

PKRVO316136206

PC

NA

**SDX RESOURCES, INC.**

P.O. BOX 5061  
MIDLAND, TEXAS 79704  
(915) 685-1761

1096

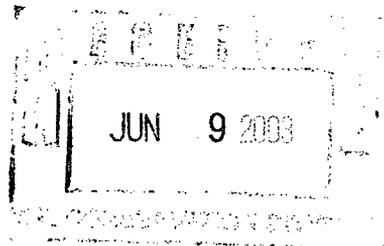
DRC

NMOCD  
1220 S. St. Francis Drive  
Santa Fe, NM 87504

June 5, 2003

Attention: Mr. Dave Catanach

RE: Surface commingling application  
Enron State 1,2,&4  
Sec. 31-32 T17S R28E  
Eddy County, New Mexico



Dear Mr. Catanach,

SDX Resources respectfully request permission to commingle production into a common battery from their Enron State #4 well (producing from the Red Lake Glorietta pool) with production from their Enron state #1&2 wells (producing from the Artesia-Qn Gb- Sa pool). Ownership is identical for all three wells in their producing horizons. The oil from both pools is sour and is close to the same gravity. There should therefore be no difference in revenue to the interest owners including the State government. Surface commingling will improve the economics of the well, extending its life, resulting in the recovery of additional reserves.

Production will be allocated based on well tests performed quarterly with a Port-A-Check test unit

The following data is submitted for your information:

- Attachment 1: Lease Map
- Attachment 2: Well Plats and Completion Data
- Attachment 3: Production Data
- Attachment 4: Ownership Certification
- Attachment 5: State Land Office notice

Sincerely,

A handwritten signature in cursive script that reads "Chuck Morgan".

Chuck Morgan



Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies  
**DISTRICT I**  
 P.O. Box 1980, Hobbs, NM 88240

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-105  
 Revised 1-1-89

**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.  
 30-015-31530

5. Indicate Type of Lease  
 STATE  FEE

6. State Oil & Gas Lease No.

**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 \_\_\_\_\_

7. Lease Name or Unit Agreement Name  
 Enron State

2. Name of Operator  
 SDX Resources, Inc.

8. Well No.  
 1

3. Address of Operator  
 PO Box 5061, Midland, TX 79704

9. Pool name or Wildcat  
 Artesia, QN-GB-SA

4. Well Location  
 Unit Letter C 530 Feet From The North Line and 1650 Feet From The West Line  
 Section 32 Township 17S Range 28E NMPM Eddy County

10. Date Spudded  
 11. Date T.D. Reached  
 12. Date Compl. (Ready to Prod.)  
 13. Elevations (DF & RKB, RT, GR, etc.)  
 14. Elev. Casinghead

15. Total Depth  
 16. Plug Back T.D.  
 17. If Multiple Compl. How Many Zones?  
 18. Intervals Drilled By  
 Rotary Tools  
 Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name  
 2420 - 2549  
 20. Was Directional Survey Made

21. Type Electric and Other Logs Run  
 22. Was Well Cored

23. Existing! **CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"		390	12-1/4	325 sx C	-
5-1/2"		3993	7-7/8"	300 sx C Lite + 600 sx C	-

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8"	3180	

26. Perforation record (interval, size, and number)  
 Orig: 3456-3534, 3766 - 3822, CIBP 3700'  
 New: 2420, 24, 32, 35, 40, 50, 54, 57, 65, 67, 79, 92, 95, 96, 2085,  
 18, 20, 21, 26, 32, 43, 45, 47, 49

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.  
 DEPTH INTERVAL  
 2420 - 2549  
 AMOUNT AND KIND MATERIAL USED  
 4000 gal 15% NEFE  
 55000 gal Viking 25 + 100000# 16/30  
 + 35000 12/20 Brady Sd

28. **PRODUCTION**  
 Date First Production  
 11/21/01  
 Production Method (Flowing, gas lift, pumping - Size and type pump)  
 2-1/2" x 1-3/4" x 20' RHAC  
 Well Status (Prod. or Shut-in)  
 Prod

Date of Test 12/06/01	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - BbL. 87	Gas - MCF 181	Water - BbL. 30	Gas - Oil Ratio 2080
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - BbL. 87	Gas - MCF 181	Water - BbL. 30	Oil Gravity - API - (Corr.)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)  
 Sold  
 Test Witnessed By  
 Chuck Morgan

30. List Attachments

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Bonnie Atwater Printed Name Bonnie Atwater Title Regulatory Tech Date 01/24/02

# INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all specific tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

### Southeastern New Mexico

### Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup _____	T. Ignacio Otzte _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Delaware Sand _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Bone Springs _____	T. Entrada _____	T. _____
T. Abo _____	T. _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

### OIL OR GAS SANDS OR ZONES

No. 1, from \_\_\_\_\_ to \_\_\_\_\_      No. 3, from \_\_\_\_\_ to \_\_\_\_\_  
 No. 2, from \_\_\_\_\_ to \_\_\_\_\_      No. 4, from \_\_\_\_\_ to \_\_\_\_\_

### IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from \_\_\_\_\_ to \_\_\_\_\_ feet \_\_\_\_\_  
 No. 2, from \_\_\_\_\_ to \_\_\_\_\_ feet \_\_\_\_\_  
 No. 3, from \_\_\_\_\_ to \_\_\_\_\_ feet \_\_\_\_\_

### LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
			ON FILE				

Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies  
**DISTRICT I**  
 P.O. Box 1980, Hobbs, NM 88240

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-105  
 Revised 1-1-89

**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. 30-015-31920
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____	7. Lease Name or Unit Agreement Name  Enron State
b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR <input type="checkbox"/> OTHER _____	

2. Name of Operator SDX Resources, Inc.	8. Well No. 2
--	------------------

3. Address of Operator PO Box 5061, Midland, TX 79704	9. Pool name or Wildcat Artesia, GL-YE Q-G-SA
--	--

4. Well Location  
 Unit Letter D 990 Feet From The North Line and 990 Feet From The West Line  
 Section 32 Township 17S Range 28E NMPM Eddy County

10. Date Spudded 09/04/01	11. Date T.D. Reached 09/11/01	12. Date Compl. (Ready to Prod.) 10/26/01	13. Elevations (DF & RKB, RT, GR, etc.) 3699	14. Elev. Casinghead
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15. Total Depth 4030	16. Plug Back T.D. 3983	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By Rotary Tools <input checked="" type="checkbox"/> Cable Tools
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19. Producing Interval(s), of this completion - Top, Bottom, Name 2268 - 2647	20. Was Directional Survey Made Yes
--	--

21. Type Electric and Other Logs Run LDT-CNL-GR, DLL-GR	22. Was Well Cored No
--	--------------------------

**23. CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24# J-55	386	12-1/4"	325 sx CI CI - Circ	None
5-1/2"	17 & 15.5# J-55	4010	7-7/8"	325 sx Lite + 650 sx CI C	None

**24. LINER RECORD**

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	25. TUBING RECORD SIZE	DEPTH SET	PACKER SET
					2-7/8"	2672'	

26. Perforation record (interval, size, and number) 2268, 74, 77, 2309, 20, 26, 33, 35, 53, 60, 2447, 54, 73, 79, 87, 93, 2500, 06, 22, 35, 48, 55, 68, 78, 97, 2607, 14, 28, 41, 47 (30 holes, 1 spf)	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL 2268 - 2647 AMOUNT AND KIND MATERIAL USED A: 86 bbls 15% NEFE F: 60000 gal Viking 25 + 95000# 16/30 + 35000# 12/20 Brady
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**28. PRODUCTION**

Date First Production 10/29/01	Production Method (Flowing, gas lift, pumping - Size and type pump) Pmp 2-1/2" x 2" x 12' RWAC	Well Status (Prod. or Shut-in) Prod					
Date of Test 10/29/01	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - Bbl. 106	Gas - MCF 80	Water - Bbl. 296	Gas - Oil Ratio 755
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl. 106	Gas - MCF 80	Water - Bbl. 296	Oil Gravity - API - (Corr.)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold	Test Witnessed By Chuck Morgan
--	-----------------------------------

30. List Attachments  
 Logs, Deviation Survey

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Bonnie Atwater Printed Name Bonnie Atwater Title Regulatory Tech Date 1/13/02

# INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all specific tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

## Southeastern New Mexico

## Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Aioka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____ 546.0	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____ 982.0	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____ 1362.0	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____ 1594.0	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____ 1912.0	T. Simpson _____	T. Gallup _____	T. Ignacio Otzte _____
T. Glorieta _____ 3350.0	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Delaware Sand _____	T. Todillo _____	T. _____
T. Drinkard _____	T. Bone Springs _____	T. Entrada _____	T. _____
T. Abo _____	T. _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

### OIL OR GAS SANDS OR ZONES

No. 1, from \_\_\_\_\_ to \_\_\_\_\_ No. 3, from \_\_\_\_\_ to \_\_\_\_\_  
 No. 2, from \_\_\_\_\_ to \_\_\_\_\_ No. 4, from \_\_\_\_\_ to \_\_\_\_\_

### IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from \_\_\_\_\_ to \_\_\_\_\_ feet  
 No. 2, from \_\_\_\_\_ to \_\_\_\_\_ feet  
 No. 3, from \_\_\_\_\_ to \_\_\_\_\_ feet

### LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
0.0	150.0	150.0	Caliche/Rdbd/Gravel				
150.0	200.0	50.0	Sd				
200.0	456.0	256.0	Anhy				
456.0	1362.0	906.0	Anhy/Dolo				
1362.0	1912.0	550.0	Anhy/Dolo/Sd				
1912.0	3350.0	1438.0	Dolo				
3350.0	3700.0	350.0	Sd/Dolo				
3700.0	4030.0	330.0	Dolo				

Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies  
**DISTRICT I**  
 P.O. Box 1980, Hobbs, NM 88240

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-105  
 Revised 1-1-89

**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. 30-015-32162
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____	7. Lease Name or Unit Agreement Name  Enron State
b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR <input type="checkbox"/> OTHER _____	8. Well No. 4
2. Name of Operator SDX Resources, Inc.	9. Pool name or Wildcat Red Lake, <del>GN-GE-SA</del> <i>Gal</i>
3. Address of Operator PO Box 5061, Midland, TX 79704 432/685-1761	

4. Well Location  
 Unit Letter D 460 Feet From The North Line and 990 Feet From The West Line  
 Section 31 Township 17S Range 28E NMPM Eddy County

10. Date Spudded 03/26/03	11. Date T.D. Reached 04/02/03	12. Date Compl. (Ready to Prod.) 05/11/03	13. Elevations (DF & RKB, RT, GR, etc.) 3628' GR	14. Elev. Casinghead
------------------------------	-----------------------------------	--	---	----------------------

15. Total Depth 3460	16. Plug Back T.D. 3430	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By Rotary Tools <input checked="" type="checkbox"/> Cable Tools
-------------------------	----------------------------	--	--

19. Producing Interval(s), of this completion - Top, Bottom, Name  
3281 - 3399

20. Was Directional Survey Made  
Yes

21. Type Electric and Other Logs Run  
DLT-CNL-GR, DLL-GR

22. Was Well Cored  
No

**23. CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24# J-55	468	12-1/4	375 sx C - Circ	--
5-1/2"	14 - 15.5# J-55	3454'	7-7/8	350 sx 35/65 POZ C + 350 C - Circ	--

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8"	3366	

26. Perforation record (Interval, size, and number) 3281, 84, 92, 3302, 04, 12, 14, 22, 29, 40, 45, 49, 55, 57, 62, 71, 73, 78, 80, 85, 97, 99 (22 holes, 4" select fire0)	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	3281-3399	3500 gal 15% NEFE

**28. PRODUCTION**

Date First Production 05/06/03	Production Method (Flowing, gas lift, pumping - Size and type pump) Pmp 2-1/2" x 2" x 12' RWAC	Well Status (Prod. or Shut-in) Prod					
Date of Test 05/11/03	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - Bbl. 30	Gas - MCF 38	Water - Bbl. 64	Gas - Oil Ratio 1267
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl. 30	Gas - MCF 38	Water - Bbl. 64	Oil Gravity - API - (Corr.)	

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

Test Witnessed By  
Chuck Morgan

30. List Attachments  
Logs, Deviation Survey

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Bonnie Atwater Printed Name Bonnie Atwater Title Regulatory Tech Date 05/28/03

# INSTRUCTIONS

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INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

## Southeastern New Mexico

T. Anhy \_\_\_\_\_  
 T. Salt \_\_\_\_\_  
 B. Salt \_\_\_\_\_  
 T. Yates \_\_\_\_\_ 520.0  
 T. 7 Rivers \_\_\_\_\_  
 T. Queen \_\_\_\_\_ 1075.0  
 T. Grayburg \_\_\_\_\_ 1400.0  
 T. San Andres \_\_\_\_\_ 1770.0  
 T. Glorieta \_\_\_\_\_ 3180.0  
 T. Paddock \_\_\_\_\_  
 T. Blinebry \_\_\_\_\_  
 T. Tubb \_\_\_\_\_  
 T. Drinkard \_\_\_\_\_  
 T. Abo \_\_\_\_\_  
 T. Wolfcamp \_\_\_\_\_  
 T. Penn \_\_\_\_\_  
 T. Cisco (Bough C) \_\_\_\_\_

## Northwestern New Mexico

T. Ojo Alamo \_\_\_\_\_  
 T. Kirtland-Fruitland \_\_\_\_\_  
 T. Pictured Cliffs \_\_\_\_\_  
 T. Cliff House \_\_\_\_\_  
 T. Menefee \_\_\_\_\_  
 T. Point Lookout \_\_\_\_\_  
 T. Mancos \_\_\_\_\_  
 T. Gallup \_\_\_\_\_  
 Base Greenhorn \_\_\_\_\_  
 T. Dakota \_\_\_\_\_  
 T. Morrison \_\_\_\_\_  
 T. Todilto \_\_\_\_\_  
 T. Entrada \_\_\_\_\_  
 T. Wingate \_\_\_\_\_  
 T. Chinle \_\_\_\_\_  
 T. Permian \_\_\_\_\_  
 T. Penn. "A" \_\_\_\_\_

T. Penn. "B" \_\_\_\_\_  
 T. Penn. "C" \_\_\_\_\_  
 T. Penn. "D" \_\_\_\_\_  
 T. Leadville \_\_\_\_\_  
 T. Madison \_\_\_\_\_  
 T. Elbert \_\_\_\_\_  
 T. McCracken \_\_\_\_\_  
 T. Ignacio Otzte \_\_\_\_\_  
 T. Granite \_\_\_\_\_  
 T. \_\_\_\_\_

### OIL OR GAS SANDS OR ZONES

No. 1, from \_\_\_\_\_ to \_\_\_\_\_  
 No. 2, from \_\_\_\_\_ to \_\_\_\_\_  
 No. 3, from \_\_\_\_\_ to \_\_\_\_\_  
 No. 4, from \_\_\_\_\_ to \_\_\_\_\_

### IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from \_\_\_\_\_ to \_\_\_\_\_ feet \_\_\_\_\_  
 No. 2, from \_\_\_\_\_ to \_\_\_\_\_ feet \_\_\_\_\_  
 No. 3, from \_\_\_\_\_ to \_\_\_\_\_ feet \_\_\_\_\_

### LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
0.0	150.0	150.0	Redbed/Gravel/Anhy				
150.0	200.0	50.0	Sd				
200.0	520.0	320.0	Anhy				
520.0	1075.0	555.0	Anhy/Dolo				
1075.0	1770.0	695.0	Anhy/Dolo/Sd				
1770.0	3180.0	1410.0	Dolo				
3180.0	3406.0	226.0	Dolo Sd				
3406.0	3460.0	54.0	Dolo				

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

Form C-102  
Revised March 17, 1999

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
		03230		Artesia (QN-GB-SA)	
Property Code		Property Name			Well Number
		ENRON STATE			1
OGRID No.		Operator Name			Elevation
020451		SDX RESOURCES, INC.			3678.

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	32	17-S	28-E		530	NORTH	1650	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p>		
	<p>Signature <i>Bonnie Atwater</i></p>		
	<p>Printed Name Bonnie Atwater</p>		
	<p>Title Regulatory Tech</p> <p>Date 1/2/01</p>		
<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p>			
<p>DECEMBER 20, 2000</p> <p>Date of Survey</p>			
<p>Signature and Seal of Professional Surveyor</p>			
<p>NM PROFESSIONAL SURVEYOR CERTIFICATE NUMBER 5412</p>			

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 South First, Artesia, NM 88218  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

JUN 14 2001

Form C-102  
Revised March 17, 1999

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
		03230		Artesia QN-GB-SA	
<sup>4</sup> Property Code		<sup>5</sup> Property Name			<sup>6</sup> Well Number
27087		ENRON STATE			2
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name			<sup>9</sup> Elevation
020451		SDX RESOURCES, INC.			3699.

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	32	17-S	28-E		990	NORTH	990	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<sup>16</sup> 						<sup>17</sup> OPERATOR CERTIFICATION	
						<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>	
						Signature <i>Bonnie Atwater</i>	
						Printed Name Bonnie Atwater	
						Title Regulatory Tech	
						Date 7/23/01	
						<sup>18</sup> SURVEYOR CERTIFICATION	
						<i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>	
						JUNE 11 2001	
						Date of Survey	
						Signature <i>DAVID W. REDDY</i>	
						NM PREPS NO. _____ Certificate Number _____	

District I  
 1625 N. French Dr. Hobbs, NM 88240

District II  
 811 South First, Artesia, NM 88210

District III  
 1000 Rio Brazos Rd., Aztec NM 87410

District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco  
 Santa Fe, N M 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	03230	Artesia, QN-GB-SA
Property Code	Property Name	Well Number
27087	ENRON STATE	4
OGRID No.	Operation Name	Elevation
020451	SDX RESOURCES, INC.	3628

Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
D	31	17-S	28-E		460	NORTH	990	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
40	43.50								

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DMSION

	<p><b>OPERATOR CERTIFICATION</b>                  I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.</p>
	<p><i>Bonnie Atwater</i>                  Signature</p>
	<p>Printed Name Bonnie Atwater</p>
	<p>Title Regulatory Tech</p>
	<p>Date 1/13/02</p>
	<p><b>SURVEYOR CERTIFICATION</b>                  I HEREBY CERTIFY THAT THE WELL LOCATION SHOWN ON THIS PLAT WAS PLOTTED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.</p>
	<p>NOV 21 2001                  Date of Survey R. EDDY</p>
	<p>Signature and Seal of Registered Professional Engineer                  R. EDDY                  5412                  REGISTERED PROFESSIONAL ENGINEER                  NM REG. PROFESSIONAL ENGINEER 2                  Certificate Number</p>

original on file

SDX Resources Inc.  
 FROM 02/01/2003 THRU 03/31/2003

PRODUCTION DETAIL REPORT BY PROPERTY

DV300 06/05/2003 PAGE 1  
 (Base/Allocated Properties)  
 (At State Pressure Base)

PROPERTY NAME	PROD ST MONTH	OIL PROD	DAILY AVG	GAS PROD	DAILY AVG	GOR or BBL/MM	WATER BBLs	DAILY AVG	DAY PRD	*---- OIL BBL	CUMULATIVE GAS MCF	---* PRICE /MCF
ENRON STATE #01	NM 02/03	672	24.00	2098	74.92	3122	91	3.25	28	672	2098	4.77
ENRON STATE #01	NM 03/03	754	24.32	2391	77.12	3171	115	3.70	31	1426	4489	6.53
Totals for ENRON STATE	025800-01	1426		4489			206					
ENRON STATE #02	NM 02/03	263	9.39	1877	67.03	7136	272	9.71	28	263	1877	4.77
ENRON STATE #02	NM 03/03	296	9.54	2139	69.00	7226	346	11.16	31	559	4016	6.53
Totals for ENRON STATE	025800-02	559		4016			618					
Report totals		1985		8505			824					

**Enron State #4**

<b><u>DATE</u></b>	<b><u>BO</u></b>	<b><u>MCF</u></b>	<b><u>BW</u></b>
5/6/03	38	30	246
5/7/03	72	89	156
5/8/03	74	94	113
5/9/03	46	57	107
5/10/03	37	44	107
5/11/03	30	38	64
5/12/03	23	30	65
5/13/03	23	32	56
5/14/03	15	20	49
5/15/03	26	25	37
5/16/03	20	27	48
5/17/03	26	32	49
5/18/03	7	27	43
5/19/03	15	16	50
5/20/03	15	16	48
5/21/03	13	19	36
5/22/03	15	16	50
5/23/03	15	21	33
5/24/03	13	18	38
5/25/03	13	17	37
5/26/03	13	17	35
5/27/03	13	17	41
5/28/03	10	17	30
5/29/03	10	15	36
5/30/03	10	14	30
5/31/03	10	14	33
6/1/03	10	13	35
6/2/03	3	13	35
6/3/03	10	15	35

# Steve Sell

P. O. Box 5061  
Midland, TX 79704  
432-685-1761, 1-800-344-1761  
Fax 432-685-0110

June 5, 2003

NMOCD  
1220 S. St. Francis Drive  
Santa Fe, NM 87504

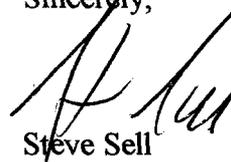
Re: Ownership Certification  
Enron State #1, #2 & #4  
Sec. 31-32; T17S-R28E  
Eddy County, New Mexico

Dear Gentlemen:

After reviewing the associated land files for the captioned wells, this is to inform you that the ownership is identical in all of the producing horizons to be commingled.

If you should have any questions or comments, please contact me at the letterhead address. Thank you for your consideration and prompt attention to this matter.

Sincerely,



Steve Sell  
Landman

\bw

cc: New Mexico State Land Office  
310 Old Santa Fe Trail  
Santa Fe, NM 87501

**SDX RESOURCES, INC.**

P.O. BOX 5061  
MIDLAND, TEXAS 79704  
(915) 685-1761

State Land Office  
310 Old Santa Fe Trail  
Santa Fe, NM 87501

June 5, 2003

Attention: Mr. Pete Martinez

RE: Surface commingling application  
Enron State 1,2,&4  
Sec. 31-32 T17S R28E  
Eddy County, New Mexico

Dear Mr. Martinez

SDX Resources respectfully request permission to commingle production into a common battery from their Enron State #4 well (producing from the Red Lake Glorietta pool) with production from their Enron State #1&2 wells( producing from the Artesia Qn Gb Sa pool). Ownership is identical in all three wells in their producing horizons. The oil from both pools is sour and is close to the same gravity. There should therefore be no difference in revenue to the interest owners including the State government. Surface commingling will improve the economics of the well, extending its life, resulting in the recovery of additional reserves.

Production will be allocated based on well tests performed quarterly with a Port-A-Check test unit.

Enclosed with this letter is a commingle pre-application, a check for the application fee, and a copy of the application sent to the NMOCD.

Sincerely,



Chuck Morgan

**COMMINGLE PRE-APPLICATION**

State Land Office rules 1.053-1.055 apply to commingling oil and gas production from New Mexico State Lands. Please provide the following information so that we can determine whether or not a commingle application package should be submitted.

1. Briefly describe what you propose to do.

Surface commingle production from SDX's Enron State #1&2 wells from the Artesia-Qn- Gb- San Andres pool with production from their Enron State #4 well in the Red Lake Glorietta pool.

2. Fill in the following information for each well.

Well #	Legal Description	Lessee of Record	N.M. Lease #	Formation
4	Sec. 31 T17S R28E 460 N 990 W	Rolph Gallinger	B5862	Glorietta
1	Sec. 32 T17S R28E 530 N 1650 W	Rolph Gallinger	B5862	San Andres
2	Sec. 32 T17S R28E 990 N 990 W	Rolph Gallinger	B5862	San Andres

NAME: Chuck Morgan  
COMPANY: SDX Resources, Inc.  
PHONE NUMBER: 915/685-1761