

DRILLING PROGRAM

SDX Resources, Inc.
Dunn B Federal #37
1550' FNL & 660' FWL
Unit E Sec. 10, T18S, R28E
Eddy County, New Mexico

1. Geologic Name of Surface Formation:

Permian

2. Estimated Tops of Important Geologic Markers:

Top of Salt	550'
Base of Salt	675'
7-Rivers	1050'
Queen	1690'
Grayburg	2225'
S. A.	2530'

3. Estimated Depth of Anticipated Fresh Water, Oil or Gas:

Water Sands	200'-250'	Fresh H2O
7-Rivers	1200'	Oil & Gas
Queen	1800'	Oil & Gas
Grayburg	2300'	Oil & Gas
S. A.	2700'+	Oil & Gas

Fresh water sands are protected by 13 3/8" casing set at 410' and cement circulated. All other zones will be isolated by 8 5/8", 28 & 32# casing set at 2800'. A 5 5/2" liner may be run to TD (3200') and cemented if necessary.

4. Casing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>OD csg</u>	<u>Weight Grade Jt Cond Type</u>
17 1/2"	0-410'	13 3/8"	54.5# (Existing casing)
11 "	0-2800'	8 5/8"	28-32# (Existing casing)
7 7/8"	2600'-TD	5 1/2"	14-17# Used J-55 (Liner if necessary)