District I 1625 N. French Hobbs, NM 88240 District II 1301 W. G Artesia, NM 88210 District III 1000 Rio B os Rd., ec, NM 87410

State of New Mexico Energy, Minerals & Natural Resources

Form C-104 Revised June 10, 2003

Oil Conservation Division

Submit to Appropriate District Office

5 Copies 1220 South St. Francis Dr. District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Santa Fe, NM 87505 REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT ¹ Operator name and Address ² OGRID Number SDX Resources, Inc. 020451 ART PO Box 5061 ³ Reason for Filing Code/ Effective Date Midland, TX 79704 NW ⁴ API Number ⁵ Pool Name ⁶ Pool Code Red lake, QN-GB-SA 51300 30 - 015 - 35003⁹ Well Number ⁷ Property Code * Property Name 20563 **Marathon 26 State** ¹⁰ Surface Location Section Township Range Lot.Idn Feet from the North/South Lin | Feet from the East/West line Ul or lot no. **County 17S** 28E North Eddy 11 Bottom Hole Location UL or lot no. Section Township Range Lot Idn Feet from the North/South line | Feet from the | East/West line County 12 Lse Code 13 Producing Method ¹⁵ C-129 Permit Number ¹⁶ C-129 Effective Date ¹⁷ C-129 Expiration Date **Gas Connection** Date S 11-9-06 III. Oil and Gas Transporters ²¹ O/G 22 POD ULSTR Location 18 Transporter ¹⁹ Transporter Name ²⁰ POD **OGRID** and Address and Description 034019 2819484 O 221115 2819603 G IV. Produced Water

POD ULSTR Location and Description ²³ POD 2819485 V. Well Completion Data ²⁷ TD Ready Date 28 PBTD ²⁹ Perforations ³⁰ DHC, MC **Spud Date** 10/17/06 11/9/06 3525 3482 3003-3199 33 Depth Set 31 Hole Size 32 Casing & Tubing Size 34 Sacks Cement 12-1/4" 8-5/8" 24# J-55 411' 100 sx 10/2 RFC + 375 sx C 7-7/8" 5-1/2" 14# K-55 3503 475 sx 35/65 POZ C Neat + 425 sx C 2-7/8" Tbg 3201' VI. Well Test Data 35 Date New Oil Gas Delivery Date ³⁷ Test Date 38 Test Length ³⁹ Tbg. Pressure 40 Csg. Pressure 11-9-06 11-9-06 11-16-06 24 41 Choke Size ⁴² Oil 44 Gas 45 AOF Water 46 Test Method 64 19 24 **Pmp** ⁴⁷ I hereby certify that the rules of the Oil Conservation Division have OIL CONSERVATION DIVISION been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: Approved by: BRYAN G. ARRANT DISTRICT II GEOLOGIST Printed name: Title: **Bonnie Atwater** Title: Approval Date: JAN 0 4 2007 Regulatory Tech E-mail Address: batwater@sdxresources.com Date: Phone: 12-1-06 432/685-1761