

DATE IN 9/7/07	SUSPENSE	ENGINEER W. Jones	LOGGED IN 9/7/07	TYPE SWD	APP NO. PTD50725053254
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] TYPE OF APPLICATION - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply
 [A] Working, Royalty or Overriding Royalty Interest Owners
 [B] Offset Operators, Leaseholders or Surface Owner
 [C] Application is One Which Requires Published Legal Notice
 [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] Waivers are Attached
- [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name	Signature	Title	Date
e-mail Address			

APPLICATION FOR AUTHORIZATION TO INJECT

RECEIVED
2007 SEP 7 PM 12:07

- I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? Yes No
- II. OPERATOR: SDX Resources, Inc.
ADDRESS: PO Box 5061, Midland, TX 79704
CONTACT PARTY: Chuck Morgan PHONE: 432-685-1761
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
- Proposed average and maximum daily rate and volume of fluids to be injected;
 - Whether the system is open or closed;
 - Proposed average and maximum injection pressure;
 - Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 - If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Bonnie Atwater TITLE: Regulatory Tech

SIGNATURE: Bonnie Atwater DATE: 8/30/07

E-MAIL ADDRESS: batwater@sdxresources.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

Oil Conservation Division
New Mexico

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

SDX Resources, Inc.
New Mexico Oil Conservation Division
Form C-108 "Application for Authorization to Inject"

RE: **NW State #5, Section 32, T17S, R28E, 1900' FSL & 2146' FEL,**
Eddy County, New Mexico

- I. SDX plans to convert the above referenced well to an injection well in the Artesia Queen/Grayburg/San Andres pool.
- II. Operator: SDX Resources, Inc., PO Box 5061, Midland, TX 79704
- III. Well Data: Please see "Well Data Sheet" attached.
- IV. This will be an expansion of an existing project.
- V. Map attached designating: ½ mile radius of review and 2 mile radius.
- VI. There are twenty-one (21) wells within the area of review which penetrate the proposed injection zone, ½ mile review area "Well Tabulation" attached.
- VII. Proposed average daily injection volume: 500 bbls per day. This will be a closed system. Proposed average injection pressure is estimated at 490 psi. The proposed maximum injection pressure is 490 psi (to be increased by step rate at a later date). Formation water analysis is attached.
- VIII. The Queen/Grayburg/San Andres formation(s) consist of dolomite and sandstones with alternating beds of silty to sandy dolomite and gray arkosic sandstones. Generally the gross thickness of the Grayburg ranges from 300' to 400' thick and the San Andres ranges from 350' – 400' thick. Both of these zones are actively flooded in the area with positive response. There are no known sources of drinking water underlying the proposed injection interval. Limited fresh water zones overlie the proposed injection zone at approximately 150'.
- IX. The proposed injection interval may be acidized with 15% HCL acid.
- X. Well logs are on file with the Oil Conservation Division.
- XI. No fresh water wells are within a ½ mile radius.
- XII. Geologic and engineering data have been examined and no evidences of open faults or any other hydrological connection between the injection zone and any fresh water aquifer has been found.

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SDX Resources, Inc.

Form C-108 "Application for Authorization to Inject"

NW State #5

- XIII. Copies of the Oil Conservation Division Form C-108, the Well Data Sheet and map have been sent to the offset operators, surface owner(s) as per the listing attached.

A copy of the Legal Notice as published in the Artesia Daily News is attached to this filing.

Well Data Sheet
SDX Resources, Inc.
Form C-108 "Application for Authorization to Inject"

NW State #5

- A. (1) Unit Letter K, Section 32, T17S, R28E, 1900' FSL & 2146' FEL,
Eddy County, New Mexico
- (2) Casing: 8-5/8" @ 520' w/350 sx Cl C – circulated to surface
5-1/2" @ 3181' w/600 sx Lite & Cl C – circulated to surface
2-3/8" tubing & packer to be set within 100' of top perforation
Status of well is producing
- B. (1) Injection Formation: San Andres
- (2) Injection interval will be through perforations @ 2464' – 2856'
- (3) Well was drilled and completed as a producer in the Artesia
(Queen/Grayburg/San Andres) pool
- (4) Initial perforations – same as above.
- (5) Next shallow oil or gas zone: Queen
Next deeper oil or gas zone: Abo

No.#	Well Name	Legals	API #	Operator	Status	Compl Data	TD	Perfs	Hole Size	Casing Size	Depth Set	Sus. Cmt.	TOC	Method	Comments
1	NW St. #8	Sec 32, T17S R28E 1080 FSL 2126 FWL, K	30815	SDX	Active	1/4/2000	3310	2523-2859	12 1/4 7 7/8	8 5/8 5 1/2	461 3302	350 600	Surf Surf	Circ Circ	See Diagram
2	NW St. #5	1900 FSL 2146 FWL, K	30781	SDX	Active	12/7/1998	3190	2464-2674 2802-56	12 1/4 7 7/8	8 5/8 5 1/2	520 3181	350 600	Surf Surf	Circ Circ	
3	Empire Abo Unit #25 B	2280 FNL 978 FWL, E	01671	BP	TA	9/60	6013	5830-5920 5830 - 80 5811 - 5805	11 7 7/8	8 5/8 5 1/2	990 6012	425 850	Surf 1156	1" w/75 ex Calc 75%	5830-5920 eqzd 5830 eqzd w/250 ex CIBP @ 5880 & 6550
4	Empire Abo Unit #26	2280 FNL 1980 FWL, F	01657	BP	TA	8/60	6171	5844 - 82 5926 - 82		8 5/8 4 1/2	1007 6171	550 1000	Surf 920	Circ Temp Surv	CIBP @ 5822 w/35' cmt
5	NW State #18	2272 FNL 2273 FEL, G	31934	SDX	Active	5/02	3215	2472 - 2752	12 1/4 7 7/8	8 5/8 5 1/2	485 3208	375 800	Surf Surf	Circ Circ	
6	NWAW #5	1980 FNL 1650 FEL, G	02312	SDX	Active	4/62	1955	1811 - 17	*11 *7 7/8	8 5/8 4 1/2	507 1955	50 75	312 1629	C 75% C 75%	*Assumed
7	Empire Abo Unit #27G	2310 FNL 1650 FEL, G	01663	BP	TA	9/60	6100	5980 - 90 6041 - 68		8 5/8 5 1/2	1003 6108	450 170 units + 150 ex	Surf Surf	Circ Reported	TOC 2800?
8	NWAW #7	2310 FSL 660 FEL, I	01672	SDX	TA	12/78	2250	1933 - 63 CIBP 1897	*10	7 4 1/2	478 2206	25 725	389 Surf	Calc 75% Circ	
9	Empire Abo Unit #28C	1650 FSL 660 FEL, I	01689	BP	Active	8/60	6250	8032 - 72 5763 - 5937	11	8 5/8 4 1/2	1304 6250	600 850	Surf Surf	Circ Circ	CIBP 6970
10	Jeffers State #1	2141 FSL 1665 FEL, J	30887	SDX	Active	3/2000	3220	2747 - 2852 2312 - 2632	12 1/4 7 7/8	8 5/8 5 1/2	512 3212	350 650	Surf Surf	Circ Circ	CRT 2710 Sqzd 75 ex
11	State 32 #1	1350 FSL 1650 FEL, J	01655	Hanson Energy	Active	4/58	*2100	1819 - 2039	10 3/4 8	8 5/8 5 1/2	516 2074	50 150	295 1267	Calc 75% Calc 75%	
12	State 32 #2	1880 FSL 1980 FEL, J	01656	Hanson Energy	Active	8/59	2038		10 8	8 5/8 7	490 1704	50 200	350 Surf	Calc 75%	Pulled from 350 PBTD 1940 OH 1940 - 1704
13	Empire Abo Unit #27B	1650 FSL 1981 FEL, J	01670	BP	Active	8/60	6163	6036 - 6112 5810 - 62	11 7 7/8	8 5/8 4 1/2	860 6165	450 850	Surf Surf	Circ	CIBP 6020 Sqzd TOC 1610 - surf w/425 ex
14	Aspen 32 State Corn #1	1370 FSL 1609 FEL, J	34148	Mewbourne	PA	10/19/2005	10400	17 1/2 12 1/4 6 3/4	13 3/8 9 5/8 P&A	428 2660	400 1100	S S	C C		See Diagram
15	NWAW #6	2310 FSL 2105 FWL, K	10818	SDX	PA	5/66	2003	1898 - 1908		8 5/8 4 1/2	462 2002	125 175	Surf 1241	Calc 75% Calc 75%	See Diagram

No.#	Well Name	Legals	API #	Operator	Status	Compl Date	TD	Perfs	Hole Size	Casing Size	Depth Set	Sxs. Cmt.	TOC	Method	Comments
16	Empire Abo Unit #26B	Sec. 32, T17S, R28E 1650 FSL 2310 FWL, K	01661	BP	Active	3/60	6063	5806 - 6068		8 5/8 5 1/2	748 6099	225 450	Surf Surf	Circ	Sqzd 2504 - surf w/800 ax
17	NW State #6	2310 FSL 990 FWL, L	30777	SDX	Active	11/99	3204	2434 - 2572	12 1/4 7 7/8	8 5/8 5 1/2	515 3200	350 650	Surf Surf	Circ Circ	
18	NWAWU #9	2310 FSL 660 FWL, L	10795	SDX	TA	5/66	1980	1898 - 1927	11 7 7/8	8 5/8 4 1/2	489 1980	100 175	100 1219	Calc 75% Calc 75%	
19	Empire Abo Unit #26A	1650 FSL 990 FWL, L	01662	BP	Active	4/60	6123	5800 - 6060		8 5/8 5 1/2	728 6125	225 450	Surf Surf	Circ	Sqzd 2492 - surf w/850 ax
20	NW State #7	990 FSL 990 FWL, M	30685	SDX	Active	9/99	3220	2472 - 2762	12 1/4 7 7/8	8 5/8 5 1/2	490 3215	450 650	Surf Surf	Calc 75% Calc 75%	
21	NWAWU #12	990 FSL 760 FWL, M	20043	SDX	TA	5/67	1897	1922 - 49		8 5/8 4 1/2	485 1895	100 150	106 1343	Calc 75% Calc 75%	
22	Empire Abo Unit #25	660 FSL 660 FWL, M	01660	BP	Active	3/60	6187	5897 - 6087		8 5/8 5 1/2	770 6187	450 450	Surf Surf	Circ	Sqzd 2622 - surf w/800 ax
23	NWAWU #13	990 FSL 2030 FWL, N	10834	SDX	P&A	6/66	2006	1921 - 54	11 7 7/8	8 5/8 4 1/2	493 2003	125 175	Surf 1242	Calc 75% Calc 75%	See Diagram
24	Empire Abo Unit #26A	660 FSL 1980 FWL, N	01669	BP	Active	2/60	6172	5651 - 6118	11 7 7/8	8 5/8 5 1/2	779 6172	280 400	Surf Surf	Circ	Sqzd w/825 ax to surf
25	Empire Abo Unit #261	150 FSL 1400 FWL, N	21639	BP	Active	7/75	6220	5690 - 6064	11 7 7/8	8 5/8 5 1/2	1000 6222	250	90	Temp Surf	Redmix to surf DV @ 4018; Sig 1 680 Sig 2 875 circ to surf
26	NWAWU #14	940 FSL 1650 FEL, O	01665	SDX	Active	3/55	2089		*11 *7 7/8	8 5/8 5 1/2	485 1802	50 25	290 1650	Calc 75% Calc 75%	*Assumed
27	Empire Abo Unit #27A	650 FSL 1951 FEL, O	01667	BP	Active	1/60	6215	6134 - 55 5714 - 5920	11 7 7/8	8 5/8 4 1/2	985 6215	600 850	Surf 75	Circ Reported	CIBP 5680
28	Empire Abo Unit #271	330 FSL 1450 FEL, O	21540	BP	TA	6/75	6221	5705 - 6116	12 1/4 7 7/8	8 5/8 5 1/2	1007 6255	550	Surf Surf	Circ Circ	CIBP @ 5655 w/35 cmt DV @ 4050 Sig 1 450 ax Sig 2 800 ax TOC Surf - C
29	Empire Abo Unit #272	330 FSL 2481 FEL, O	22009	BP	Active	7/77	6261	5714 - 6166	11 7 7/8	8 5/8 5 1/2	600 6370	275	Surf Surf	Circ Circ	DV @ 4382 Sig 1 475 ax Sig 2 1080 ax TOC Surf - C
30	NWAWU #15	990 FSL 660 FEL, P	01666	SDX	TA	4/54	2102	1968 - 2002	11	8 5/8 4 1/2	750 2100	50 335	555 Surf	Calc 75% Circ	(csg run & cmt 1974)
31	NW State #4	1140 FNL 2277 FEL, B	30734	SDX	Active	10/99	3200	2450 - 2813	12 1/4 7 7/8	8 5/8 5 1/2	525 3195	950 650	Surf Surf	Circ Circ	✓
32	Empire Abo Unit #27C	990 FNL 1900 FEL, B	10313	BP	P&A	8/64	6148	3903 - 6074	? ?	8 5/8 4 1/2	1004 6146	175 820	Surf ~1428	Circ Calc 75%	✓

No. #	Well Name	Legals	API #	Operator	Status	Compl Date	TD	Perfs	Hole Size	Casing Size	Depth Set	Sxs. Cmt.	TOC	Method	Comments
33	Empire Abo Unit #288 Aspen?	Sec. 32, T17S, R28E 660 FSL 660 FEL, P	01668	BP	TA	6/60	6319	5784 - 6140	11 7 7/8	8 5/8 4 1/2	1247 6319	550 850	Surf 150	Circ Reported	CIBP 6200 CIBP 5734 w/35' cmt
	Empire Abo Unit #28C	990 FNL 1650 FWL, C	01673	BP	TA	5/54	10300 CIBP 5623	7392-97 5147 - 5907	?	13 3/8 9 5/8 5 1/2	554 1969 7505	550 200 200	Surf 200 5175	Circ Temp Surv CBL	PBTD 7464 350 sx cmt + 250' Perifite 125 sx plug 7600-7555 Sgz to 1800' in 1979 - 1325 sx
34	Enron State #2	530 FNL 1650 FWL, D	31530	SDX	Active	7/01	4000	3456 - 3534 3766 - 3822	12 1/4 7 7/8	8 5/8 5 1/2	390 3933	325 900	Surf Surf	Circ Circ	CIBP 3700' ✓
35	NW State #3	1650 FNL 1650 FEL, G	30684	SDX	Active	9/69	3205	2464 - 2750	12 1/4 7 7/8	8 5/8 5 1/2	524 3200	375 625	Surf Surf	Circ Circ	✓
36	NW State #17	2237 FNL 990 FEL, H	31933	SDX	Active	11/01	3225	2467 - 2872	12 1/4 7 7/8	8 5/8 5 1/2	508 3217	375 625	Surf Surf	Circ Circ	✓
37	Kerey State #1	2018' FSL 330 FEL, I	30688	SDX	Active	7/00	4075	2330-2608 3656-3601	12 1/4 7 7/8	8 5/8 5 1/2	529 4072	350 900	Surf Surf	Circ Circ	RBP @ 2884' ✓
38	Empire Abo Unit #27E	330 FNL 2271 FEL, B	02605	BP	Active	4/60	6261	6140 - 97 5658 - 5930	11 7 7/8	8 5/8 4 1-1/2	1227 6261	750 900	Surf 60	Circ Reported	CIBP 6100' See Diagram ✓
39	Empire Abo Unit #271A	670 FNL 1700 FEL, B	21736	BP	Active	4/76	6350	5772 - 6260	11 7 7/8	8 5/8 5 1/2	535 6350	200	Surf	Circ	Redmix @ surf DN @ 4012, Sig 1 400 sx Sgz 2 830 sx, TOC Surf - C ✓
40	EAU 26 E	330 FNL 1941 FWL, C	02606	BP	Active	7/60	6254	5662 - 6096	11 7 7/8	8 5/8 5 1/2	755 6254	450 850	Surf 895	Circ Reported	✓

No. #	Well Name	Legals	API #	Operator	Status	Compl Date	TD	Perfs	Hole Size	Casing Size	Depth Set	Sxs. Cmt.	TOC	Method	Comments
41	EAU #24	Sec. 31, T17S, R28E 1650 FSL 330 FEL, I	01644	BP	TA	4/60	6106	5806 - 50 6024 - 50	11 7 7/8	8 5/8 5 1/2	738 6104	250 450	Surf Surf	Circ Circ	Pir @ 5783' Perfs 6024 - 50 sqzd Sgzd 650 sx @ 2800 TOC Surf - Circ ✓
42	NW #10	735 FSL 330 FEL, P	30760	SDX	Active	11/69	3210	2482 - 2602	12 1/2 7 7/8	8 5/8 5 1/2	495 3192	350 650	Surf Surf	Calc Calc	✓
43	NW State #9	2310 FSL 270 FEL, I	30649	SDX	Active	1/00	3185	2444 - 2762	12 1/4 7 7/8	8 5/8 5 1/2	518 3186	350 600	Surf Surf	Circ Circ	✓

Pro-Kem, Inc.

WATER ANALYSIS REPORT

JUL 14 1999

SAMPLE

Oil Co. : SDX Resources
 Lease : N.W. St.
 Well No. : # 1
 Lab No. : F:\ANALYSES\Jul0999.001

Sample Loc. :
 Date Analyzed: 09-July-1999
 Date Sampled : 01-July-1999

ANALYSIS

- 1. pH 5.950
- 2. Specific Gravity 60/60 F. 1.118
- 3. CaCO₃ Saturation Index @ 80 F. -0.029
 @ 140 F. +0.871

Dissolved Gasses

	MG/L	EQ. WT.	*MEQ/L
4. Hydrogen Sulfide	10		
5. Carbon Dioxide	160		
6. Dissolved Oxygen	Not Determined		

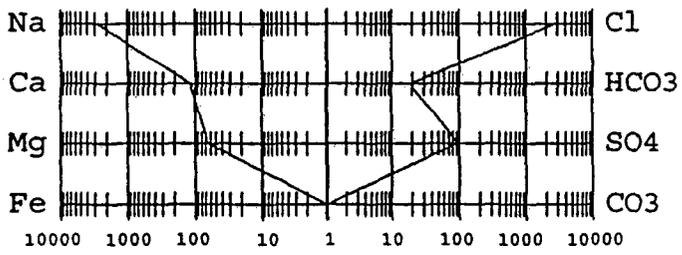
Cations

7. Calcium (Ca ⁺⁺)	2,341	/ 20.1 =	116.47
8. Magnesium (Mg ⁺⁺)	741	/ 12.2 =	60.74
9. Sodium (Na ⁺) (Calculated)	60,071	/ 23.0 =	2,611.78
10. Barium (Ba ⁺⁺)	Not Determined		

Anions

11. Hydroxyl (OH ⁻)	0	/ 17.0 =	0.00
12. Carbonate (CO ₃ ⁼)	0	/ 30.0 =	0.00
13. Bicarbonate (HCO ₃ ⁻)	1,098	/ 61.1 =	17.97
14. Sulfate (SO ₄ ⁼)	4,500	/ 48.8 =	92.21
15. Chloride (Cl ⁻)	94,979	/ 35.5 =	2,675.46
16. Total Dissolved Solids	163,730		
17. Total Iron (Fe)	7	/ 18.2 =	0.38
18. Total Hardness As CaCO ₃	8,898		
19. Resistivity @ 75 F. (Calculated)	0.028 /cm.		

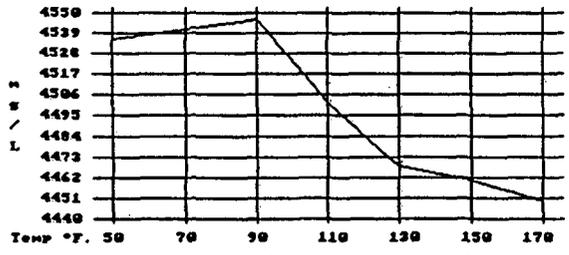
LOGARITHMIC WATER PATTERN *meq/L.



PROBABLE MINERAL COMPOSITION COMPOUND EQ. WT. X *meq/L = mg/L.

Ca (HCO ₃) ₂	81.04	17.97	1,456
CaSO ₄	68.07	92.21	6,277
CaCl ₂	55.50	6.28	349
Mg (HCO ₃) ₂	73.17	0.00	0
MgSO ₄	60.19	0.00	0
MgCl ₂	47.62	60.74	2,892
NaHCO ₃	84.00	0.00	0
NaSO ₄	71.03	0.00	0
NaCl	58.46	2,608.44	152,490

Calcium Sulfate Solubility Profile



This water is somewhat corrosive due to the pH observed on analysis. The corrosivity is increased by the content of mineral salts, and the presence of H₂S, CO₂ in solution.

Pro-Kem, Inc.

WATER ANALYSIS REPORT

SAMPLE

Oil Co. : SDX Resources
 Lease : N.W. St.
 Well No.: Injection Plant
 Lab No. : F:\ANALYSES\Oct1601.001

Sample Loc. :
 Date Analyzed: 16-October-2001
 Date Sampled : 26-September-2001

ANALYSIS

- | | | | |
|----|------------------------------------|----------|--------|
| 1. | pH | | 7.600 |
| 2. | Specific Gravity 60/60 F. | | 1.128 |
| 3. | CaCO ₃ Saturation Index | @ 80 F. | +1.737 |
| | | @ 140 F. | +2.697 |

Dissolved Gasses

		MG/L	EQ. WT.	*MEQ/L
4.	Hydrogen Sulfide			10
5.	Carbon Dioxide			Not Determined
6.	Dissolved Oxygen			Not Determined

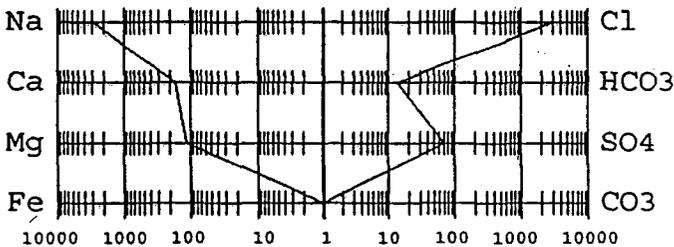
Cations

7.	Calcium (Ca ⁺⁺)	3,339	/ 20.1 =	166.12
8.	Magnesium (Mg ⁺⁺)	1,331	/ 12.2 =	109.10
9.	Sodium (Na ⁺)	63,599	/ 23.0 =	2,765.17
10.	Barium (Ba ⁺⁺)	Not Determined		

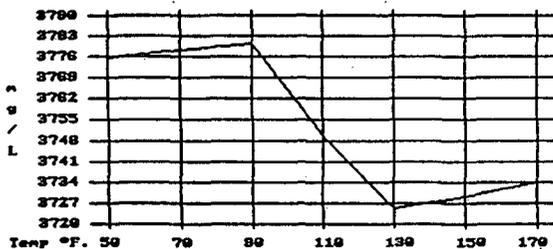
Anions

11.	Hydroxyl (OH ⁻)	0	/ 17.0 =	0.00
12.	Carbonate (CO ₃ ⁼)	0	/ 30.0 =	0.00
13.	Bicarbonate (HCO ₃ ⁻)	781	/ 61.1 =	12.78
14.	Sulfate (SO ₄ ⁼)	3,300	/ 48.8 =	67.62
15.	Chloride (Cl ⁻)	104,976	/ 35.5 =	2,957.07
16.	Total Dissolved Solids	177,326		
17.	Total Iron (Fe)	9	/ 18.2 =	0.49
18.	Total Hardness As CaCO ₃	13,816		
19.	Resistivity @ 75 F. (Calculated)	0.016	/cm.	

LOGARITHMIC WATER PATTERN *meq/L.



Calcium Sulfate Solubility Profile



COMPOUND	EQ. WT. X	*meq/L = mg/L.	
Ca (HCO ₃) ₂	81.04	12.78	1,036
CaSO ₄	68.07	67.62	4,603
CaCl ₂	55.50	85.71	4,757
Mg (HCO ₃) ₂	73.17	0.00	0
MgSO ₄	60.19	0.00	0
MgCL ₂	47.62	109.10	5,195
NaHCO ₃	84.00	0.00	0
NaSO ₄	71.03	0.00	0
NaCl	58.46	2,762.26	161,482

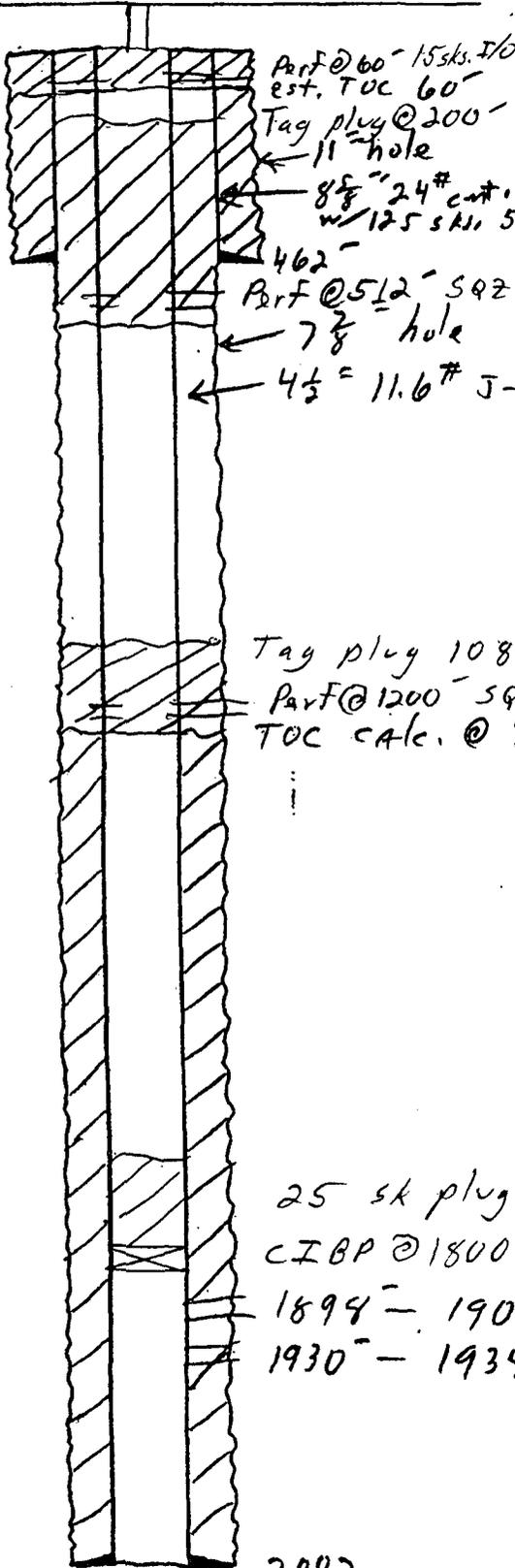
*Milli Equivalents per Liter

This water is mildly corrosive due to the pH observed on analysis. The corrosivity is increased by the content of mineral salts, and the presence of H₂S in solution.

WELL NAME: North West Arteria Unit #8 FIELD AREA: Arteria - Qn - Gb - SA
 LOCATION: Unit "K" 2310 FSK + 2105 FWH sec. 32 T17S R28E Eddy Co.
 I.L.: _____ ZERO: _____ AGL: _____
 B: 3678' ORIG. DRLG./COMPL. DATE: _____
 COMMENTS: _____

CASING PROGRAM:

SIZE/WT./GR./CONN.	DEPTH SET
TO SURFACE	



Perf @ 60' - 15 sks. TO
 est. TOC 60'
 Tag plug @ 200'
 ← 11" hole
 ← 8 5/8" 24# cement
 w/ 175 sks. 50-50 POZ TOC calc. surface @ 75% 1)
 report states cement did not cure.
 462'
 Perf @ 512' - SQZ 70 sk. plug est. TOC @ 60'
 ← 7 7/8" hole
 ← 4 1/2" = 11.6# J-55 cement w/ 175 sks. 50/50 POZ

PA 11/2006

Tag plug 1080'
 Perf @ 1200' - SQZ 35 sk plug
 TOC calc. @ 75% 1241'

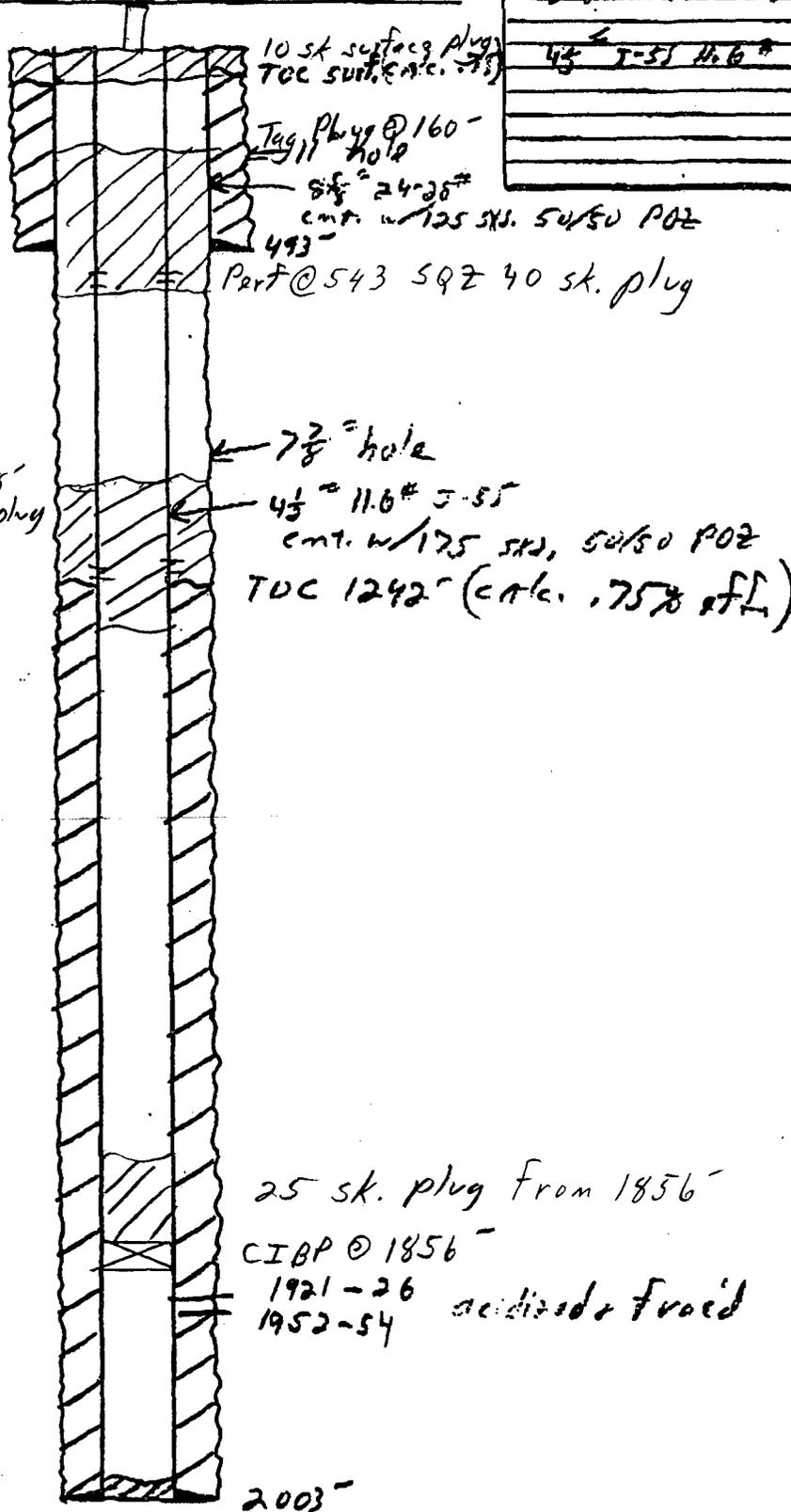
Tops:
 Yates - 346'
 7-A₁ - 612'
 Qn - 1190'
 Gb - 1625'
 SA - 1938'

25 sk plug from 1800'
 CIBP @ 1800'
 1894' - 1908' Perfs acidized & frac'd
 1930' - 1934'

2002

WELL NAME: Northwest Artesia Unit #13 FIELD AREA: Artesia
 LOCATION: SEC. 32 T17S R28E 990' FSL + 2030' FWL
 GL: _____ ZERO: _____ AGL: _____
 KB: 3687 ORIG. DRG./COMPL. DATE: _____
 COMMENTS: APZ # 30-015-10834

SIZE/WT./GR./CONN.	DEPTH SET
8 1/2" H-40 24-25#	(1966) 497
4 1/2" J-55 11.6#	(1966) 2.00



PaA 10/2006

Tops :	
yates	346
7-A1	607
QV	1193
G6	1640
SA	1958

SDX Resources, Inc.
NW State #5
1900' FSL 2146' FEL
Sec 32, T17S, R28E
Eddy Co., NM

½ Mile Radius of Review – Offsetting Operators:

BP America
600 N. Marienfeld
Midland, TX 79701

Oxy
PO Box 300
Tulsa, OK 74102

Read & Stevens
PO Box 1518
Roswell, NM 88202

Chaparral Energy LLC
701 Cedar Lake Blvd
Oklahoma City, OK 73114

Marbob Energy
PO Box 227
Artesia, NM 88210

ConocoPhillips Co
PO Box 7500
Bartlesville, OK 74005

Mewbourne Oil Co
PO Box 5270
Hobbs, NM 88241

Ricks Exploration II, LP
3000 Oklahoma Tower
210 Park Ave
Oklahoma City, OK 73102

Marthon Oil Co
PO Box 2069
Houston, TX 77252

State Land Office
PO Box 1148
Santa Fe, NM 87504

Surface Owner

Marbob Energy
PO Box 227
Artesia, NM 88211

Copies of the Oil Conservation Division Form C-108 "Application for Authorization to Inject", Well Data Sheet and map have been sent by certified mail to the above stated parties on this the 30th day of August, 2007.

Surface owners or offset operators must file any objections or requests for hearing of administrative application within 15 days from the date this application was mailed.

LEGAL NOTICE

SDX Resources, Inc. 511 W. Ohio, Suite 601, PO Box 5061, Midland, TX 79704, contact: Chuck Morgan (432)685-1761 is seeking administrative approval from the New Mexico Oil Conservation Division to complete the following well for fluid injection: NW State #5, located in Section 32, T17S, R28E, 1900' FSL 2146' FEL, Eddy Co., NM. Proposed injection interval is the San Andres formation with perforations from 2464'-2856' with a maximum daily injection volume of produced formation water at 500 bbls per day with a maximum injection pressure of 490#. Interested parties must file objections or request for hearing with the New Mexico Oil Conservation Division, 1220 S St Francis, Santa Fe, NM 87505 within 15 days of this notice.

SDX Resources, Inc.

P.O. Box 5061

MIDLAND, TX 79704

TEL: (432) 685-1761 FAX: (432) 685-0533

TOLL FREE: (800) 344-1761

RECEIVED

2007 SEP 4 PM 1 19

August 30, 2007

OCD
1220 S. St Francis Dr
Santa Fe, NM 87505

Re: C-108 Application
NW State #5
Eddy Co., NM

Enclosed is a C-108 application for the NW State #5 in Eddy County, NM.

I will forward to you the Affidavit of Publication from the Artesia News and a copy of the proof of notification to the offset operators when I receive them.

Sincerely,



Bonnie Atwater
Regulatory Tech

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, May 29, 2007 9:24 AM
To: 'Chuck Morgan'; 'Ocean Munds-Dry'
Cc: Ezeanyim, Richard, EMNRD; Brooks, David K., EMNRD
Subject: SWD Application: NW State #8 additional notice

Hello Ocean and Chuck Morgan:

This SWD application is still pending and I'm sure you would like to get it processed:

As was briefly talked about in the past week's hearing: Would you or your Landman examine the ownership of all tracts partially or wholly included in the 1/2 mile AOR of this well and provide notice as in Rule 701B.(2) and let me know the date(s) you send these notice(s). Please style any notice of this pending injection well to affected parties as an "SWD" well in the Middle San Andres Formation.

I will release this permit as a SWD well after the 15 day suspense period.

The well's status as an "SWD" well inlieu of "injector in a waterflood" should not prejudice any pending waterflood application.

Thank You,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

-----Original Message-----

From: Chuck Morgan [mailto:cmorgan@sdresources.com]
Sent: Friday, May 04, 2007 7:08 AM
To: Jones, William V., EMNRD
Subject: Re: NW Waterflood

Bonnie will send out re-notice on Monday

Jones, William V., EMNRD wrote:

>Chuck:

>I was thinking of the one well SWD application: NW State #8

>

>If you can have Bonnie re-notice this in the Newspaper, I can release

>the order on May 18 so you can begin injection. This notice would be

>specific to that particular well and complete our file on its

>application.

>

>Thanks,

>

>

>William V. Jones PE

>New Mexico Oil Conservation Division

>1220 South St. Francis

>Santa Fe, NM 87505

>505-476-3448

>

>

>-----Original Message-----

>>From: Chuck Morgan [mailto:cmorgan@sdresources.com]

>>Sent: Thursday, May 03, 2007 9:55 AM

>>To: Jones, William V., EMNRD

>>Subject: NW Waterflood

>
>Spoke with Ocean Munds-Dry with Holland and Hart. She said that they
>would re-notice the application in reference to the hearing. I
>cancelled Bonnie in our office from doing it again.

>
>

>This inbound email has been scanned by the MessageLabs Email Security
>System.

>
>
>
>Confidentiality Notice: This e-mail, including all attachments is for the sole use of the
intended recipient(s) and may contain confidential and privileged information. Any
unauthorized review, use, disclosure or distribution is prohibited unless specifically
provided under the New Mexico Inspection of Public Records Act. If you are not the
intended recipient, please contact the sender and destroy all copies of this message. --
This email has been scanned by the Sybari - Antigen Email System.

>
>
>
>
>
>

This inbound email has been scanned by the MessageLabs Email Security System.

Tracking:

Recipient

Read

'Chuck Morgan'

'Ocean Munds-Dry'

Ezeanyim, Richard, EMNRD

Brooks, David K., EMNRD

Read: 5/31/2007 4:20 PM

Read: 5/29/2007 9:53 AM

RAMSEY PETROLEUM, LP

511 WEST OHIO, SUITE 610
MIDLAND, TEXAS 79701
432-682-7408

MINERAL AND LEASEHOLD TAKEOFF

Date: June 15, 2007
Prospect: Redlake Area
Description: Section 32, Township 17 South, Range 28 East, Eddy County, New Mexico

SW/4 NW/4

MINERAL OWNER	INTEREST	NET ACRES	STATUS
State of New Mexico	8/8	40.000000	HBP OGL E-6945-2 Dated: 2-10-53

LEASEHOLD OWNER	W. I.	N. R. I.
Occidental Petroleum, LP P. O. Box 4294 Rm. 17.166 Houston, Texas 77210-4294	Record Title	

SE/4 NW/4

MINERAL OWNER	INTEREST	NET ACRES	STATUS
State of New Mexico	8/8	40.000000	HBP OGL E-949-1 Dated: 8/10/46

LEASEHOLD OWNER	W. I.	N. R. I.
BP America Production Company P. O. Box 3092 Houston, Texas 77253-3092	Record Title	
Marbob Energy Corporation P. O. Box 227 Artesia, New Mexico 88211-0227		

*NW/4 Sec 32 ✓
N/2 N/2 Sec 5 ✓*

JUL 15 2007 09:43 AM TX/RX NO 73521 003

RAMSEY PETROLEUM, LP

511 WEST OHIO, SUITE 610
MIDLAND, TEXAS 79701
432-682-7408

MINERAL AND LEASEHOLD TAKEOFF

Date: June 15, 2007
Prospect: Redlake Area
Description: Section 5, Township 18 South, Range 28 East, Eddy County, New Mexico

Lot 3, (NE/4 NW/4)

MINERAL OWNER	INTEREST	NET ACRES	STATUS
State of New Mexico	8/8	40.000000	HBP OGL 647-361 Dated: 11-14-22

LEASEHOLD OWNER	W. I.	N. R. I.
Occidental Petroleum, LP P. O. Box 4294 Rm. 17.166 Houston, Texas 77210-4294	Record Title	
Ricks Exploration II, L. P. 223 West Jane Jayroe Boulevard, Laverne, OK 73848		

Lot 4, (NW/4 NW/4)

MINERAL OWNER	INTEREST	NET ACRES	STATUS
State of New Mexico	8/8	40.000000	HBP OGL 11594-4 Dated: 11/10/44

LEASEHOLD OWNER	W. I.	N. R. I.
Occidental Petroleum, LP P. O. Box 4294 Rm. 17.166 Houston, Texas 77210-4294	Record Title	
Ricks Exploration II, L. P. 3000 Oklahoma Tower 210 Park Avenue Oklahoma City, Oklahoma 73102		
Chaparral Energy, LLC 701 Cedar Lake Boulevard, Oklahoma City, OK 73114		

Lots 1, 2, (N/2 NE/4)

MINERAL OWNER	INTEREST	NET ACRES	STATUS
State of New Mexico	8/8	80.000000	HBP OGL B-3823-10 Dated: 2/11/35

LEASEHOLD OWNER	W. I.	N. R. I.
-----------------	-------	----------

Occidental Petroleum, LP
P. O. Box 4294
Rm. 17.186
Houston, Texas 77210-4294

Record Title

Ricks Exploration II, L. P.
3000 Oklahoma Tower
210 Park Avenue
Oklahoma City, Oklahoma 73102

SW/4 NW/4

MINERAL OWNER	INTEREST	NET ACRES	STATUS
State of New Mexico	8/8	40.000000	HBP OGL E-7179-1 Dated: 6/10/53

LEASEHOLD OWNER	W. I.	N. R. I.
-----------------	-------	----------

ConocoPhillips Company
P. O. Box 7500
Bartlesville, Oklahoma 74006

Record Title

SE/4 NW/4

MINERAL OWNER	INTEREST	NET ACRES	STATUS
State of New Mexico	8/8	40.000000	HBP OGL E-2715-6 Dated: 6/10/49

LEASEHOLD OWNER	W. I.	N. R. I.
-----------------	-------	----------

Chaparral Energy, LLC
701 Cedar Lake Boulevard,
Oklahoma City, OK 73114

SW/4 NE/4

MINERAL OWNER	INTEREST	NET ACRES	STATUS
State of New Mexico	8/8	40.000000	HBP OGL 647-154 Dated: 11/14/22

LEASEHOLD OWNER	W. I.	N. R. I.
-----------------	-------	----------

Marathon Oil Company
P. O. Box 2069
Houston, Texas 77252-2069

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO ENERGY, MINERALS AND
NATURAL RESOURCES DEPARTMENT

IN THE MATTER OF THE APPLICATION
OF SDX RESOURCES, INC. FOR
APPROVAL OF A WATERFLOOD
PROJECT, EDDY COUNTY, NEW MEXICO.

CASE NO. 13923

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Ocean Munds-Dry, attorney in fact and authorized representative of SDX Resources, Inc., the Applicant herein, states that notice of the above-referenced Application was mailed to the interested parties shown on Exhibit "A" attached hereto in accordance with Oil Conservation Division Rules, and that true and correct copies of the notice letter and proof of notice are attached hereto.

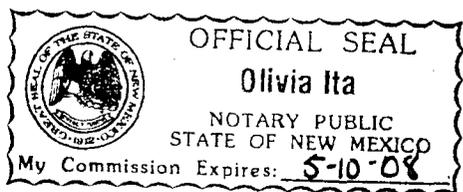
Ocean Munds-Dry
Ocean Munds-Dry

SUBSCRIBED AND SWORN to before me this 25th day of July 2007 by Ocean Munds-Dry.

Olivia Ita
Notary Public

My Commission Expires: 5-10-08

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13923...Exhibit No. 12
Submitted by:
SDX Resources, Inc.
Hearing Date: July 26, 2007





June 25, 2007

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

AFFECTED INTEREST OWNERS

Re: Application of SDX Resources Inc. for Approval of a Waterflood Project, Eddy County, New Mexico.

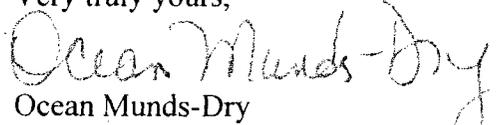
Ladies and Gentlemen:

This letter is to advise you that SDX Resources, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking authority to implement secondary recovery operations in its proposed project waterflood area. A copy of this application with attached Oil Conservation Division Form C-108 is enclosed for your information.

This application has been set for hearing before a Division Examiner at 8:15 a.m. on July 26, 2007. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-hearing Statement four days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,


Ocean Munds-Dry
ATTORNEY FOR SDX RESOURCES, INC.

Enclosures

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

2007 APR 24 PM 3 23

IN THE MATTER OF THE APPLICATION
OF SDX RESOURCES, INC.
FOR APPROVAL OF A
WATERFLOOD PROJECT
EDDY COUNTY, NEW MEXICO.

CASE NO. _____

APPLICATION

SDX Resources, Inc. ("SDX") through its attorneys, Holland & Hart, LLP, hereby makes application for an order approving a secondary recovery project for the injection of water into the Queen, Grayburg, San Andres formations, Artesia Queen-Grayburg-San Andres Pool, and in support thereof states:

1. SDX seeks approval of a waterflood project and authorization to implement secondary recovery operations in this area by the injection of water into the Queen, Grayburg, San Andres formation, Artesia Queen-Grayburg-San Andres Pool. A copy of SDX's Application for Authorization to Inject (Division Form C-108) through one injection well in the proposed waterflood project area is attached hereto as Exhibit A.

2. The boundaries of the proposed waterflood project area coincide with the boundaries of the leases and include the following acreage in Lea County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 32:	NE/ 4, SW/4
Section 29:	SE/4 SE/4
Section 31:	E/2 E/2

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

3. Applicant requests that the Division establish a procedure for the administrative approval of additional injection wells within the project area without the necessity for further hearings.

4. Notice of this application has been provided to the owner of the surface of the land on which each proposed injection well is to be located and to each leasehold operator within one-half mile of each injection well location and these owners are identified on the Notice List attached to this application as Exhibit B.

6. Approval of this application will afford SDX the opportunity to produce its just and equitable share of the remaining reserves in the Artesia Queen-Grayburg-San Andres Pool and will otherwise be in the best interest of the conservation, the protection of correlative rights and the prevention of waste.

WHEREFORE, SDX Resources, Inc. requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on May 24, 2007 and after notice and hearing as required by law, the Division enter its Order granting this application.

Respectfully submitted,

HOLLAND & HART LLP

By: Ocean Munds-Dry

WILLIAM F. CARR
OCEAN MUNDS-DRY
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR SDX RESOURCES, INC.

EXHIBIT B

SDX RESOURCES, INC.
WATERFLOOD PROJECT
EDDY COUNTY, NEW MEXICO

SURFACE OWNERS

Marbob Energy Corporation
P.O. Box 227
Artesia, New Mexico 88211

OFFSET OPERATORS

BP Amoco (Altura/Arco Permian)
200 N. Loraine Suite 1220
Midland, Texas 79701

Marbob Energy Corporation
P.O. Box 227
Artesia, New Mexico 88211

Hanson Energy
P.O. Box 1348
Artesia, New Mexico 88210

Mewbourne oil Co.
P.O. Box 5270
Hobbs, New Mexico 88241

Inactive Well List

Total Well Count: 141 Inactive Well Count: 1 Since: 7/10/2006

Printed On: Wednesday, October 03 2007

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
2	30-015-22402	EXXON B STATE COM #001	G-29-19S-28E	G	20451	SDX RESOURCES INC	S	G	03/1992		T	10/12/2005

WHERE Ogrid:20451, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

SDX Resources, Inc.

P.O. Box 5061

MIDLAND, TX 79704

TEL: (432) 685-1761 FAX: (432) 685-0533

TOLL FREE: 1-800-344-1761

RECEIVED

2007 OCT 4 PM 12 43

October 1, 2007

OCD

1220 S. St Francis Dr
Santa Fe, NM 87505

Re: C-108
NW State #5

Attached are copies of the Returned Receipts that were sent to the offsetting operators on the subject C-108. Also attached is the Affidavit of Publication that was in the Artesia Daily Press.

Please, let me know if there is anything else I need to provide.

Thank you,



Bonnie Atwater
Regulatory Tech

Attachments

Affidavit of Publication

NO. 19900

STATE OF NEW MEXICO

County of Eddy:

GARY D. SCOTT being duly

sworn, says: That he is the PUBLISHER of The

Artesia Daily Press, a daily newspaper of general

circulation, published in English at Artesia, said county

and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said

Artesia Daily Press, a daily newspaper duly qualified

for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 Consecutive week/days on the same

day as follows:

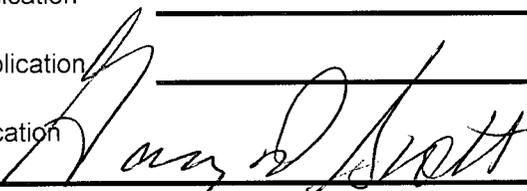
First Publication September 5, 2007

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____



Subscribed and sworn to before me this

28th Day September 2007



Notary Public, Eddy County, New Mexico

My Commission expires April 5, 2011

Copy of Publication:

LEGAL NOTICE

LEGAL NOTICE

SDX Resources, Inc. 511 W. Ohio, Suite 601, PO Box 5061, Midland, TX 79704, contact: Chuck Morgan (432)685-1761 is seeking administrative approval from the New Mexico Oil Conservation Division to complete the following well for fluid injection: NW State #5, located in Section 32, T17S, R28E, 1900' FSL 2146' FEL, Eddy Co., NM. Proposed injection interval is the San Andres formation with perforations from 2464' - 2856' with a maximum daily injection volume of produced formation water at 500 bbls per day with a maximum injection pressure of 490#. Interested parties must file objections or request for hearing with the New Mexico Oil Conservation Division, 1220 S. St Francis, Santa Fe, NM 87505 within 15 days of this notice. Published in the Artesia Daily Press, Artesia, N.M. September 5, 2007. Legal 19900

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Marathon Oil Co
PO Box 2069
Houston, TX 77252

2. Article Number
 (Transfer from service label) **7002 3150 0005 0542 1425**

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

A. Signature
X GEE Agent Addressee
 B. Received by (Printed Name) **SEP 10 2007**
 C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

COMPLETE THIS SECTION
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Ricks Exploration
550 W. Texas, Suite 1300
Midland, TX 79701

2. Article Number
 (Transfer from service label) **7002 3150 0005 0542 1098**

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY
 A. Signature
X L. Koeninger Agent Addressee
 B. Received by (Printed Name) **L. Koeninger** C. Date of Delivery **9-11**
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

COMPLETE THIS SECTION
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
State Land Office
PO Box 1148
Santa Fe, NM 87504

2. Article Number
 (Transfer from service label) **7002 3150 0005 0542 1470**

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY
 A. Signature
X [Signature] Agent Addressee
 B. Received by (Printed Name) C. Date of Delivery
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

COMPLETE THIS SECTION
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Chaparral Energy LLC
701 Cedar Lake Blvd
Oklahoma City, OK 73114

2. Article Number
 (Transfer from service label) **7002 3150 0005 0542 1449**

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY
 A. Signature
X [Signature] Agent Addressee
 B. Received by (Printed Name) **Atisha Dingo** C. Date of Delivery **9-4-07**
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Oxy
PO Box 300
Tulsa, OK 74102

NW5

2. Article Number

(Transfer from service label)

7002 3150 0005 0542 1432

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

A. Signature
X [Signature]
Agent
Addressee

B. Received by (Printed Name)
C. Date of Delivery
[Signature] 9/4/07

D. Is delivery address different from item 1?
If YES, enter delivery address below:

3. Service Type

- Certified Mail, Express Mail, Registered, Return Receipt for Merchandise, Insured Mail, C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mewbourne Oil Co
PO Box 5270
Hobbs, NM 88241

NW5

2. Article Number

(Transfer from service label)

7002 3150 0005 0542 1418

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

A. Signature
X [Signature]
Agent
Addressee

B. Received by (Printed Name)
C. Date of Delivery
[Signature] 9-4-07

D. Is delivery address different from item 1?
If YES, enter delivery address below:

3. Service Type

- Certified Mail, Express Mail, Registered, Return Receipt for Merchandise, Insured Mail, C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Read & Stevens
PO Box 1518
Roswell, NM 88202

NW5

2. Article Number

(Transfer from service label)

7002 3150 0005 0542 1395

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

A. Signature
X [Signature]
Agent
Addressee

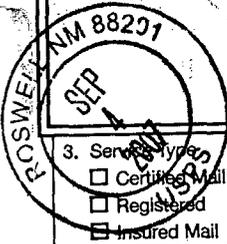
B. Received by (Printed Name)
C. Date of Delivery
[Signature] 9/4/07

D. Is delivery address different from item 1?
If YES, enter delivery address below:

3. Service Type

- Certified Mail, Express Mail, Registered, Return Receipt for Merchandise, Insured Mail, C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Marbob Eenergy
PO Box 227
Artesia, NM 88210

NW5

2. Article Number

(Transfer from service label)

7002 3150 0005 0542 1401

A. Signature
X [Signature]
Agent
Addressee

B. Received by (Printed Name)
C. Date of Delivery
[Signature]

D. Is delivery address different from item 1?
If YES, enter delivery address below:

3. Service Type

- Certified Mail, Express Mail, Registered, Return Receipt for Merchandise, Insured Mail, C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



June 2004

COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

A. Signature Agent
 Addressee

B. Received by (Printed Name) _____ C. Date of Delivery _____

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No



1. Article Addressed to:

Marbob Energy
PO Box 227
Artesia, NM 88211

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7002 3150 0005 0542 1487

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

May 2002 if approved to use

COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

A. Signature Agent
 Addressee

B. Received by (Printed Name) LORENZO A RAMIRO C. Date of Delivery 9.6.07

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

1. Article Addressed to:

BP America
600 N. Marienfeld
Midland, TX 79701

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7002 3150 0005 0542 1081

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

June 2004

COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

A. Signature Agent
 Addressee

B. Received by (Printed Name) SEP 04 2007 C. Date of Delivery _____

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

1. Article Addressed to:

ConocoPhillips Co
PO Box 7500
Bartlesville, OK 74005

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7002 3150 0005 0542 1456

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

June 2004

COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

A. Signature Agent
 Addressee

B. Received by (Printed Name) _____ C. Date of Delivery _____

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

1. Article Addressed to:

Ricks Exploration II, LP
3000 Oklahoma Tower
200 Park Ave
Oklahoma City, OK 73102

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) 7002 3150 0005 0542 1463

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540