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Form 3160-4
(April 2004)

OCD-ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other		5. Lease Serial No. NMNM-048344
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resrv., Other _____		6. If Indian, Allottee or Tribe Name
2. Name of Operator SDX Resources, Inc.		7. Unit or CA Agreement Name and No.
3. Address PO Box 5061, Midland, TX 79704	3a. Phone No. (include area code) 432-685-1761	8. Lease Name and Well No. Pure Federal #1
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface 2310' FNL 330' FEL At top prod. interval reported below At total depth Same		9. AFI Well No. 30-015-35132
14. Date Spudded 11/08/2006		10. Field and Pool, or Exploratory Red Lake, QN-GB-SA
15. Date T.D. Reached 11/16/2006		11. Sec., T., R., M., on Block and Survey or Area 21 T17S, R28E, H
16. Date Completed 12/15/2006 ☐ D & A ☒ Ready to Prod.		12. County or Parish Eddy
		13. State NM
		17. Elevations (DF, RKB, RT, GL)* 3688' GR

18. Total Depth: MD 3540' TVD	19. Plug Back T.D.: MD 3504' TVD	20. Depth Bridge Plug Set: MD TVD
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) LDT-CNL-GR & DLL-GR		22. Was well cored? ☐ No ☒ Yes (Submit analysis) Was DST run? ☒ No ☐ Yes (Submit report) Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)									
Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	8-5/8"	28#	Surf	355'		375 C		Surf	--
7-7/8"	5-1/2"	14#	Surf	3520'		425 C + 475 35/65 C POZ		Surf	--

24. Tubing Record								
Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-7/8"	2156'							

25. Producing Intervals				26. Perforation Record			
Formation	Top	Bottom		Perforated Interval	Size	No. Holes	Perf. Status
A) San Andres	1924	2019		1924 - 2019	2 spf	28	Prod
B)							
C)							
D)							

27. Acid, Fracture, Treatment, Cement Squeeze, etc.	
Depth Interval	Amount and Type of Material
1924 - 2019	3500 gal 15% NEFE
	91,460# 16/30 Brady + 26,800 gal Lightening 25 XL gel

28. Production - Interval A									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
12/18/2006	12/31/2006	24	→	32	60	27			2-1/2" x 2" x 12' RWAC pump
Choke Size	Tub. Press. Flwg. SI	Cog. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→	32	60	27	1875		Prod

28a. Production - Interval B									
Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
									ACCEPTED FOR RECORD
Choke Size	Tub. Press. Flwg. SI	Cog. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
									FEB 15 2007

*(See instructions and spaces for additional data on page 2)

ACCEPTED FOR RECORD
FEB 15 2007
WESLEY W. INGRAM
PETROLEUM ENGINEER

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

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

Sold

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
Premier Lovington	1920 2009	1954 2022	Oil, Gas & Produced Water Oil, Gas & Produced Water	Yates Seven Rivers Queen Graburg San Andres Glorietta Yaso	578 786 1172 1634 1954 3352 3466

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☒ Electrical/Mechanical Logs (1 full set req'd.) ☐ Geologic Report ☐ DST Report ☒ Directional Survey
☐ Sundry Notice for plugging and cement verification ☒ Core Analysis ☐ Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Bonnie AtwaterTitle Regulatory Tech

Signature

Bonnie Atwater

Date

01/19/2007

Title 18 USC Section 1001 and Title 43 USC Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

WELL NAME AND NUMBER Pure Federal #1

LOCATION Section 21, T17S, R28E, 2310FNL, 330 FEL, Eddy County

OPERATOR SDX Resources

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 test and obtained the following results:

<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>
<u>1/2 @ 365'</u>	<u> </u>	<u> </u>
<u>1/4 @ 884'</u>	<u> </u>	<u> </u>
<u>3/4 @ 1544'</u>	<u> </u>	<u> </u>
<u>1 @ 2002'</u>	<u> </u>	<u> </u>
<u>1-1/4 @ 2498'</u>	<u> </u>	<u> </u>
<u>1-1/4 @ 3001'</u>	<u> </u>	<u> </u>
<u>1-1/4 @ 3540'</u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Drilling Contractor- UNITED DRILLING, INC.

By: *Luisa Garcia*
(Luisa Garcia)

Title: Assistant Office Manger

Subscribed and sworn to before me this 20 day of NOV., 2006.

Dwight A. Alvo
Notary Public
Chaves NM
County State

My Commission Expires:

10-8-08

Drilled Sidewall Core Analysis Report

Company: SDX Resources, Inc.
 File No.: 06606
 Well : Pure Federal #1
 Location: 2310' FNL & 330' FEL, Sec 21, T17S, R28E

Field: Red Lake
 Formation:
 County: Eddy County, New Mexico

Sample Number	Depth	Air Permeability	Klinkenberg Permeability	Porosity	Grain Density	Sw	So	Gas Units	Fluorescence	Sample Description
	ft	mD	mD	%	g/cc	%	%	%	%	Description

Confining Pressure 1,000psi

1	711.0	2.69	2.35	15.25	2.80	46.2	17.8	500+	90	Yl Gld	Dol:tn vuggy por sl anhy styl
2	729.0	31.6	30.1	24.25	2.79	45.0	18.8	500+	100	Gld	Dol:tn ppp v sl snd
3	1,014.0	1.45	1.22	2.67	2.48	58.8	0.0	2	tr	Gld	Ss:rd xf-vfg prly srt md sl hem hal
4	1,472.0	34.7	33.1	15.56	2.69	43.6	18.1	105	95	DI Gld	Ss:tn vfg wl srt md
5	1,718.0	0.0179	0.0088	8.90	2.70	52.1	0.0	71	tr	Gld	Ss:rd xf-vfg prly srt md v sl hem
6	1,927.0	82.6	80.2	21.57	2.64	43.5	19.1	500+	100	Yl	Ss:tn xf-vfg mod srt md
7	1,947.0	0.0422	0.0249	5.62	2.71	56.3	0.0	19	tr	Yl	Ss:lttn vfg wl srt md v sl pyr
8	2,017.0	22.1	21.0	13.54	2.67	47.7	19.0	500+	100	Brt Yl gm	Ss:lttn vfg wl srt md v sl pyr
9	2,283.0	0.2109	0.1551	14.74	2.85	41.5	17.7	500+	95	Yl	Dol:tn ppp sm intbld por sl anhy
10	2,340.0	0.0510	0.0313	11.36	2.86	41.5	16.6	500+	80	Yl	Dol:lttn ppp sml vug sm anhy v sl pyr
11	2,411.0	0.2722	0.2061	11.30	2.85	42.9	17.5	500+	90	Brt Yl gm	Dol:lttn ppp sm anhy v sl pyr
12	2,548.0	0.1739	0.1288	14.56	2.86	51.5	12.4	9	30	DI Gld	Dol:lttn ppp sl anhy styl
13	2,581.0	0.0607	0.0393	2.34	2.88	56.0	0.0	24	tr	Yl	Dol:brn sm intbld por anhy nod v sl pyr
14	3,127.0	1.85	1.59	9.52	2.84	48.7	15.9	10	70	DI Gld	Dol:tn sml vugs sm anhy
15	3,210.0	0.4753	0.3762	8.88	2.84	49.2	6.4	391	10	Brt Yl sp	Dol:lttn sml vugs styl
16	3,437.0	0.1208	0.0850	5.31	2.74	56.5	0.0	32	tr	Yl	Ss:ltgry xf-vfg mod srt md sm pyr sl dol
17	3,475.0	0.0675	0.0436	6.51	2.86	41.0	16.9	500+	85	Brt Yl gm	Dol:tn ppp sm anhy

Note: 500+ gas reading represents a saturated detector filament

1% CH4 in air = 100 gas units