

2 BOPD

8 MCFGPD

0 BWPD

Enron State #2 San Andres and Yeso Zone Combined:

**Production test: 10/15/07**

16 BOPD

21 MCFGPD

108 BWPD

Enron State #2 Yeso Zone Only:

**By Subtraction Method: 10/15/07**

14 BOPD

14 MCGPD

108 BWPD