

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr..
Other: _____

2. Name of Operator
SDX Resources, Inc. 0204513. Address PO Box 5061
Midland, TX 797043a. Phone No. (include area code)
432-685-1761

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface 1650' FNL 2310' FEL

At top prod. interval reported below

At total depth Same

14. Date Spudded
11/26/200715. Date T.D. Reached
12/05/200716. Date Completed 12/28/2007
☐ D & A ☒ Ready to Prod.5. Lease Serial No.
NMNM-048344

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.
Pure Federal #29. AFI Well No.
30-015-3558410. Field and Pool or Exploratory
Arteisa, GL-YE11. Sec., T., R., M. on Block and
Survey or Area 21, T17S, R28E, Unit G

12. County or Parish

13. State

Eddy

NM

18. Total Depth: MD 3590'
TVD19. Plug Back T.D.: MD 3425'
TVD20. Depth Bridge Plug Set: MD
TVD21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
LDT-CNL-GR, DLL-GR22. Was well cored? ☐ No ☒ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

| Hole Size | Size/Grade | Wt (#/ft) | Top (MD) | Bottom (MD) | Stage Cement Depth | No of Sks & Type of Cement | Slurry Vol (BBL) | Cement Top* | Amount Pulled |
|-----------|------------|-----------|----------|-------------|--------------------|--------------------------------|------------------|-------------|---------------|
| 12-1/4" | 8-5/8" | 24# | Surf | 440' | | 375 sx Cl C | | Surf | -- |
| 7-7/8" | 5-1/2" | 15.5# | Surf | 3584' | | 375 35/65 POZ + 375 sx Cl C | | Surf | -- |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

24. Tubing Record

| Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) |
|--------|----------------|-------------------|------|----------------|-------------------|------|----------------|-------------------|
| 2-7/8" | 2887' | | | | | | | |

25. Producing Intervals

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|-------------|-------|--------|---------------------|------|-----------|--------------|
| A) Grayburg | 1998' | 3392' | 2293' - 2464' | | 25 | Prod |
| B) | | | | | | |
| C) | | | | | | |
| D) | | | | | | |

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

| Depth Interval | Amount and Type of Material |
|----------------|--|
| 2293' - 2464' | 70 bbls 15% HCL NEFE 55,000 gal Lightning 2500 + 71,000# 16/30 Ottawa + 40,000# 12/20 Brady |
| | |
| | |

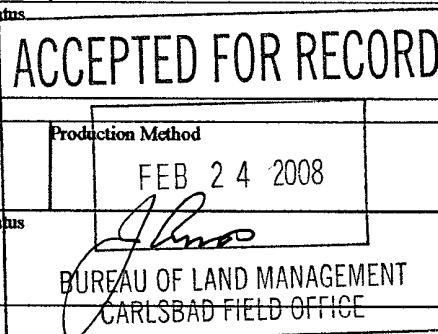
28. Production - Interval A

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|----------------------------|
| 1-1-08 | 1/3/08 | 24 | → | 20 | 43 | 42 | | | 2-1/2" x 2" x 12' RWAC Pmp |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |
| | | | → | 20 | 43 | 42 | 2150 | | |

28a. Production - Interval B

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| | | | → | | | | | | |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |
| | | | → | | | | | | |

*(See instructions and spaces for additional data on page 2)



| | | | | | | | | | |
|------------------------------|----------------------|--------------|----------------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| 28b. Production - Interval C | | | | | | | | | |
| Date First Produced | Test Date | Hours Tested | Test Production → | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate → | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |
| 28c. Production - Interval D | | | | | | | | | |
| Date First Produced | Test Date | Hours Tested | Test Production → | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate → | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |

29. Disposition of Gas (Solid, used for fuel, vented, etc.)

Sold

| | |
|--|-----------------------------|
| 30. Summary of Porous Zones (Include Aquifers): Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries. | 31. Formation (Log) Markers |
|--|-----------------------------|

| Formation | Top | Bottom | Descriptions, Contents, etc. | Name | Top |
|-----------|-------|--------|------------------------------|----------------------|--------------|
| | | | | | Meas. Depth |
| Grayburg | 2293' | 2484' | Oil, Gas & Water | Queen Grayburg | 1196 1682 |
| | | | | San Andres Glorietta | 1998 3392 |
| | | | | Yeso | 3490 |
| | | | | | |

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☒ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geologic Report
 ☐ DST Report
 ☒ Directional Survey
☐ Sundry Notice for plugging and cement verification
 ☒ Core Analysis
 ☐ Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Bonnie Atwater Title Agent
 Signature Bonnie Atwater Date 02/07/2008

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 3)

(Form 3160-4, page 2)

DRILLING CONTRACTOR *United Drilling, Inc.*

10-8-08

Drilled Sidewall Core Analysis Report

Company: SDX Resources
File No.: 07746
Well : Pure Federal #2
Location: 1650' FNL & 2310' FEL

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

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

Confining Pressure 500psi

| | | | | | | | | | | | |
|---|---------|--------|--------|-------|------|------|------|-----|----|----------------|---------------------------------------|
| 1 | 2,443.0 | 0.0349 | 0.0207 | 3.02 | 2.69 | 50.0 | 0.0 | 15 | 0 | Gld mf | Ss/Dol:tn v sl ppp v sl pyr |
| 2 | 2,643.0 | 0.1616 | 0.1189 | 8.27 | 2.69 | 52.3 | 0.0 | 11 | 0 | DI gld mf | Ss:tn vfg wl srt md v sl dol v sl pyr |
| 3 | 2,854.0 | 0.1210 | 0.0550 | 5.94 | 2.73 | 40.4 | 16.7 | 321 | 70 | Br t yl lam | Ss:tn vfg wl srt md v sl dol v sl pyr |
| 4 | 3,256.0 | 0.5722 | 0.4317 | 8.58 | 2.86 | 45.5 | 12.5 | 208 | 40 | Br t gld sp | Dol:tn ppp sm anhy |
| 5 | 3,446.0 | 0.0487 | 0.0297 | 5.15 | 2.82 | 51.8 | 0.0 | 14 | 0 | DI gld mf | Dol:tn ppp sm anhy styl |
| 6 | 3,488.0 | 0.7901 | 0.6522 | 10.33 | 2.78 | 53.2 | 0.0 | 7 | 0 | DI gld mf | Dol:yl-tn ppp v sl anhy styl |
| 7 | 3,499.0 | 0.3922 | 0.3153 | 10.06 | 2.81 | 38.5 | 18.4 | 340 | 95 | Gld-brt gld sp | Dol:yl-tn ppp inbxn por v sl anhy |

Note: 500+ gas reading represents a saturated detector filament

1% CH4 in air = 100 gas units

Note: tbfa indicates samples that are too broken for analysis