

Submit 3 Copies To Appropriate District Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised June 10, 2003

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.)		WELL API NO. 30-015-34086
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator SDX Resources, Inc.		6. State Oil & Gas Lease No.
3. Address of Operator PO Box 5061, Midland, TX 79704		7. Lease Name or Unit Agreement Name Staley State
4. Well Location Unit Letter <u>I</u> : <u>2310</u> feet from the <u>South</u> line and <u>330</u> feet from the <u>East</u> line Section <u>30</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County		8. Well Number 3
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3601' GR		9. OGRID Number 020451
		10. Pool name or Wildcat Red Lake, GL-YE (96836)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS.X <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Spud 12-1/4" hole 6/22/05. Drill to 415'. Run 12 jts 8-5/8" K-55 24# csg. Set @ 406'. Cmt w/375 sx CI C. Circ 106 sx. WOC total of 18 hrs. Begin drilling 7-7/8" hole. Reached TD of 3994' on 6/30/05. Run LDT-CNL-GR, DLL log & cut cores. Run 117 jts 5-1/2" J-55 15.5 - 17# csg. Land off @ 3984'. Cmt w/350 sx BJ Lite & 650 sx C. Circ 94 sx. Release Rig: 3:00 pm 7/1/05.

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 8/12/05

Type or print name Bonnie Atwater E-mail address: batwater@sdxresources.com Telephone No. 432/685-1761
(This space for State use)

APPROVED BY FOR RECORDS ONLY TITLE DATE AUG 18 2005
Conditions of approval, if any.