

PKRV0316136206

PC

NA

SDX RESOURCES, INC.

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

1096

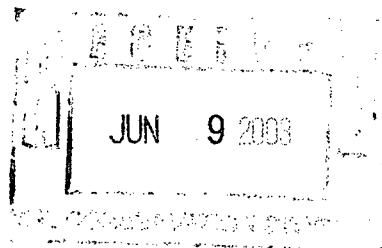
DRC

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.

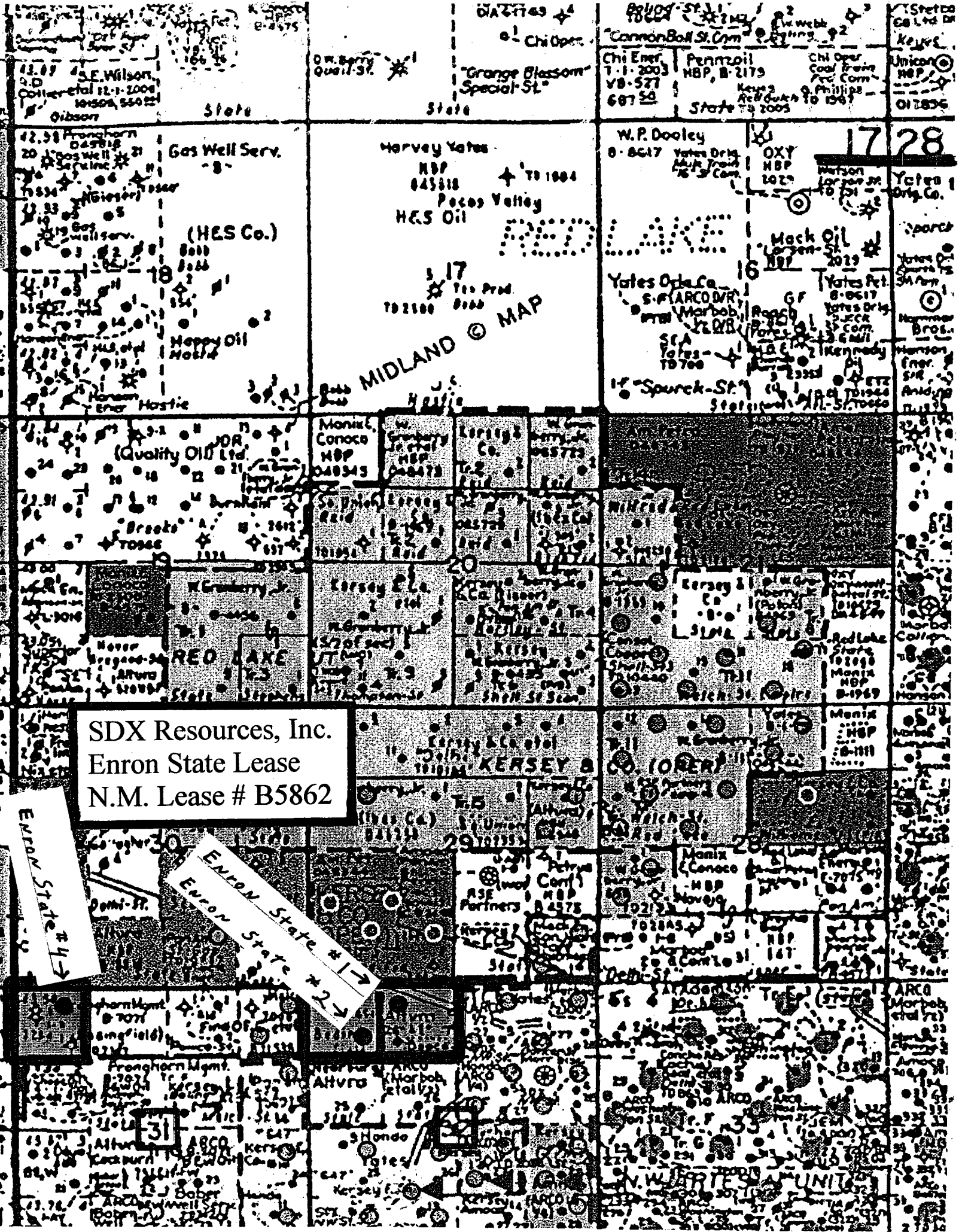
Production will be allocated based on well tests performed quarterly with a Port-A-Check test unit

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



SDX Resources, Inc.
Enron State Lease
N.M. Lease # B5862

Enron State #4

Enron State #1
Enron State #2

KERSEY

KERSEY

KERSEY

17 28

MIDLAND

RED LAKE

RED LAKE

RED LAKE

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.
30-015-31530

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.
1

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

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 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
2420 - 2549
AMOUNT AND KIND MATERIAL USED
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
12/06/01
Hours Tested
24
Choke Size
Prod'n For Test Period
Oil - BbL.
87
Gas - MCF
181
Water - BbL.
30
Gas - Oil Ratio
2080
Flow Tubing Press.
Casing Pressure
Calculated 24-Hour Rate
Oil - BbL.
87
Gas - MCF
181
Water - BbL.
30
Oil Gravity - API - (Corr.)

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

Signature Bonnie Atwater Printed Name Bonnie Atwater Title Regulatory Tech Date 01/24/02

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 _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____	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
			ON FILE

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 <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 <input type="checkbox"/>		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 <input type="checkbox"/>			
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, GL- <u>YE Q-G-5A</u>	
4. Well Location Unit Letter <u>D</u> <u>990</u> Feet From The <u>North</u> Line and <u>990</u> Feet From The <u>West</u> Line Section <u>32</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> 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 <input checked="" type="checkbox"/> 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

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	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	AMOUNT AND KIND MATERIAL USED
	2268 - 2647	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

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

T. Anhy _____
 T. Salt _____
 B. Salt _____
 T. Yates 546.0
 T. 7 Rivers 982.0
 T. Queen 1362.0
 T. Grayburg 1594.0
 T. San Andres 1912.0
 T. Glorieta 3350.0
 T. Paddock _____
 T. Blinberry _____
 T. Tubb _____
 T. Drinkard _____
 T. Abo _____
 T. Wolfcamp _____
 T. Penn _____
 T. Cisco (Bough C) _____

T. Canyon _____
 T. Strawn _____
 T. Aioaka _____
 T. Miss _____
 T. Devonian _____
 T. Silurian _____
 T. Montoya _____
 T. Simpson _____
 T. McKee _____
 T. Ellenburger _____
 T. Gr. Wash _____
 T. Delaware Sand _____
 T. Bone Springs _____
 T. _____
 T. _____
 T. _____
 T. _____

Northwestern New Mexico

T. Ojo Alamo _____
 T. Kirtland-Fruitland _____
 T. Pictured Cliffs _____
 T. Cliff House _____
 T. Menefee _____
 T. Point Lookout _____
 T. Mancos _____
 T. Gallup _____
 Base Greenhorn _____
 T. Dakota _____
 T. Morrison _____
 T. Todillo _____
 T. Entrada _____
 T. Wingate _____
 T. Chinle _____
 T. Permian _____
 T. Penn. "A" _____

T. Penn. "B" _____
 T. Penn. "C" _____
 T. Penn. "D" _____
 T. Leadville _____
 T. Madison _____
 T. Elbert _____
 T. McCracken _____
 T. Ignacio Otzte _____
 T. Granite _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____

OIL OR GAS SANDS OR ZONES

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

IMPORTANT WATER SANDS

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

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

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
0.0	150.0	150.0	Caliche/Rdbd/Gravel				
150.0	200.0	50.0	Sd				
200.0	456.0	256.0	Anhy				
456.0	1362.0	906.0	Anhy/Dolo				
1362.0	1912.0	550.0	Anhy/Dolo/Sd				
1912.0	3350.0	1438.0	Dolo				
3350.0	3700.0	350.0	Sd/Dolo				
3700.0	4030.0	330.0	Dolo				

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.
30-015-32162

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.

4

3. Address of Operator

PO Box 5061, Midland, TX 79704 432/685-1761

9. Pool name or Wildcat

Red Lake, ~~CH-GE-SA~~ *GL*

4. Well Location

Unit Letter D 460 Feet From The North Line and 990 Feet From The West Line

Section 31 Township 17S Range 28E 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 ☒

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 sx C - Circ	--
5-1/2"	14 - 15.5# J-55	3454'	7-7/8	350 sx 35/65 POZ C + 350 C - Circ	--

24.

LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

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, 97, 99 (22 holes, 4" select fire0

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

Signature

Bonnie Atwater

Printed Name

Bonnie Atwater

Title Regulatory Tech

Date 05/28/03

INSTRUCTIONS

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INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

T. Anhy _____
 T. Salt _____
 B. Salt _____
 T. Yates _____ 520.0
 T. 7 Rivers _____
 T. Queen _____ 1075.0
 T. Grayburg _____ 1400.0
 T. San Andres _____ 1770.0
 T. Glorieta _____ 3180.0
 T. Paddock _____
 T. Blinebry _____
 T. Tubb _____
 T. Drinkard _____
 T. Abo _____
 T. Wolfcamp _____
 T. Penn _____
 T. Cisco (Bough C) _____

T. Canyon _____
 T. Strawn _____
 T. Atoka _____
 T. Miss _____
 T. Devonian _____
 T. Silurian _____
 T. Montoya _____
 T. Simpson _____
 T. McKee _____
 T. Ellenburger _____
 T. Gr. Wash _____
 T. Delaware Sand _____
 T. Bone Springs _____
 T. _____
 T. _____
 T. _____
 T. _____

Northwestern New Mexico

T. Ojo Alamo _____
 T. Kirtland-Fruitland _____
 T. Pictured Cliffs _____
 T. Cliff House _____
 T. Menefee _____
 T. Point Lookout _____
 T. Mancos _____
 T. Gallup _____
 Base Greenhorn _____
 T. Dakota _____
 T. Morrison _____
 T. Todilto _____
 T. Entrada _____
 T. Wingate _____
 T. Chinle _____
 T. Permian _____
 T. Penn. "A" _____

T. Penn. "B" _____
 T. Penn. "C" _____
 T. Penn. "D" _____
 T. Leadville _____
 T. Madison _____
 T. Elbert _____
 T. McCracken _____
 T. Ignacio Otzte _____
 T. Granite _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from _____ to _____
 No. 2, from _____ to _____
 No. 3, 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/Gravel/Anhy				
150.0	200.0	50.0	Sd				
200.0	520.0	320.0	Anhy				
520.0	1075.0	555.0	Anhy/Dolo				
1075.0	1770.0	695.0	Anhy/Dolo/Sd				
1770.0	3180.0	1410.0	Dolo				
3180.0	3406.0	226.0	Dolo Sd				
3406.0	3460.0	54.0	Dolo				

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

Form C-102
Revised March 17, 1999

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

JAN 02 2001
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			1
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

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

¹⁶ 530' 1650'	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature <u>Bonnie Atwater</u> Printed Name Bonnie Atwater Title Regulatory Tech Date 1/2/01			
	¹⁸ 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 belief. DECEMBER 20, 2000 Date of Survey Signature and Seal of Professional Surveyor NM PREPS/NO 5412 Certificate Number			

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, 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
OCRID No.	Operator Name		Elevation
020451	SDX RESOURCES, INC.		3699.

¹⁰ Surface Location

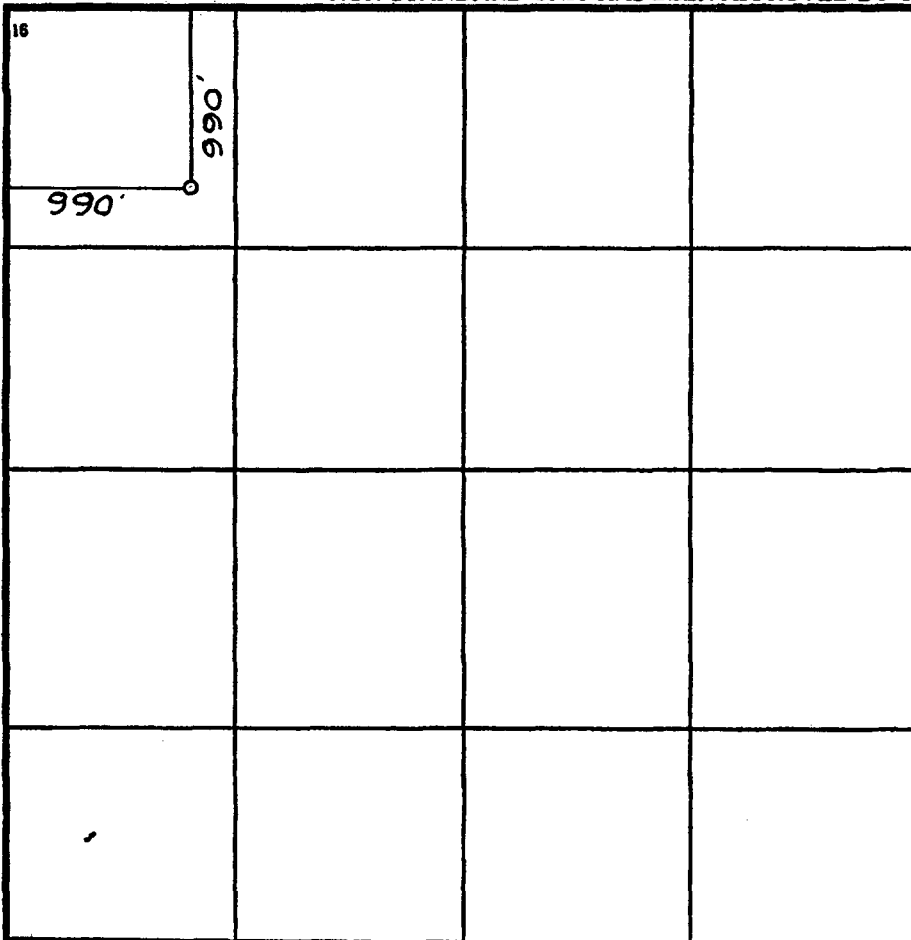
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	32	17-S	28-E		990	NORTH	990	WEST	EDDY

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

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief			
	Signature <u>Bonnie Atwater</u>			
	Printed Name Bonnie Atwater			
	Title Regulatory Tech			
Date 7/23/01				
¹⁸ 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 belief.				
JUNE 11 2001				
Date of Survey				
Signature of Surveyor				
NEW MEXICO 5412 REGISTERED PROFESSIONAL ENGINEER				

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

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 ENRON STATE	Well Number 4
OGRID No. 020451	Operation Name SDX RESOURCES, INC.	Elevation 3628

Surface Location

UL or Lot No. D	Section 31	Township 17-S	Range 28-E	Lot Idn.	Feet from the 460	North/South line NORTH	Feet from the 990	East/West line WEST	County EDDY
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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>OPERATOR CERTIFICATION 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></p> <p>Signature</p>
					<p>Printed Name Bonnie Atwater</p>
					<p>Title Regulatory Tech</p>
					<p>Date 1/13/02</p>
					<p>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.</p>
					<p>NOV 21 2001</p> <p>Date of Survey REDDY</p>
					<p>Signature and Seal of Professional Surveyor</p> <p> </p>
					<p>NM REG. PROFESSIONAL ENGINEER 5412</p> <p>Certificate Number</p>

original on file

SDX 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	*----- OIL BBL	CUMULATIVE GAS MCF	---* PRICE /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

<u>DATE</u>	<u>BO</u>	<u>MCF</u>	<u>BW</u>
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

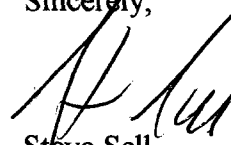
Re: Ownership Certification
Enron State #1, #2 & #4
Sec. 31-32; T17S-R28E
Eddy County, New Mexico

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.

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

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