Form C-103

State of New Mexico Submit 3 Copies Revised 1-1-89 Energy, Minerals and Natural Resources Department to Appropriate District Office OIL CONSERVATION DIVISION **DISTRICT I** WELL API NO. P.O. Box 1980, Hobbs, NM 88240 2040 Pacheco St. 30-015-29967 Santa Fe, NM 87505 DISTRICT II sindicate Type of Lease P.O. Drawer DD, Artesia, NM 88210 STATE FEE State Oil & Gas Lease No DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 7Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" Marathon 25 State (FORM C-101) FOR SUCH PROPOSALS.) Type of Well: WELL 🛛 «Well No. 2Name of Operator 8 SDX Resources, Inc. Pool name or Wildcat Address of Operator Red Lake (QN, GB,SA) 4Well Location 1650 West North Feet From The 990 Feet From The Eddy County NMPM 25 **17S** Range Township Section DELevation (Show whether DF, RKB, RT, GR, etc. 3681' GR Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data SUBSEQUENT REPORT OF: NOTICE OF INTENTION TO: ALTERING CASING PLUG AND ABANDON REMEDIAL WORK PERFORM REMEDIAL WORK PLUG AND ANBANDONMENT COMMENCE DRILLING OPNS. CHANGE PLANS TEMPORARILY ABANDON CASING TEST AND CEMENT JOB PULL OR ALTER CASING OTHER: Spud, reach TD & set csg OTHER: 12Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. Spud a 12-1/4" hole 9/28/98 to 412', Run 9 jts 8-5/8" 24# csg to 406', Cmt w/300 sx Class C. PD 4:00 am 9/29/98. WOC a total of 18 hrs. Continue drlg w/a 7-7/8" bit to TD 3505'. Reached TD 10/3/98. Ran GR, CNL, LDT & MLL. Run 84 jts 5-1/2" 15.5# K-55 csg @ 3496'. Cmt w/400 sx 35/65 POZ w/CaCl2 & 1/4# D29 + 350 sx C w/D59, CaCl2 & 1/4# D29. PD 9:40 pm. Did not circ. Prepare to complete well.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. DATE 12-03-98 TITLE Regulatory Tech. SIGNATURE TELEPHONE NO. 915/685-1761 TYPE OR PRINT NAME Bonnie Atwater (This space for State Use) SUPERVISOR, DISTRICT II DATE 12-10-98 TITLE APPROVED BY CONDITIONS OF APPROVAL, IF ANY