

New Mexico

Form C-142

Date 06/99

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

JUL 12 1999

APPLICATION FOR NEW WELL STATUS

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) 827-7131

I. Operator and Well

Operator name & address SDX Resources, Inc. P. O. Box 5061, Midland, Texas 79704							OGRID Number 020451		
Contact Party Charles M. Morgan							Phone 915-685-1761		
Property Name Marathon 25 State					Well Number #10		API Number 30-015-30498		
UL B	Section 25	Township 17S	Range 28E	Feet From The 990	North/South Line North	Feet From The 2310	East/West Line East	County Eddy	

II. Date/Time Information

Spud Date May 26, 1999	Spud Time 8:00 AM	Date Completed June 18, 1999	Pool Red Lake, ON-GB-SA
---------------------------	----------------------	---------------------------------	----------------------------

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)
County of Midland) ss.

Steve Sell, 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 President Date July 8, 1999

SUBSCRIBED AND SWORN TO before me this 8th day of July, 1999.



[Signature]
Notary Public

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This 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. [Signature]</u>	Date <u>7-12-99</u>
---------------------------------	----------------------------------	------------------------

VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 7/13/99

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

7/26/2005859309

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

JUN 14 1999

WELL API NO. 30-015-30498
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. 10
Pool name or Wildcat Red Lake, QN-GB-SA (51300)

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	
Name of Operator SDX Resources, Inc.	
Address of Operator PO Box 5061, Midland, TX 79704	
Well Location Unit Letter <u>B</u> <u>990</u> Feet From The <u>North</u> Line and <u>2310</u> Feet From The <u>East</u> Line Section <u>25</u> Township <u>17S</u> Range <u>28DE</u> NMPM <u>Eddy</u> County	
Elevation (Show whether DF, RKB, RT, GR, etc.) 3683' 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: ☐

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 on 5/26/99. Drill to 435'. Run 10 jts 8-5/8" 24# csg. Set @ 428'. Cmt w/325 sx Class C w/CaCl2 & 1/4# D29. PD 2:30 am 5/30/99. Cmt @ surface. WOC 18 hrs.

Drill 7-7/8" hole to 3450' TD. Reached TD 6/2/99. Run GR, CNL, DLL & LD logs 435' - 3200'. Run 86 jts 5-1/2" J55 ST&C csg to 3446'. PBTD 3430'. Cmt w/500 sx 35/65 POZ & 350 sx Class C. PD 2:05 am 6/3/99. Did not circ cmt.

Release Rig 4:00 am 6/3/99.

Presently WO completion.

RECEIVED
OCD - ARTESIA

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 06-04-99

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

(This space for State Use)

APPROVED BY Jim W. Lewis TITLE District Supervisor DATE 6-9-99

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. 30-015-30498
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 Marathon 25 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. 10
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 <u>B</u> <u>990</u> Feet From The <u>North</u> Line and <u>2310</u> Feet From The <u>East</u> Line Section <u>25</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County					
10. Date Spudded 05/26/99	11. Date T.D. Reached 06/02/99	12. Date Compl. (Ready to Prod.) 06/18/99	13. Elevations (DF & RKB, RT, GR, etc.) 3683	14. Elev. Casinghead	
15. Total Depth 3450	16. Plug Back T.D. 3422	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 2776 - 3088	
21. Type Electric and Other Logs Run GR, CNL, DLL, LD			20. Was Directional Survey Made Yes		
21. Type Electric and Other Logs Run GR, CNL, DLL, LD			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#	428	12-1/4"	325 sx C circ	None
5-1/2"	14#	3446'	7-7/8"	500 sx 35/65 POZ + 350 sx C	None

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-3/8"	3104'	

26. Perforation record (interval, size, and number) 2776', 78, 2804, 18, 29, 40, 54, 75, 90, 2905, 12, 27, 39, 41, 51, 65, 70, 86, 92, 3004, 10, 19, 29, 63, 67, 77, 83, 88 (23 holes, 4" select fire)	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL 2776 - 3088 AMOUNT AND KIND MATERIAL USED A: 78 bbls 15% HCL F: 54,474 gal Delta 20 + 95,000# 16/30 + 35,000# 12/20 Brady Sd
---	---

28. PRODUCTION							
Date First Production 06/24/99		Production Method (Flowing, gas lift, pumping - Size and type pump) Pump 2"x1-1/2"x12' RWAC				Well Status (Prod. or Shut-in) Prod	
Date of Test 06/28/99	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - BbL. 26	Gas - MCF 50	Water - BbL. 140	Gas - Oil Ratio 1923
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - BbL. 26	Gas - MCF 50	Water - BbL. 140	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 <u>Bonnie Atwater</u>	Printed Name <u>Bonnie Atwater</u>	Title <u>Regulatory Tech</u>	Date <u>07/07/99</u>

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 _____ 450.0	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____ 550.0	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____ 780.0	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____ 960.0	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____ 1550.0	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____ 1960.0	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____ 2224.0	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	From	To	Thickness in Feet	Lithology
0.0	100.0	100.0	Caliche/Redbed				
100.0	150.0	50.0	Sand				
150.0	450.0	300.0	Anhy				
450.0	550.0	100.0	Salt				
550.0	1550.0	1000.0	Anhy/Dolo				
1550.0	2224.0	674.0	Anhy/Dolo/Sd				
2224.0	3450.0	1226.0	Dolo				

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

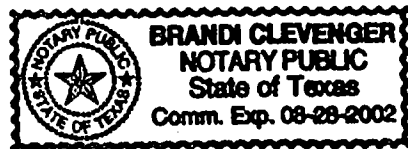
JUN 17 1999

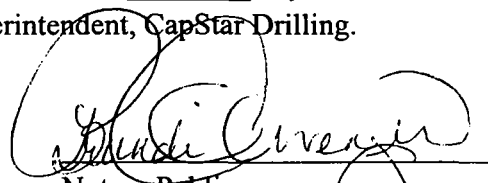
Marathon 25 #10
Eddy County, NM

435	4.35	1/2	0.88	3.81	3.81
915	4.80	3/4	1.31	6.30	10.11
1414	4.99	1	1.75	8.73	18.84
1914	5.00	3/4	1.31	6.56	25.40
2410	4.96	1	1.75	8.68	34.08
2906	4.96	1	1.75	8.68	42.76
3450	5.44	1 1/2	2.63	14.28	57.04


Michael Roghair - Drilling Superintendent

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




Notary Public

PROPERTY	PROPERTY NAME	EFFECTIVE		OWNER	OWNER NAME	PREPAYMENT COST AFIL			
		DECK	DATE			D.D.I.	LEASE WELL	CTR.	CODE
021000-10	MARATHON 25 STATE #10	A	**BASE**	3604205	HIBERNIA "II"	0.80000000	021000-10	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	021000-10	0	Y
				9999814	CHARLES M. MORGAN	0.00666667	021000-10	0	Y
				*** DECK TOTAL	5 OWNERS	1.00000000			