

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies <b>District I</b> 1625 N. French Dr., Hobbs, NM 88240 <b>District II</b> 1301 W. Grand Avenue, Artesia, NM 88210 <b>District III</b> 1000 Rio Brazos Rd., Aztec, NM 87410 <b>District IV</b> 1220 S. St. Francis Dr., Santa Fe, NM 87505	<b>State of New Mexico</b> <b>Energy, Minerals and Natural Resources</b>  <b>Oil Conservation Division</b> <b>1220 South St. Francis Dr.</b> <b>Santa Fe, NM 87505</b>	<b>Form C-105</b> Revised June 10, 2003  <b>WELL API NO.</b> 30-015-33667 <b>5. Indicate Type of Lease</b> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> <b>State Oil &amp; Gas Lease No.</b>
<b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>		
<b>1a. Type of Well:</b> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____  <b>b. Type of Completion:</b> NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> WELL OVER BACK RESVR. <input type="checkbox"/> OTHER		<b>7. Lease Name or Unit Agreement Name</b>  East Millman Unit  <div style="text-align: right; font-size: 1.2em;">RECEIVED</div> <div style="text-align: right;">JAN 28 2005</div>
<b>2. Name of Operator</b>  SDX Resources, Inc.		<b>8. Well No.</b>  226
<b>3. Address of Operator</b>  PO Box 5061, Midland, TX 79704 432/685-1761		<b>9. Pool name or Wildcat</b>  Millman, YT-7R-QN-GB, East 46555
<b>4. Well Location</b>  Unit Letter <u>I</u> : <u>1650</u> Feet From The <u>South</u> Line and <u>330</u> Feet From The <u>East</u> Line  Section <u>14</u> Township <u>19S</u> Range <u>28E</u> NMPM <u>Eddy</u> County		
<b>10. Date Spudded</b> 11/8/04	<b>11. Date T.D. Reached</b> 11/16/04	<b>12. Date Compl. (Ready to Prod.)</b> 12/14/04
<b>13. Elevations (DF&amp; RKB, RT, GR, etc.)</b> 3386' GR		<b>14. Elev. Casinghead</b>
<b>15. Total Depth</b> 2710'	<b>16. Plug Back T.D.</b> 2650'	<b>17. If Multiple Compl. How Many Zones?</b>
<b>18. Intervals Drilled By</b>		<b>Rotary Tools</b> Yes
<b>19. Producing Interval(s), of this completion - Top, Bottom, Name</b> 2058' - 2402'		<b>20. Was Directional Survey Made</b> Yes
<b>21. Type Electric and Other Logs Run</b> LDT-CNL-GR, DLL-GR		<b>22. Was Well Cored</b> No
<b>23. CASING RECORD (Report all strings set in well)</b>		
CASING SIZE	WEIGHT LB/FT.	DEPTH SET
8-5/8"	24# J-55	367'
5-1/2"	14# K-55	2698'
<b>24. LINER RECORD</b>		
SIZE	TOP	BOTTOM
2-7/8"		
<b>25. TUBING RECORD</b>		
SIZE	DEPTH SET	PACKER SET
2-7/8"	2446'	
<b>26. Perforation record (interval, size, and number)</b> 2058', 62, 68, 72, 84, 86, 2102, 09, 18, 45, 64, 66, 80, 92, 94, 2203, 06, 17, 23, 42, 44, 48 94, 2305, 07, 40, 44, 55, 58, 74, 79, 92, 2402 (1 spf)		
<b>27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.</b>		
DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	
2058 - 2402	3500 gal 15% NEFE	
	70000 gal lightening 30 + 87,000# 16/30 +	
	45,000# 12/20 Brady	
<b>28. PRODUCTION</b>		
<b>Date First Production</b> 12/16/04	<b>Production Method (Flowing, gas lift, pumping - Size and type pump)</b> 2-1/2" x 2" x 12' RWTC	<b>Well Status (Prod. or Shut-in)</b> Prod
<b>Date of Test</b> 1/1/05	<b>Hours Tested</b> 24	<b>Choke Size</b>
<b>Flow Tubing Press.</b>	<b>Casing Pressure</b>	<b>Calculated 24-Hour Rate</b>
<b>Prod'n For Test Period</b> 40	<b>Oil - Bbl</b> 40	<b>Gas - MCF</b> 78
<b>Water - Bbl.</b> 250	<b>Gas - Oil Ratio</b> 1950	
<b>29. Disposition of Gas (Sold, used for fuel, vented, etc.)</b> Sold		
<b>30. List Attachments</b> Logs, Deviation Survey		
<b>31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief</b>		
Signature <u>Bonnie Atwater</u>	Printed Name <u>Bonnie Atwater</u>	Title <u>Regulatory Tech</u>
E-mail Address <u>batwater@sdxresources.com</u>		Date <u>1/24/05</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 special 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 400	T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt 590	T. Atoka	T. Pictured Cliffs	T. Penn. "D"
T. Yates 590	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers 1090	T. Devonian	T. Menefee	T. Madison
T. Queen 1646	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg 2036	T. Montoya	T. Mancos	T. McCracken
T. San Andres 2366	T. Simpson	T. Gallup	T. Ignacio Otzie
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinbry	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. 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	From	To	Thickness In Feet	Lithology
0	150	150	Caliche, Redbed, Gravel				
150	200	50	Sand				
200	400	200	Anhy				
400	590	190	Salt				
590	1646	1056	Anhy, Dolomite				
1646	2036	390	Sand, Dolomite, Anhy				
2036	2366	330	Sandy Dolomite, Dolomite, Anhy				
2366	2710	344	Dolomite				

WELL NAME AND NUMBER East Millman Unit 226  
LOCATION 605' FSL & 330' FEL, Section 14, T19S, 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>1/2° 504'</u>	<u>                    </u>	<u>                    </u>
<u>3/4° 999'</u>	<u>                    </u>	<u>                    </u>
<u>1/2° 1519'</u>	<u>                    </u>	<u>                    </u>
<u>1° 2009'</u>	<u>                    </u>	<u>                    </u>
<u>3/4° 2531'</u>	<u>                    </u>	<u>                    </u>
<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>                    </u>	<u>                    </u>	<u>                    </u>

Drilling Contractor United Drilling, Inc.

By: Angel Salazar  
Angel Salazar

Title: Vice President

Subscribed and sworn to before me this 19<sup>th</sup> day of November,  
2004

Carlene Martin  
Notary Public

My Commission Expires: 10-8-08

Chaves New Mexico  
County State