

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. 30-015-30815
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.

<p align="center">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.)</p>		<p>Lease Name or Unit Agreement Name NW State</p>
Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	Name of Operator SDX Resources, Inc.	Well No. 8
Address of Operator PO Box 5061, Midland, TX 79704	Pool name or Wildcat Artesia (QN-GB-SA)	
Well Location Unit Letter <u>N</u> <u>1090</u> Feet From The <u>South</u> Line and <u>2126</u> Feet From The <u>West</u> Line Section <u>32</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County		
Elevation (Show whether DF, RKB, RT, GR, etc.) 3668' GR		

11

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>	

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ANBANDONMENT <input type="checkbox"/>
CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: Spud & set csg <input checked="" 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 @ 12:45 pm 11/18/99. Drill to 505'. Ran 12 jts 8-5/8" J-55, 24# csg to 492'. RU Dowell & cmt w/350 sx Class C cmt. Circ 72 sx to pit. WOC total of 18 hrs.

Drill 7-7/8" hole to 3310'. Reach TD 5:00 am 11/24/99. Run LDT-CNL-GR & DLL OH logs. Run 80 jts J-55, 15.5# csg. Set @ 3302'. RU Dowell & cmt w/300 sx Lite & 300 sx Class C. Circ 47 sx.

Release Rig 8:00 pm 11/24/99.

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 02-02-00

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

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

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 _____ 200.0	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 _____ 610.0	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____ 938.0	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____ 1360.0	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____ 1645.0	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____ 1906.0	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. Permain _____	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	Rdbd/Gravel/Caliche				
150.0	200.0	50.0	Sand				
200.0	610.0	410.0	Anhy				
610.0	1360.0	750.0	Anhy/Dolo				
1360.0	1906.0	546.0	Anhy/Dolo/Sd				
1906.0	3310.0	1404.0	Dolo				

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 _____ 200.0	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 _____ 610.0	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____ 938.0	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____ 1360.0	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____ 1645.0	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____ 1906.0	T. Simpson _____	T. Gallup _____	T. Ignacio Otzte _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinbry _____	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
0.0	150.0	150.0	Rdbd/Gravel/Caliche				
150.0	200.0	50.0	Sand				
200.0	610.0	410.0	Anhy				
610.0	1360.0	750.0	Anhy/Dolo				
1360.0	1906.0	546.0	Anhy/Dolo/Sd				
1906.0	3310.0	1404.0	Dolo				

WELL NAME AND NUMBER N.W. State #8

LOCATION Section 32, T17S, R28E, 1090' FSL, 2126' FWL, Eddy County

DEC 03 1999

OPERATOR SDX Resources, Inc.

DRILLING CONTRACTOR United Drilling, Inc.

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and had conducted deviation tests and obtained the following results:

<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>
<u>3/4° 505'</u>	_____	_____
<u>3/4° 1027'</u>	_____	_____
<u>3/4° 1528'</u>	_____	_____
<u>1/2° 1995'</u>	_____	_____
<u>1/2° 2518'</u>	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Drilling Contractor United Drilling, Inc.

By: [Signature]

Title: Business Manager

Subscribed and sworn to before me this 10th day of November, 1999.

[Signature]
Notary Public

My Commission Expires: 9-25-2003

[Signature] County [Signature] State

PROPERTY	PROPERTY NAME	EFFECTIVE		OWNER	OWNER NAME	D.D.I.	PREPAYMENT		COST	AFIL
		DECK	DATE				LEASE	WELL		
022800-08	NW STATE #08	A	**BASE**	0321200	ERAM ALI	0.02000000	022800-08		0	N
Deck Header for 022800-08-A				0352380	ALPINE RESOURCES, LLC	0.12500000	022800-08		0	N
				2535380	ETKIND OIL, LLP	0.06250000	022800-08		0	N
				5790910	WILLIAM S. MONTGOMERY, JR.	0.05000000	022800-08		0	N
				7332200	WM. SCOTT RAMSEY	0.02000000	022800-08		0	N
				8031380	SOG INVESTORS, LLC	0.06250000	022800-08		0	N
				8096200	ST.ANSELM EXPLORATION COMPANY	0.25000000	022800-08		0	N
				9999802	STEPHEN G. SELL	0.18000000	022800-08		0	Y
				9999803	JOHN D. POOL	0.18000000	000099-		0	Y
				9999812	FRED C. COREY	0.02500000	022800-08		0	Y
				9999814	CHARLES M. MORGAN	0.02500000	022800-08		0	Y
				*** DECK TOTAL	11 OWNERS	1.00000000				