

OPERATOR

2Y

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

406 1 1999

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 SDX Resources, Inc.

3. Address and Telephone No.
 PO Box 5061, Midland, TX 79704 915/685-1761

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 660' FSL, 2310' FEL
 Unit O, Sec 5, T25S, R37E

5. Lease Designation and Serial No.
 LC-055546

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
 Wells Federal #21

9. API Well No.
 30-025-34614

10. Field and Pool, or Exploratory Area
 Jalmat Gas (T-Y-7R)

11. County or Parish, State
 Lea Co., NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Drlg Report</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

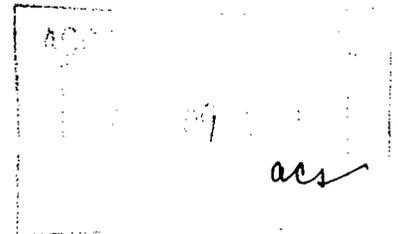
13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

6-22-99 Spud 12-1/4" hole 3:30 pm. Drill to 650'. Run 8-5/8" J-55, 24# csg to 636'. Cmt w/425 sx Class C. Circ 150 sx. WOC.

6-23-99 WOC total 18 hrs. Start drlg 7-7/8" hole.

6-25-99 Reach TD of 3130' @ 7:30 pm. Run LDT-CNL-GR & DLL-GR open hole logs. Run 4-1/2" J-55, 10.5# csg to 3129'. Cmt w/400 sx Lite & 200 sx Class C tail. Circ 15 sx. Release rig 9:00 am 6/26/99.

Presently completing & testing.



14. I hereby certify that the foregoing is true and correct
 Signed Bonnie C. Waters Title Regulatory Tech. Date 08/05/99
 (This space for Federal or State office use)

Approved by _____ Title _____
 Conditions of approval, if any: _____

**ENTERED IN
AFMSS**

Title 18 U.S.C. Section 1001, makes 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.

*See Instruction on Reverse Side

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

**OPERATOR'S COPY
SUBMIT IN DUPLICATE***

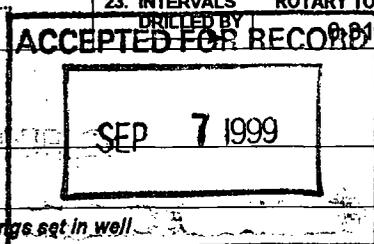
(See other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other _____		5. LEASE DESIGNATION AND SERIAL NO. LC-055546	
b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR SDX Resources, Inc.		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. PO Box 5061, Midland, TX 79704 915/685-1761		8. FARM OR LEASE NAME, WELL NO. Wells Federal #21	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 660' FSL 2310' FEL Unit O At top prod. Interval reported below		9. API WELL NO. 30-025-34614	
At total depth Same		10. FIELD AND POOL, OR WILDCAT Jalmat Gas (T-Y-7R)	
14. PERMIT NO.		DATE ISSUED	12. COUNTY OR PARISH Lea
			13. STATE NM

15. DATE SPUDDED 06/22/99		16. DATE T.D. REACHED 06/25/99		17. DATE COMPL. (Ready to prod.) 07/24/99		18. ELEVATIONS (DF, RKB, RT, GE, ETC.)* 3205' GR		19. ELEV. CASINGHEAD	
20. TOTAL DEPTH, MD & TVD 3130'		21. PLUG, BACK T.D., MD & TVD		22. IF MULTIPLE COMPL. HOW MANY*		23. INTERVALS DRILLED BY 9/8/99		ROTARY TOOLS CABLE TOOLS	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION-TOP, BOTTOM, NAME (MD AND TVD)* 2890 - 3002								25. WAS DIRECTIONAL SURVEY MADE Yes	
26. TYPE ELECTRIC AND OTHER LOGS RUN LDT-CNL-GR, DLL-GR								27. WAS WELL CORED No	



28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
8-5/8" J55	24	636	12-1/4	425 sx C Circ	None
4-1/2" J55	10.5	3129	7-7/8	400 sx Lite 200 sx C Circ	None

29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number) 2890, 92, 2900, 02, 04, 06, 29, 38, 60, 74, 76, 82, 88, 98, 3000 (32 holes, 2 spf)				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
DEPTH INTERVAL (MD)		AMOUNT AND KIND OF MATERIAL USED					
2890 - 3000		A: 3000 gal 15% NEFE F: 101,442# Sd 366 gal KCL, 688 mcf N2					

33. PRODUCTION

DATE FIRST PRODUCTION 07/24/99		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing				WELL STATUS (Producing or shut-in) Prod	
DATE OF TEST 08/02/99	HOURS TESTED 24	CHOKE SIZE full	PROD'N FOR TEST PERIOD →	OIL—BBL. 21	GAS—MCF. 881	WATER—BBL. 3	GAS-OIL RATIO 41952
FLOW. TUBING PRESS.	CASING PRESSURE 50	CALCULATED 24-HOUR RATE →	OIL—BBL. 21	GAS—MCF. 881	WATER—BBL. 3	OIL GRAVITY-API (CORR.)	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Sold

TEST WITNESSED BY
Chuck Morgan

35. LIST OF ATTACHMENTS
Logs, Deviation Survey

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Bonnie Atwater TITLE Regulatory Tech. DATE 09/01/99

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes 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.

SDX Resources, Inc.
P.O. Box 5061
Midland, Texas 79704

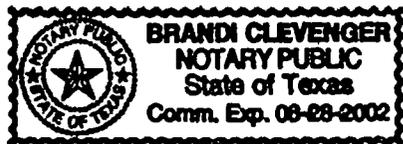
JUN 28 1999

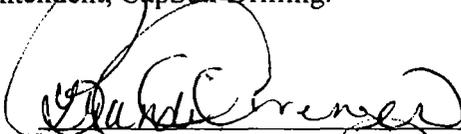
Wells Federal # 21
Lea county, New Mexico

445	4.45	3/4	1.31	5.84	5.84
650	2.05	1 1/2	2.63	5.38	11.22
1162	5.12	3/4	1.31	6.72	17.94
1660	4.98	3/4	1.31	6.54	24.48
2067	4.07	1 3/4	3.06	12.46	36.94
2408	3.41	2 1/2	4.38	14.92	51.86
2594	1.86	2 3/4	4.81	8.95	60.81
2730	1.36	2 3/4	4.81	6.55	67.36
2813	0.83	3	5.25	4.36	71.72
3130	3.17	3	5.25	16.64	88.36


Michael Roghair - Drilling Superintendent

The attached instrument was acknowledged before me on the 28 day of June, 1999 by Michael Roghair - Drilling Superintendent, CapStar Drilling.




Notary Public

37. SUMMARY OF POROUS ZONES: (State 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):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Yates	2888	3090	

38. GEOLOGICAL MARKERS			38. GEOLOGICAL MARKERS		
NAME	TOP		NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH		MEAS. DEPTH	TRUE VERT. DEPTH
Salt	1100				
Tansill	2730				
Yates	2888				

PROPERTY	PROPERTY NAME	EFFECTIVE				PREPAYMENT		COST	AFIL
		DECK	DATE	OWNER	OWNER NAME	D.D.I.	LEASE WELL		
022500-21	WELLS FEDERAL #21	A	**BASE**	5790910	WILLIAM S. MONTGOMERY, JR.	0.05000000	021750-	0	N
Deck Header for 022500-21-A				8096680	ST.ANSELM 99-A PARTNERS, LLP	0.75000000	022500-21	0	N
				9999816	SDX Natural Gas Partners LLC	0.20000000	022500-21	0	Y
				*** DECK TOTAL	3 OWNERS	1.00000000			

District I - (505) 393-6161
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

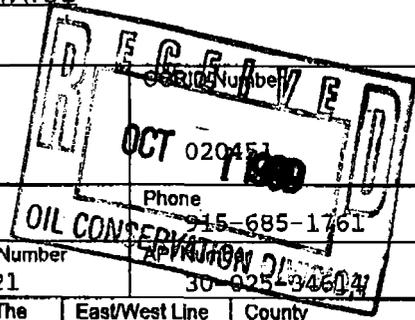
New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE

APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address SDX Resources, Inc. P. O. Box 5061, Midland, Texas 79704									
Contact Party Fred C. Corey									
Property Name Wells Federal							Well Number #21		
UL 0	Section 5	Township 25S	Range 37E	Feet From The 660	North/South Line South	Feet From The 2310	East/West Line East	County Lea	



II. Date/Time Information

Spud Date 06/22/99	Spud Time 3:30 PM	Date Completed 07/24/99	Pool Jalmat Gas (T-Y-7R)
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- III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.
- IV. Attach a list of all working interest owners with their percentage interests.
- V. AFFIDAVIT:

State of TEXAS)
County of Midland) ss.

John Pool, being first duly sworn, upon oath states:

- 1. I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- 2. To the best of my knowledge, this application is complete and correct.

Signature [Signature] Title Vice President Date October 1, 1999

SUBSCRIBED AND SWORN TO before me this 1st day of October, 1999.



Barbara E. Wickham
Notary Public

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>Mark Kelly</u>	Title <u>P.E. Spee</u>	Date <u>OCT 5 1999</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: _____

NOTICE: The operator must notify all working interest owners of this New Well certification.

OPERATOR

2Y

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

AUG 1 1999

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
LC-055546

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Wells Federal #21

9. API Well No.

30-025-34614

10. Field and Pool, or Exploratory Area

Jalmat Gas (T-Y-7R)

11. County or Parish, State

Lea Co., NM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

SDX Resources, Inc.

3. Address and Telephone No.

PO Box 5061, Midland, TX 79704 915/685-1761

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FSL, 2310' FEL
Unit O, Sec 5, T25S, R37E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
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	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
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	<input type="checkbox"/> New Construction
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	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

6-22-99 Spud 12-1/4" hole 3:30 pm. Drill to 650'. Run 8-5/8" J-55, 24# csg to 636'. Cmt w/425 sx Class C. Circ 150 sx. WOC.

6-23-99 WOC total 18 hrs. Start drig 7-7/8" hole.

6-25-99 Reach TD of 3130' @ 7:30 pm. Run LDT-CNL-GR & DLL-GR open hole logs. Run 4-1/2" J-55, 10.5# csg to 3129'. Cmt w/400 sx Lite & 200 sx Class C tail. Circ 15 sx. Release rig 9:00 am 6/26/99.

Presently completing & testing.

as

14. I hereby certify that the foregoing is true and correct

Signed

Bonnie C. Stewart

Title Regulatory Tech.

Date 08/05/99

(This space for Federal or State office use)

Approved by
Conditions of approval, if any:

Title

ENTERED IN[®]
AFMSS

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*See Instruction on Reverse Side

Form 3160-4
(July 1992)

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

**OPERATOR'S COPY
SUBMIT IN DUPLICATE***

(See other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

LC-055546

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Wells Federal #21

9. API WELL NO.

30-025-34614

10. FIELD AND POOL, OR WILDCAT
Jalmat Gas (T-Y-7R)

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec. 5, T25S, R37E

12. COUNTY OR PARISH

Lea

13. STATE

NM

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 DEEP-EN PLUG BACK DIFF. RESVR. Other _____

2. NAME OF OPERATOR

SDX Resources, Inc.

3. ADDRESS AND TELEPHONE NO.

PO Box 5061, Midland, TX 79704 915/685-1761

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)

At surface
660' FSL 2310' FEL Unit O
At top prod. interval reported below

At total depth
Same

14. PERMIT NO. _____ DATE ISSUED _____

15. DATE SPUDDED
06/22/99

16. DATE T.D. REACHED
06/25/99

17. DATE COMPL. (Ready to prod.)
07/24/99

18. ELEVATIONS (DF, RKB, RT, GE, ETC.)
3205' GR

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD
3130'

21. PLUG, BACK T.D., MD & TVD

22. IF MULTIPLE COMPL. HOW MANY*

23. INTERVALS DRILLED BY ROTARY TOOLS
ACCEPTED FOR RECORD
SEP 7 1999

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION-TOP, BOTTOM, NAME (MD AND TVD)*
2890 - 3002

25. WAS DIRECTIONAL SURVEY MADE
Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN
LDT-CNL-GR, DLL-GR

27. WAS WELL CORED
No

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
8-5/8" J55	24	636	12-1/4	425 sx C Circ	None
4-1/2" J55	10.5	3129	7-7/8	400 sx Lite 200 sx C Circ	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)
2890, 92, 2900, 02, 04, 06, 29, 38, 60, 74, 76, 82, 88, 98, 3000
(32 holes, 2 spf)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
2890 - 3000	A: 3000 gal 15% NEFE F: 101,442# Sd 366 gal KCL, 688 mcf N2

33. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)					
07/24/99	Flowing	Prod					
DATE OF TEST	HOURS TESTED	CHOKER SIZE	PROD'N FOR TEST PERIOD	OIL—BBL	GAS—MCF	WATER—BBL	GAS-OIL RATIO
08/02/99	24	full		21	881	3	41952
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL	GAS—MCF	WATER—BBL	OIL GRAVITY-API (CORR.)	
	50		21	881	3		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Sold

TEST WITNESSED BY
Chuck Morgan

35. LIST OF ATTACHMENTS

Logs, Deviation Survey

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED *Bonnie Atwater*

TITLE Regulatory Tech.

DATE 09/01/99

*(See Instructions and Spaces for Additional Data on Reverse Side)

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37. SUMMARY OF POROUS ZONES: (State all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth interval, mud lost, cushion used, time tool open, flowing and shut-in pressures, and recoveries).

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Yates	2888	3090	

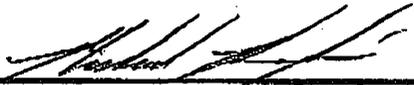
38. GEOLOGICAL MARKERS			38. GEOLOGICAL MARKERS		
NAME	TOP		NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH		MEAS. DEPTH	TRUE VERT. DEPTH
Salt	1100				
Tansill	2730				
Yates	2888				

SDX Resources, Inc.
P.O. Box 5061
Midland, Texas 79704

JUN 29 1999

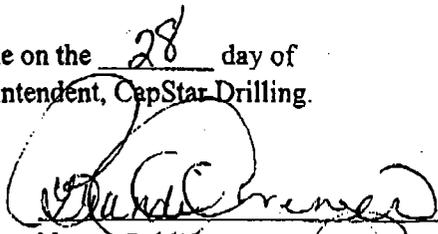
Wells Federal # 21
Lea county, New Mexico

445	4.45	3/4	1.31	5.84	5.84
650	2.05	1 1/2	2.63	5.38	11.22
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2408	3.41	2 1/2	4.38	14.92	51.86
2594	1.86	2 3/4	4.81	8.95	60.81
2730	1.36	2 3/4	4.81	6.55	67.36
2813	0.83	3	5.25	4.36	71.72
3130	3.17	3	5.25	16.64	88.36


Michael Roghair - Drilling Superintendent

The attached instrument was acknowledged before me on the 28 day of June, 1999 by Michael Roghair - Drilling Superintendent, CapStar Drilling.




Notary Public

*SDX Resources Inc.

J.I.B. DIVISION OF INTEREST LISTING LATEST DECKS
For Form C-142 Filing

DJ078 10/01/1999 PAGE 1

PROPERTY	PROPERTY NAME	EFFECTIVE			D.D.I.	PREPAYMENT LEASE WELL	COST CTR.	AFIL CODE
		DECK	DATE	OWNER				
022500-21	WELLS FEDERAL #21	A	**BASE**	5790910	WILLIAM S. MONTGOMERY, JR.	0.05000000	021750-	0 N
Deck Header for 022500-21-A				8096680	ST.ANSELM 99-A PARTNERS, LLP	0.75000000	022500-21	0 N
				9999816	SDX Natural Gas Partners LLC	0.20000000	022500-21	0 Y
				*** DECK TOTAL	3 OWNERS	1.00000000		