

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

New Mexico

Energy Minerals and Natural Resources Department

Oil Conservation Division

2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Form C-142

Date 06/99

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE

OCT 21 1999

OIL CONSERVATION DIVISION

APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address SDX Resources, Inc. P. O. Box 5061, Midland, Texas 79704							OGRID Number 020451	
Contact Party Fred C. Corey							Phone 915-685-1761	
Property Name Marathon A 25 State					Well Number 11	API Number 30-015-29966		
UL D	Section 25	Township 17S	Range 28E	Feet From The 740	North/South Line North	Feet From The 330	East/West Line East	County Eddy

II. Date/Time Information

Spud Date August 23, 1999	Spud Time 1:30 PM	Date Completed September 17, 1999	Pool Red Lake (ON-GB-SA) (51300)
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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 D. Pool, being first duly sworn, upon oath states:

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

Signature [Signature] Title Vice President Date October 20, 1999

SUBSCRIBED AND SWORN TO before me this 20th day of October, 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. Spec.</u>	Date <u>11-16-99</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 11/16/99

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

PV2V2007131530

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

WELL API NO. 30-015-29966
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 A 25 State
Well No. 11
Pool name or Wildcat Red Lake, QN-GB-SA (51300)
Well Location Unit Letter <u>D</u> <u>740</u> Feet From The <u>North</u> Line and <u>330</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.) 3685' GR

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 ☒ GAS WELL ☐ OTHER

Name of Operator
SDX Resources, Inc.

Address of Operator
PO Box 5061, Midland, TX 79704

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.

Spudded 12-1/4" hole on 8/23/99 @ 1:30 pm. Drilled to 410'. Ran 10 jts 8-5/8" csg to 409'. Cmt w/300 sx Class C. Circ 100 sx. WOC total of 18 hrs.

Drill 7-7/8" hole to TD of 3490'. Ran 99 jts 5-1/2", J-55, 15.5# LT&C csg to 3484'. Cmt w/450 sx 35/65 POZ + 350 sx Class C cmt.

Release rig 4:30 pm 8/29/99.

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 10-06-99

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

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

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. 30-015-29966
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Marathon A 25 State
8. Well No. 11
9. Pool name or Wildcat Red Lake (QN-GB-SA) (51300)


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 A 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. 11	
3. Address of Operator PO Box 5061, Midland, TX 79704				9. Pool name or Wildcat Red Lake (QN-GB-SA) (51300)	
4. Well Location Unit Letter <u>D</u> <u>740</u> Feet From The <u>North</u> Line and <u>330</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					
10. Date Spudded 08/23/99	11. Date T.D. Reached 08/28/99	12. Date Compl. (Ready to Prod.) 09/17/99	13. Elevations (DF & RKB, RT, GR, etc.) 3685	14. Elev. Casinghead	
15. Total Depth 3490	16. Plug Back T.D. 3390	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By <input checked="" type="checkbox"/> Rotary Tools <input type="checkbox"/> Cable Tools	19. Producing Interval(s), of this completion - Top, Bottom, Name 3036 - 3258	
21. Type Electric and Other Logs Run CNL/GR/CCL				20. Was Directional Survey Made Yes	
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#	409	12-1/4"	300 sx Class C	None
5-1/2"	15.5#	3484	7-7/8"	450 sx 35/65 POZ + 350 sx C	None
24. LINER RECORD					
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	
25. TUBING RECORD					
SIZE	DEPTH SET	PACKER SET			
2-3/8"	3289'				
26. Perforation record (interval, size, and number) 3036', 38, 42, 48, 50, 52, 64, 66, 80, 82, 3117, 19, 25, 42, 60, 74, 88, 90, 3211, 23, 36, 49, 54, 56, 58 (1 spf, 25 holes)					
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.					
DEPTH INTERVAL			AMOUNT AND KIND MATERIAL USED		
3036 - 3258			A: 4500 gal 15% NEFE		
			F: 38,600 gal Spectra 25 +		
			52,000# 16/30 + 30,080# 12/20 Brady		
28. PRODUCTION					
Date First Production 09/22/99	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 09/27/99	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - Bbl. 63	Gas - MCF 40
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl. 63	Gas - MCF 40	Water - Bbl. 92
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold					Test Witnessed By Chuck Morgan
30. List Attachments Deviation Survey, Log					
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>10/08/99</u>

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

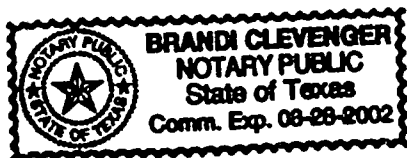
98-1-1999

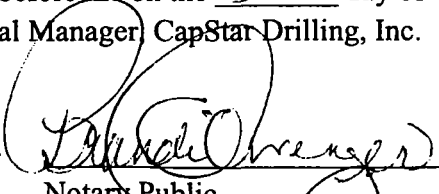
Marathon A-25 State #11
Eddy County, New Mexico

410	4.10	1/2	0.88	3.59	3.59
900	4.90	3/4	1.31	6.43	10.02
1409	5.09	1/2	0.88	4.45	14.47
1909	5.00	1 1/4	2.19	10.94	25.41
2405	4.96	1 1/2	2.63	13.02	38.43
2838	4.33	1 3/4	3.06	13.26	51.69
3490	6.52	2	3.50	22.82	74.51


Michael Roghair - General Manager

The attached instrument was acknowledged before me on the 30 day of August, 1999 by Michael Roghair - General Manager, CapStar Drilling, Inc.




Notary Public

PROPERTY	PROPERTY NAME	EFFECTIVE		OWNER	OWNER NAME	PREPAYMENT COST AFIL			
		DECK	DATE			D.D.I.	LEASE WELL	CTR.	CODE
021100-11	MARATHON 25 STATE "A" #11	B	**BASE**	0239765	AILSA "II"	0.80000000	021100-11	0	N
WELL COSTS AFTER HIBERNIA FARMOUT - TARA				9999802	STEPHEN G. SELL	0.12600000	021100-11	0	Y
				9999803	JOHN D. POOL	0.05400000	021100-11	0	Y
				9999812	FRED C. COREY	0.01333333	021100-11	0	Y
				9999814	CHARLES M. MORGAN	0.00666667	021100-11	0	Y
				*** DECK TOTAL	5 OWNERS	1.00000000			

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 _____ 840.0	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____ 1500.0	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____ 1866.0	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____ 2130.0	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. Permain _____	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	100.0	100.0	Caliche/Redbed
100.0	150.0	50.0	Sand
150.0	840.0	690.0	Anhy/Dolo
840.0	1490.0	650.0	Anhy/Dolo
1490.0	2130.0	640.0	Sand/Anhy/Dolo
2130.0	3490.0	1360.0	Dolo