

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

File

WELL API NO. 30-015-32456
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Welch RL State
8. Well No. 6
9. Pool name or Wildcat Red Lake, SA

WELL COMPLETION OR RECOMPLETION REPORT AND LOG					
1a. Type of Well: OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐				7. Lease Name or Unit Agreement Name Welch RL State	
b. Type of Completion: NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF RESVR ☐ OTHER ☐				8. Well No. 6	
2. Name of Operator SDX Resources, Inc.				9. Pool name or Wildcat Red Lake, SA	
3. Address of Operator PO Box 5061, Midland, TX 79704					
4. Well Location Unit Letter <u>C</u> <u>990</u> Feet From The <u>North</u> Line and <u>1650</u> Feet From The <u>West</u> Line Section <u>28</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County					
10. Date Spudded 11/20/02	11. Date T.D. Reached 12/06/02	12. Date Compl. (Ready to Prod.) 01/19/03	13. Elevations (DF & RKB, RT, GR, etc.) 3617	14. Elev. Casinghead	
15. Total Depth 3520	16. Plug Back T.D. 3468	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 2271 - 2510	
21. Type Electric and Other Logs Run LDT-CNL-GR, DLL-GR			20. Was Directional Survey Made Yes		
22. Was Well Cored Yes					
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	428	12-1/4"	400 sx CI C	-
5-1/2"	14# J-55	3514	7-7/8"	400 35/65 POZ C + 400 CI C	-
24. LINER RECORD					
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	
26. Perforation record (interval, size, and number) 2271, 80, 92, 2319, 30, 2334, 36, 40, 48, 55, 61, 74, 78, 82, 92, 2400, 17, 22, 26, 34, 39, 46, 58, 86, 2500, 10 (26 holes, 1 spf)			27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.		
			DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	
			2271-2510	3500 gal 15% NEFE	
				40000 gal Viking 25 + 55000# 16/30	
				+ 55000# 12/20 Brady	
28. PRODUCTION					
Date First Production 01/01/03	Production Method (Flowing, gas lift, pumping - Size and type pump) Pump 2-1/2" x 2" x 12' RWAC			Well Status (Prod. or Shut-in) Prod	
Date of Test 01/19/03	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - BbL. 15	Gas - MCF 115
				Water - BbL. 140	Gas - Oil Ratio 7667
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - BbL. 15	Gas - MCF 115	Water - BbL. 140
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold					Test Witnessed By Chuck Morgan
30. List Attachments Logs, Deviation Survey, Core Analysis					
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>01/23/03</u>

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 _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____ 1316.0	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____ 1620.0	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____ 1918.0	T. Simpson _____	T. Gallup _____	T. Ignacio Otzte _____
T. Glorieta _____ 3302.0	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____ 3405.0	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. Permian _____	T. _____
T. Cisco (Bough C) _____	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 _____

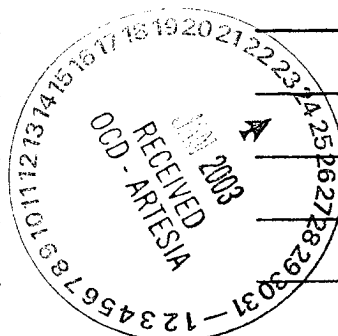
LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
0.0	80.0	80.0	Caliche/Redbed				
80.0	120.0	40.0	Gravel				
120.0	150.0	30.0	Sand				
150.0	550.0	400.0	Anhy				
550.0	600.0	50.0	Salt				
600.0	1316.0	716.0	Anhy/Dolo				
1316.0	1918.0	602.0	Anhy/Dolo/Sd				
1980.0	3302.0	1322.0	Dolo				
3302.0	3405.0	103.0	Dolo/Sd				
3405.0	3520.0	115.0	Dolo				

WELL NAME AND NUMBER Welch "RL" State No. 6
LOCATION 990' FNL & 1650' FWL, Section 28 T17S, R28E Eddy County NM
OPERATOR SDX Resources, 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:

<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>
<u>1° 517'</u>	<u> </u>	<u> </u>
<u>3/4° 1029'</u>	<u> </u>	<u> </u>
<u>3/4° 1573'</u>	<u> </u>	<u> </u>
<u>1/2° 1999'</u>	<u> </u>	<u> </u>
<u>1/2° 2512'</u>	<u> </u>	<u> </u>
<u>1° 2972'</u>	<u> </u>	<u> </u>
<u>1/4° 3520'</u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

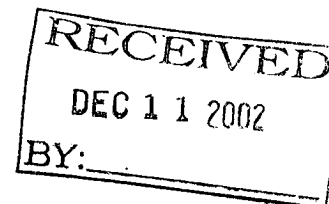


Drilling Contractor United Drilling, Inc.
By: Angel Salazar
Title: Vice President

Subscribed and sworn to before me this 9th day of December,
2002.

Karna Tankersley
Notary Public

My Commission Expires: 09-15-03 Chaves NM
County State



Drilled Sidewall Core Analysis Report

Company : SDX Resources, Inc.
File No. : 02062
Well : Welch RL State #6
Location : 990' FNL & 1650' FWL

Field: Red Lake
Formation:
County : Eddy County, New Mexico

Sample Number	Depth	Air Permeability	Porosity	Grain Density	Sw	So	Gas	Fluorescence	Sample Description
	ft	mD	%	g/cc	%	%	Units	%	Description

1	1,976.0	0.036	5.6	2.69	55.4	6.1	125	20	Brt yl	Ss:wht vfg wl srt md sm dol
2	2,336.0	0.017	7.5	2.78	21.0	17.3	381	85	Brt yl	Dol:dkgry sm vugs anhy sl pyr
3	2,372.0	0.010	2.0	2.80	43.1	5.3	247	10	Brt yl sp	Dol:tn-gry nvp anhy styl frac sm sh sl pyr
4	2,375.0	0.033	4.0	2.84	20.7	11.4	354	40	Yl	Dol:tn nvp styl frac sm sh xin
5	2,435.0	0.273	9.5	2.81	59.2	28.7	500+	100	Yl	Dol:tn sl ppp peld sm anhy xin
6	2,442.0	0.043	3.8	2.85	15.8	12.5	460	50	Yl	Dol:gry-tn ppp peld sm anhy styl frac xin
7	2,502.0	0.007	5.1	2.85	13.0	14.1	500+	70	Yl sp	Dol:tn sml vugs anhy styl peld xin
8	2,524.0	0.723	6.8	2.85	16.5	23.2	402	95	Yl	Dol:tn sm sml vugs anhy peld xin
9	2,548.0	0.012	4.3	2.83	63.3	0.0	5	0		Dol:tn ppp styl sm anhy peld xin
10	2,616.0	0.729	8.5	2.81	36.3	21.9	268	95	DI yl sp	Dol:tn sm ppp anhy styl peld xin
11	2,632.0	0.005	4.4	2.81	64.3	0.0	84	0		Dol:itgry vuggy peld xin
12	2,782.0	0.002	2.3	2.86	25.9	0.0	31	0		Dol:gry-tn sm sml vugs peld anhy sm cht xin
13	2,870.0	0.005	4.4	2.83	10.0	17.0	500+	75	DI yl sp	Dol:tn-gry sml vugs peld styl anhy sm cht xin
14	2,931.0	0.031	6.2	2.83	61.8	0.0	23	0		Dol:gry-tn sm sml vugs peld anhy xin
15	3,076.0	0.023	7.2	2.85	65.0	0.0	9	0		Dol:gry-tn sm ppp styl peld anhy xin
16	3,160.0	225	16.9	2.78	22.3	27.3	500+	100	Brt yl-gm sp	Dol:tn ppp sml vug xin
17	3,242.0	1.85	9.9	2.81	24.7	26.1	500+	100	Brt yl sp	Dol:cm sml vugs peld anhy xin
18	3,282.0	0.036	6.3	2.83	69.4	0.0	7	0		Dol:itgry sml vugs anhy styl peld xin
19	3,414.0	0.116	10.4	2.79	14.2	20.9	500+	95	Yl	Snd/Dol:tn nvp xin

Drilled Sidewall Core Analysis Report

Company : SDX Resources, Inc.
File No. : 02062
Well : Welch RL State #6
Location : 990' FNL & 1650' FWL

Field: Red Lake
Formation:
County : Eddy County, New Mexico

Sample Number	Depth	Air Permeability	Porosity	Grain Density	Sw	So	Gas	Fluorescence	Sample Description
	ft	mD	%	g/cc	%	%	Units	%	Description

20	3,424.0	1.69	9.5	2.86	13.9	18.0	500+	80	Yl Dol:tn sm ppp anhy sm pyr xln
21	3,446.0	0.195	8.3	2.85	30.7	26.8	500+	100	Yl Dol:tn sml vugs styl xln
22	3,463.0	12.4	5.5	2.84	10.6	11.2	395	40	Yl sp Dol:itgry sml vugs styl peld xln

Note: 500+ gas reading represents a saturated detector filament

1% CH4 in air = 100 gas units