

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
Artesia, NM 87410

District IV - (505) 334-6178

OIL CONSERVATION DIVISION

New Mexico

Energy Minerals and Natural Resources Department

Oil Conservation Division

2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE

JUN 24 1999

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	Section	Township	Range	Feet From The	North/South Line	Feet From The	East/West Line	County	
F	25	17S	28E	1650	North	2289	West	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)
County of Midland)
ss.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.My Commission expires: 7/26/01Barbara E. Wickham
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. 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.

PV2V2005847750

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

Form C-105
Revised 1-1-89

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

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

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-3/8"	3169'	

25. TUBING RECORD

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	AMOUNT AND KIND MATERIAL USED
2715 - 3151	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 02/28/99	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - BbL. 85	Gas - MCF 105	Water - BbL. 140	Gas - Oil Ratio 1235
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - BbL. 85	Gas - MCF 105	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

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

T. Anhy _____	T. Canyon _____
T. Salt _____ 430.0	T. Strawn _____
B. Salt _____ 595.0	T. Atoka _____
T. Yates _____ 740.0	T. Miss _____
T. 7 Rivers _____ 900.0	T. Devonian _____
T. Queen _____ 1440.0	T. Silurian _____
T. Grayburg _____ 1888.0	T. Montoya _____
T. San Andres _____ 2172.0	T. Simpson _____
T. Glorieta _____	T. McKee _____
T. Paddock _____	T. Ellenburger _____
T. Blinebry _____	T. Gr. Wash _____
T. Tubb _____	T. Delaware Sand _____
T. Drinkard _____	T. Bone Springs _____
T. Abo _____	T. _____
T. Wolfcamp _____	T. _____
T. Penn _____	T. _____
T. Cisco (Bough C) _____	T. _____

Northwestern New Mexico

T. Ojo Alamo _____	T. Penn. "B" _____
T. Kirtland-Fruitland _____	T. Penn. "C" _____
T. Pictured Cliffs _____	T. Penn. "D" _____
T. Cliff House _____	T. Leadville _____
T. Menefee _____	T. Madison _____
T. Point Lookout _____	T. Elbert _____
T. Mancos _____	T. McCracken _____
T. Gallup _____	T. Ignacio Otzte _____
Base Greenhorn _____	T. Granite _____
T. Dakota _____	T. _____
T. Morrison _____	T. _____
T. Todilto _____	T. _____
T. Entrada _____	T. _____
T. Wingate _____	T. _____
T. Chinle _____	T. _____
T. Permian _____	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

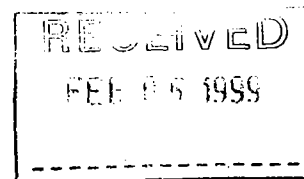
Include data on rate of water inflow and elevation to which water rose in hole.

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	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



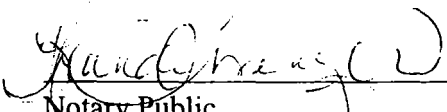
Marathon 25 # 9
Eddy County, NM

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.



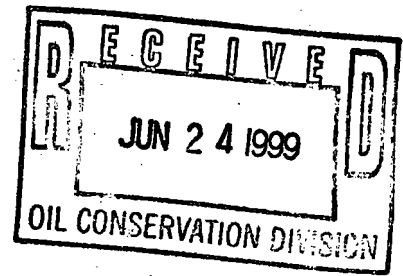

Notary Public

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

PROPERTY	PROPERTY NAME	EFFECTIVE				PREPAYMENT COST AFIL			
		DECK	DATE	OWNER	OWNER NAME	D.D.I.	LEASE WELL	CTR.	CODE
021000-09 LOE AFTER HIBERNIA FARMOUT TO TARA	MARATHON 25 STATE #9	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