

District I - (505) 393-6161

1625 N. French Dr

Hobbs, NM 88241-1980

District II - (505) 748-1283

811 S. First

Artesia, NM 88210

District III - (505) 334-6178

1000 Rio Brazos Road

Aztec, NM 87410

District IV - (505) 334-6178

1000 Rio Brazos Road

Aztec, NM 87410

District V - (505) 334-6178

1000 Rio Brazos Road

Aztec, NM 87410

District VI - (505) 334-6178

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Aztec, NM 87410

District VII - (505) 334-6178

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District VIII - (505) 334-6178

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Aztec, NM 87410

District IX - (505) 334-6178

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District X - (505) 334-6178

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District XI - (505) 334-6178

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District XII - (505) 334-6178

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District XIII - (505) 334-6178

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District XIV - (505) 334-6178

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District XV - (505) 334-6178

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District XVI - (505) 334-6178

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District XVII - (505) 334-6178

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District XVIII - (505) 334-6178

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District XIX - (505) 334-6178

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District XX - (505) 334-6178

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District XXI - (505) 334-6178

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District XXII - (505) 334-6178

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District XXIII - (505) 334-6178

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District XXIV - (505) 334-6178

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District XXV - (505) 334-6178

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District XXVI - (505) 334-6178

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District XXVII - (505) 334-6178

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District XXVIII - (505) 334-6178

1000 Rio Brazos Road

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District XXIX - (505) 334-6178

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District XXX - (505) 334-6178

1000 Rio Brazos Road

Aztec, NM 87410

District XXXI - (505) 334-6178

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Aztec, NM 87410

District XXXII - (505) 334-6178

1000 Rio Brazos Road

Aztec, NM 87410

New Mexico

Energy Minerals and Natural Resources Department

Oil Conservation Division

2040 South Pacheco Street

Santa Fe, New Mexico 87505

(505) 827-7131

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE

APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address SDX RESOURCES, INC. P. O. Box 5061 Midland, TX 79704								OGRID Number 020451	
Contact Party Charles M. Morgan								Phone 915-685-1761	
Property Name Marathon 25 State						Well Number 9		API Number 30-015-30497	
UL F	Section 25	Township 17S	Range 28E	Feet From The 1650	North/South Line North	Feet From The 2289	East/West Line West	County Eddy	

II. Date/Time Information

Spud Date January 25, 1999	Spud Time 05:30 PM	Date Completed February 15, 1999	Pool Red Lake (QN-GB-SA)
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III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

State of TEXAS)

ss.

County of Midland)John Pool, being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- To the best of my knowledge, this application is complete and correct.

Signature [Signature] Title Vice President Date 6/23/99SUBSCRIBED AND SWORN TO before me this 23rd day of JUNE, 1999.

[Signature]
Notary Public

My Commission expires: 7/26/01

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

The Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>[Signature]</u>	Title <u>P.E. Spec.</u>	Date <u>6-25-99</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 6/30/99

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

PVZV2005847750

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

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

MAR 15 1999

WELL API NO. 30-015-30497
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.
Lease Name or Unit Agreement Name Marathon 25 State
Well No. 9
Pool name or Wildcat Red Lake (QN-GB-SA)

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	
Name of Operator SDX Resources, Inc.	
Address of Operator PO Box 5061, Midland, TX 79704	
Well Location Unit Letter <u>F</u> <u>1650</u> Feet From The <u>North</u> Line and <u>2289</u> Feet From The <u>West</u> Line Section <u>25</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County	
Elevation (Show whether DF, RKB, RT, GR, etc.) 3689' GR	

11

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ANBANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: Spud & Set Surf & Prod Csg. ☒

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spud 12-1/4" hole 1-25-99. Drill to 409'. Run 10 jts 8-5/8" 24# J55 csg. Set @ 404'. Cmt w/325 sx Class C cmt. Circ 115 sx. WOC 18 hrs. Drill 7-7/8" hole to 3510' TD. Reach TD 1-31-99. Ran DLL-GR & LDT-CNL-GR logs. Ran 98 jts 15.5-17# K55 csg + 7 jts LT&C 15.5# csg + 51 jts ST&C & 39 jts LT&C 17# csg. Land @ 3503'. Cmt w/450 sx 63/35 POZ C lead + 450 sx Class C tail. Circ 5 sx to pit. Release Rig 2-1-99.

WO Completion.

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

SIGNATURE Bonnie Atwater TITLE Regulatory Tech. DATE 02-19-99

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

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY TIM W. GUM TITLE DISTRICT II SUPERVISOR DATE 3-3-99

CONDITIONS OF APPROVAL, IF ANY:

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.
30-015-30497

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

Marathon 25 State

2. Name of Operator
SDX Resources, Inc.

8. Well No.
9

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

9. Pool name or Wildcat
Red Lake (QN-GB-SA)

4. Well Location
Unit Letter F 1650 Feet From The North Line and 2289 Feet From The West Line
Section 25 Township 17S Range 28E NMPM Eddy County

10. Date Spudded 01/25/99 11. Date T.D. Reached 01/31/99 12. Date Compl. (Ready to Prod.) 02/15/99 13. Elevations (DF & RKB, RT, GR, etc.) 3689' GR 14. Elev. Casinghead

15. Total Depth 3510 16. Plug Back T.D. 3480 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 2715 - 3151 20. Was Directional Survey Made Yes

21. Type Electric and Other Logs Run DLL-GR, LDT-CNL-GR & GR-CCL 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	404'	12-1/4"	325 sx C Circ	None
4-1/2"	15.5# - 17#	3503'	7-7/8"	450 sx 63/53 POZ + 450 sx C, Circ	None

24. LINER RECORD				25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SIZE	DEPTH SET	PACKER SET
				2-3/8"	3169'	

26. Perforation record (interval, size, and number)
2715', 17, 19, 21, 27, 35, 47, 49, 76, 78, 2801, 14, 26, 28, 54, 62, 77, 2901, 16, 30, 32, 40, 49, 51, 62, 76, 86, 90, 3007, 22, 36, 60, 79, 90, 3103, 28, 38, 46, 51 (1 spf, 39 shots, 4" select fire)

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
DEPTH INTERVAL 2715 - 3151 AMOUNT AND KIND MATERIAL USED
A: 2000 gal 15% HCL & NEFE
F: 55,566 gal Delta 20 + 95,000# 16/30
+ 35,000# 12/20 Sd

28. PRODUCTION

Date First Production 02/24/99 Production Method (Flowing, gas lift, pumping - Size and type pump) Pump 2" x 1-1/2" x 12' RWAC Well Status (Prod. or Shut-in) Prod

Date of Test <u>02/28/99</u>	Hours Tested <u>24</u>	Choke Size	Prod'n For Test Period	Oil - Bbl. <u>85</u>	Gas - MCF <u>105</u>	Water - Bbl. <u>140</u>	Gas - Oil Ratio <u>1235</u>
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl. <u>85</u>	Gas - MCF <u>105</u>	Water - Bbl. <u>140</u>	Oil Gravity - API - (Corr.)	

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

30. List Attachments

Deviation Survey, Logs

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature

Bonnie Atwater

Printed Name

Bonnie Atwater

Title

Regulatory Tech.

Date

03/15/99

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all specific tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt <u>430.0</u>	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt <u>595.0</u>	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates <u>740.0</u>	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers <u>900.0</u>	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen <u>1440.0</u>	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg <u>1888.0</u>	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres <u>2172.0</u>	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. 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

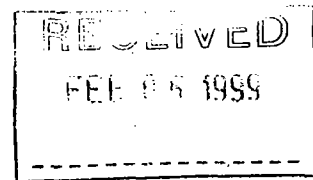
No. 2, from to feet

No. 3, from to feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology
0.0	150.0	150.0	Caliche/Redbed
150.0	200.0	50.0	Sand/Gravel
200.0	430.0	230.0	Anhy
430.0	595.0	165.0	Salt
595.0	1440.0	845.0	Anhy/Dolo
1440.0	2172.0	732.0	Anhy/Sd/Dolo
2172.0	3506.0	1334.0	Dolo

SDX Resources, Inc.
P.O. Box 5061
Midland, Texas 79704



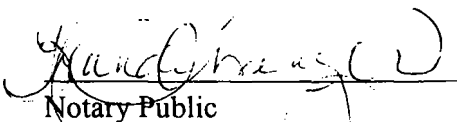
Marathon 25 # 9
Eddy County, NM

409	4.09	1 1/4	2.19	8.95	8.95
900	4.91	1	1.75	8.59	17.54
1400	5.00	1 1/4	2.19	10.94	28.48
1898	4.98	2	3.50	17.43	45.91
2393	4.95	1 1/4	2.19	10.83	56.74
2891	4.98	1	1.75	8.72	65.45
3416	5.25	1	1.75	9.19	74.64
3510	0.94	3/4	1.31	1.23	75.87


Michael Roghair - Drilling Superintendent

The attached instrument was acknowledged before me on the 3 day of Feb., 1999 by Michael Roghair - Drilling Superintendent, CapStar Drilling.



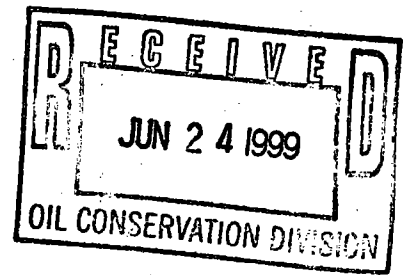

Notary Public

J.I.B. DIVISION OF INTEREST LISTING LATEST DECKS
FOR C-142 FILING

PROPERTY	PROPERTY NAME	EFFECTIVE		OWNER	OWNER NAME	PREPAYMENT		COST	AFIL
		DECK	DATE			D.D.I.	LEASE WELL		
021000-09	MARATHON 25 STATE #9 LOE AFTER HIBERNIA FARMOUT TO TARA	A	**BASE**	3604205	HIBERNIA "II"	0.80000000	021000-09	0	N
				9999802	STEPHEN G. SELL	0.12600000	000099-	0	Y
				9999803	JOHN D. POOL	0.05400000	000099-	0	Y
				9999812	FRED C. COREY	0.01333333	021000-09	0	Y
				9999814	CHARLES M. MORGAN	0.00666667	021000-09	0	Y
				*** DECK TOTAL	5 OWNERS	1.00000000			

SDX RESOURCES, INC.

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



June 23, 1999

Mr. Rand Carroll
Oil Conservation Division
2040 S. Pacheco St.
Santa Fe, NM 87505

Re: Application for New Well Status
Marathon 25 State #9
Eddy County, New Mexico

Dear Mr. Carroll:

Please find enclosed one original and two copies of the Application for New Well Status on the captioned well.

If you should have any questions or need additional information, please contact me.
Thank you for your consideration and prompt attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Barbara E. Wickham".

Barbara E. Wickham

\bw

Enclosures