

CISF
[Signature]

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30-015-30888
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.
Lease Name or Unit Agreement Name Kersey State
Well No. 1
Pool name or Wildcat Artesia (QN-GB-SA)

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.)

Type of Well:
OIL WELL GAS WELL OTHER

Name of Operator
SDX Resources, Inc.

Address of Operator
PO Box 5061, Midland, TX 79704

Well Location
Unit Letter I 2018 Feet From The South Line and 330 Feet From The East Line
Section 32 Township 17S Range 28E NMPM Eddy County

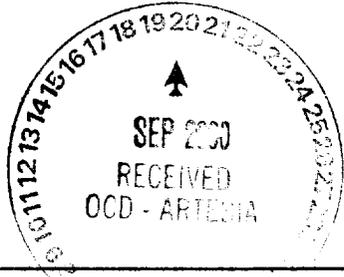
Elevation (Show whether DF, RKB, RT, GR, etc.)
3670'

11 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>	PLUG AND ANBANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

Spud 12-1/4" hole 5/16/00. Drilled to 535'. Ran 13 jts 8-5/8" J-55, 24# csg. Set @ 529'. Cmt w/350 sx CI C. Circ 55 sx to pit.
Started drlg 7-7/8" hole. Reached TD of 4075', on 5/24/00. Ran OH logs. Ran 99 jts 5-1/2" k-55 15.5# LT&C csg. Set @ 4072'. Cmt w/400 sx Lite + 500 sx CI C. Circ 16 sx to pit.
Release rig 1:00 pm 5/25/00.



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 09-15-00

TYPE OR PRINT NAME Bonnie Atwater TELEPHONE NO. 915/685-1761

(This space for State Use)

APPROVED BY For Record Only BDO TITLE _____ DATE SEP 25 2000

CONDITIONS OF APPROVAL, IF ANY: