

SDX RESOURCES, INC.

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MIDLAND, TEXAS 79704
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April 22, 2004

NMOCD
1301 W. Grand Ave
Artesia, NM 88210

RECEIVED

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OCD-ARTESIA

Gentlemen:

Effective April 1, 2004, SDX Resources, Inc. re-completed the Marathon 25 #7 well (API #30-015-24522) in a shallower zone. The new zone is in the same pool as the old zone, but has some different royalty interest owners.


The Marathon lease previously consisted of the Marathon 25 Battery and the Marathon 25A Battery. The Marathon 25 Battery served the following wells: Marathon 25 #6, 7, 8, 9 & 10 and was NMOCD PUN #1193676 S1530. The Marathon 25A Battery served the Marathon 25A #11, 12, 14, 15, 16 & 22 wells and was NMOCD PUN #1204008 X00647 (C-115 attached).

Effective April 1, 2004 the Marathon 25 #7 well will be isolated into the Marathon 25 Battery by itself. The other Marathon 25 wells (#6, 8, 9 & 10) will be combined into the Marathon 25 A Battery.

Ownership among all these wells (except for #7) in their current production interval is identical. Our C-115's for April 2004 will reflect this change.

Thank you for your cooperation and assistance on this matter.

Sincerely,



Chuck Morgan
Engineer

CM:ba