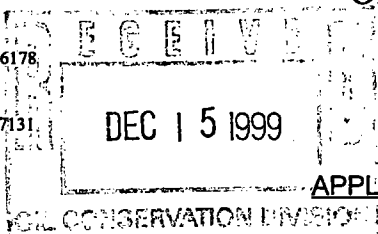


District I - (505) 393-6161
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

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, Texas 79704							OGRID Number 020451	
Contact Party Fred C. Corey							Phone 915-685-1761	
Property Name NW State					Well Number 10		API Number 30-015-30760	
UL P	Section 31	Township 17S	Range 28E	Feet From The 735	North/South Line South	Feet From The 330	East/West Line East	County Eddy

II. Date/Time Information

Spud Date October 12, 1999	Spud Time 8:30 AM	Date Completed November 3, 1999	Pool Artesia (QN-GB-SA) (30230)
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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 December 10, 1999

SUBSCRIBED AND SWORN TO before me this 10th day of December, 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>JAN 03 2000</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 1/4/00

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

PVEV2007632155

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. 30-015-30760
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 NW 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. 10	
3. Address of Operator PO Box 5061, Midland, TX 79704				9. Pool name or Wildcat Artesia (QN-GB-SA) (03230)	
4. Well Location Unit Letter <u>P</u> <u>735</u> Feet From The <u>South</u> Line and <u>330</u> Feet From The <u>East</u> Line Section <u>31</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County					
10. Date Spudded 10/12/99	11. Date T.D. Reached 10/18/99	12. Date Compl. (Ready to Prod.) 11/03/99	13. Elevations (DF & RKB, RT, GR, etc.) 3692	14. Elev. Casinghead	
15. Total Depth 3210	16. Plug Back T.D. 3163	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By <input checked="" type="checkbox"/> Rotary Tools	Cable Tools	
19. Producing Interval(s), of this completion - Top, Bottom, Name 2482 - 2602				20. Was Directional Survey Made Yes	
21. Type Electric and Other Logs Run DLL LDT GR CNL				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# J55	495	12-1/4"	350 sx Class C	None
5-1/2"	14# J55	3192	7-7/8	350 sx Lite + 300 sx CI C	None
24. LINER RECORD					
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	
25. TUBING RECORD					
SIZE	DEPTH SET	PACKER SET			
2-3/8"	2652				
26. Perforation record (interval, size, and number) 2482', 83, 88, 95, 2500, 06, 16, 20, 25, 27, 29, 38, 47, 54, 56, 57, 72, 78, 87, 89, 2602 (21 holes, 1 spf, 4" select fire)			27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.		
			DEPTH INTERVAL		
			AMOUNT AND KIND MATERIAL USED		
			2482 - 2602		
			A: 52 bbsl 15% NEFE		
			F: 53,088 gal Delta + 95,000 16/30 + 35,000# 12/20 Brady sd		
28. PRODUCTION					
Date First Production 11/09/99		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 11/21/99	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - BbL 88	Gas - MCF 140
				Water - BbL 140	Gas - Oil Ratio 1591
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - BbL 88	Gas - MCF 140	Water - BbL 140
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>11/22/99</u>

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 _____	550.0	T. Strawn _____	
B. Salt _____	616.0	T. Atoka _____	
T. Yates _____	660.0	T. Miss _____	
T. 7 Rivers _____	970.0	T. Devonian _____	
T. Queen _____	1396.0	T. Silurian _____	
T. Grayburg _____	1650.0	T. Montoya _____	
T. San Andres _____	1980.0	T. Simpson _____	
T. Glorieta _____		T. McKee _____	
T. Paddock _____		T. Ellenburger _____	
T. Blinberry _____		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. Permain _____	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	Redbed/Caliche
150.0	200.0	50.0	Sand
200.0	550.0	350.0	Anhy
550.0	616.0	66.0	Salt
616.0	1396.0	780.0	Dolo/Anhy
1396.0	1980.0	584.0	Dolo/Sd/Anhy
1980.0	3210.0	1230.0	Dolo

WELL NAME AND NUMBER N.W. State # 10

LOCATION 175 28E SEC. 31 735 FSL 330 FEL

OPERATOR SDX Resource, Inc.

DRILLING CONTRACTOR United Drilling, Inc.

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and had conducted deviation tests and obtained the following results:

Degrees @ Depth

Degrees @ Depth

Degrees @ Depth

1/2° @ 500'

1/4° @ 1000'

1/2° @ 1589'

3/4° @ 2521'

1/2° @ 2985'

3/4° @ 3210'

Drilling Contractor

By: George Aho

Title: Business Manager

Subscribed and sworn to before me this 20th day of October
1979.

Notary Public

My Commission Expires: 9-25-2000

County

State

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

DEC 01 1999

WELL API NO. 30-015-30760
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.
Lease Name or Unit Agreement Name NW State
Well No. 10
Pool name or Wildcat Artesia (QN-GB-SA) (03230)

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>P</u> <u>735</u> Feet From The <u>South</u> Line and <u>330</u> Feet From The <u>East</u> Line Section <u>31</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County	
Elevation (Show whether DF, RKB, RT, GR, etc.) 3692'	

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:

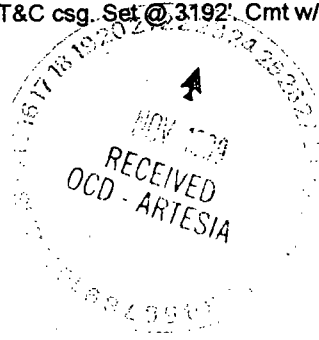
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ANBANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: Spud & set surf & prod csg. ☒

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 on 10/12/99 8:30 am. Drill to 500'. Run 12 jts 8-5/8" J-55 24# csg to 495'. Cmt w/350 sx Class C. WOC 18 hrs.

Drill 7-7/8" hole to TD 3210'. Reach TD 10/18/99 9:15 pm. Run 96 jts 5-1/2 J-55 14# ST&C csg. Set @ 3192'. Cmt w/350 sx Lite + 300 sx Class C.

Release Rig 10/19/99 1:00 pm



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 11-22-99

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

(This space for State Use)

APPROVED BY [Signature] TITLE District Supervisor DATE 11-24-99

CONDITIONS OF APPROVAL, IF ANY:

PROPERTY	PROPERTY NAME	EFFECTIVE DECK	DATE	OWNER	OWNER NAME	D.D.I.	PREPAYMENT LEASE WELL	COST CTR.	AFIL CODE
022800-10	NW STATE #10	A	**BASE**	0321200	ERAM ALI	0.02000000	022800-10	0	N
Deck Header for 022800-10-A				0352380	ALPINE RESOURCES, LLC	0.12500000	022800-10	0	N
				2535380	ETKIND OIL, LLP	0.06250000	022800-10	0	N
				5790910	WILLIAM S. MONTGOMERY, JR.	0.05000000	022800-10	0	N
				7332200	WM. SCOTT RAMSEY	0.02000000	022800-10	0	N
				8031380	SOG INVESTORS, LLC	0.06250000	022800-10	0	N
				8096200	ST.ANSELN EXPLORATION COMPANY	0.25000000	022800-10	0	N
				9999802	STEPHEN G. SELL	0.18000000	022800-10	0	Y
				9999803	JOHN D. POOL	0.18000000	022800-10	0	Y
				9999812	FRED C. COREY	0.02500000	022800-10	0	Y
				9999814	CHARLES M. MORGAN	0.02500000	022800-10	0	Y
				*** DECK TOTAL	11 OWNERS	1.00000000			