

11/20/06

WJW

FWVJ 0632650338

DIAC-3828

District I
1623 N. French Drive, Hobbs, NM 88240District II
1301 W. Grand Avenue, Artesia, NM 88210District III
1000 Rio Brazos Road, Aztec, NM 87410District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505State of New Mexico
Energy, Minerals and Natural Resources DepartmentOil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505Form C-107A
Revised June 10, 2003APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Welch RL # 6 Address C 28 17S 28E County Eddy
 Lease Well No. Unit Letter-Section-Township-Range
 OGRID No. Property Code API No. 30-015-32456 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<u>Red Lake-SA (oil)</u>		<u>ARTESIA</u> <u>Red Lake-Gl/Kgo (oil)</u>
Pool Code	<u>97253</u>		<u>5420 96830</u>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	<u>Perf 2271-2510</u>		<u>Perf. 3411-50</u>
Method of Production (Flowing or Artificial Lift)	<u>pumping</u>		<u>pumping</u>
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	<u>N/A</u>		<u>N/A</u>
Oil Gravity or Gas BTU (Degree API or Gas BTU)	<u>36</u>		<u>38</u>
Producing, Shut-In or New Zone	<u>Prod.</u>		<u>Prod.</u>
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: <u>8/1/06</u> Rates: <u>2.5 BOPD</u> <u>32 mcf/d</u>	Date: Rates:	Date: <u>11/1/06</u> Rates: <u>8.5 BOPD</u> <u>10 mcf/d</u>
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil <u>23%</u> Gas <u>76%</u>	Oil Gas % %	Oil Gas <u>77%</u> <u>24%</u>

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
 If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐
 Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOC Reference Case No. applicable to this well: PC-1087

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE _____ TITLE _____ DATE _____

TYPE OR PRINT NAME _____ TELEPHONE NO. () _____

E-MAIL ADDRESS _____

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

Nov. 16, 2006

Attention: Mr. Will Jones

RE: Downhole commingling applications
Welch RL State #2 & #6
Sec. 28 T17S R28E
Eddy County, New Mexico

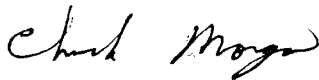
Dear Mr. Jones

SDX Resources respectfully request permission to downhole commingle production from the Artesia Yeso Glorietta pool with production from the Red Lake Sa pool in both their Welch RL #2 & #6 wells (Previously covered by order # PC1087). Ownership is identical for both pools on the lease. 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. Downhole commingling will improve the economics of the lease, extending its life, resulting in the recovery of additional reserves.

The following data is submitted for your information:

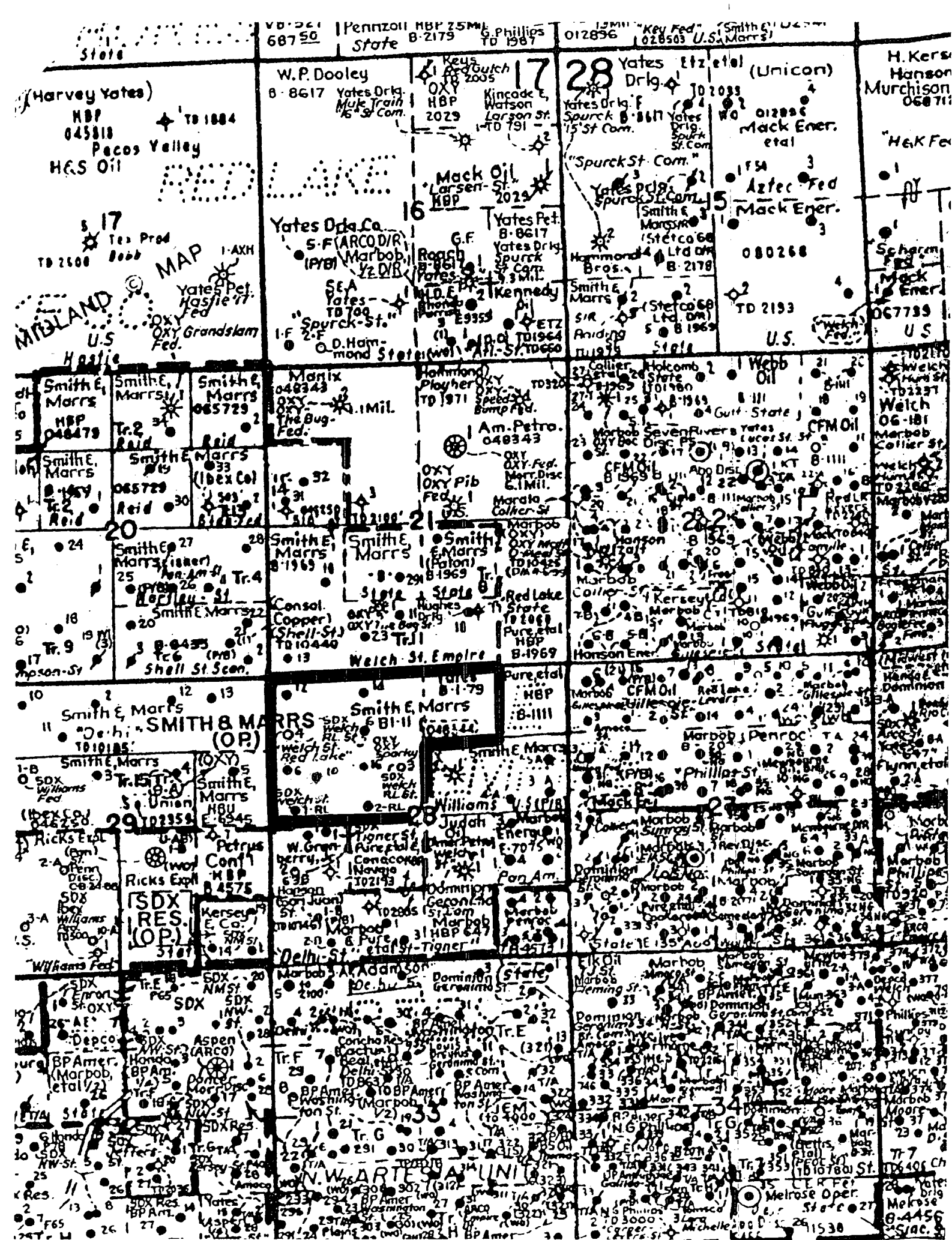
Attachment 1-A&B:	PC-1087 & Lease Maps
Attachment 2	C-107's
Attachment 3	Production History
Attachment 4:	Well Plats and Completion Data
Attachment 5:	Supporting Data

Sincerely,



Chuck Morgan

2006 NOV 20 PM 1 23



Watch Pl #6

Production Total 11/1/66: 11 BOPD 42 mscd
(San Andres Only)

#6 Totals: 8.5 BOPD Yaso 12 mscd Yaso
2.5 BOPD San Andres 32 mscd S.A.
11 BOPD 42 mscd

Watch AL #6 Oil Ratio: 77% Yaso
23% San Andres

Gas Ratio: 23% Yaso
77% San Andres

Watch Pl #2

Production Total 1/2/63 3 BOPD 6 mscd
(Yaso Prod. Only)

#2 Totals: 8 BOPD Yaso 6 mscd Yaso
3 BOPD San Andres 12 mscd S.A.
11 17

Watch AL #2 Oil Ratio: 73% Yaso
27% San Andres

Gas Ratio: 27% Yaso
73% San Andres

SDX Resources, Inc.
WELCH RL STATE LEASE:

Welch-Red Lake State Tract:

State of New Mexico Lease No. B-1111 insofar as it covers:

Township 17 South, Range 28 East, N.M.P.M.

Section 28: NW/4; NW/4 NE/4

Containing 200 acres, more or less, limited to depths from the base of the Unitized Formation of the Red Lake Premier Sand Unit down to 3,500 feet below the surface.

Production History

house average production: June - Aug/66 361 PPD
" " " " " " " " 4 PPD
2172 mason
3 50 mason

October / 06 house TOTAL : 488 BOPM 7091 m250
28 BOPD 142 m260

Watch RL #6 Time - Aug/06 :
average production 2.5 BOPD
32 cases

Last Twelve Months Historic Production Report

Project: C:\Program Files\IHS Energy\PowerTools v8.0\Welch RL.mdb

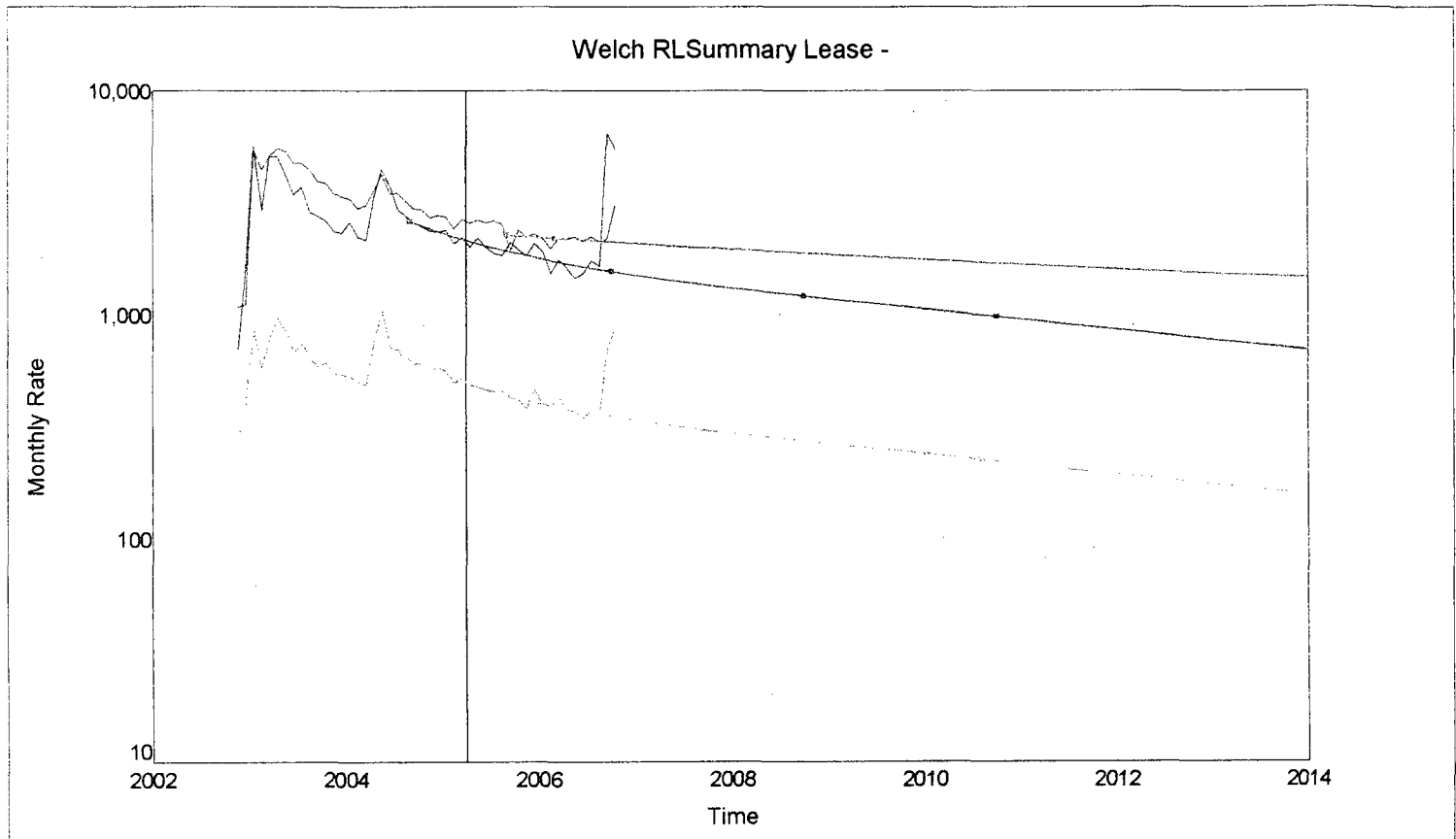
Lease Name: Welch RLSummary Lease ()

Operator:

County, ST: ,

Field Name:

Location: 0-0-0



Date	Well Count	Days On	Oil (bbl)	Gas (mcf)	Water (bbl)	Injection (bbl)
Previous		3,579	21,589	120,482	100,138	0
11/2005	4	120	383	2,222	1,845	0
12/2005	4	124	468	2,314	2,096	0
01/2006	4	118	401	2,188	1,927	0
02/2006	4	104	392	1,995	1,546	0
03/2006	4	124	429	2,194	1,771	0
04/2006	4	120	380	2,194	1,632	0
05/2006	4	110	369	2,247	1,467	0
06/2006	4		348	2,135	1,546	0
07/2006	4		372	2,244	1,753	0
08/2006	4		363	2,137	1,665	0
09/2006			708	2,207	6,476	0
10/2006			888	3,091	5,499	0
Total:		4,399	27,090	147,650	129,361	0

**SDX Resources, Inc. - WELCH RL STATE #6 - Eddy Co., NM -
API #30-015-32456 - United Drilling Rig #4 - New Drill.**

- 11/21/02 - 455' - Day #1. MW FW, PP 500, GPM 327, SPM 64. Bit #1: 12-1/4", Jets 13-13-13, 41'/Hr, WOB all, RPM 70.
MIRU. Spud 12-1/4" hole @ 8:00 pm 11/20/02. (Lost circ @ 70'. Dry drill. 50% returns @ 355')
DWC: \$25,798 CWC: \$25,798
- 11/22/02 - 455' - Day #2. Circ. TOH & LD 3 - 8" DC & shock sub. Tight spot @ 176'. WO csg crew. RU csg crew & run csg (csg didn't go). Pull jts out. PU 1 - 8" DC & TIH w/17-1/2" bit. TOH & LD 2 - 8" DC & shock sub. Reaming w/12-1/4" bit from 0' - 355'. TOH w/DC & DP to see if csg goes. RU csg crew & run 3 jts 8-5/8" csg & csg didn't go. Tagged @ 150' & LD csg & csg crew. TIH w/5 jts DP to set a plug @ 150'. RU cmtrs & cmt w/400 sx "C". TOH w/DP. Cmt @ 10'. WOC.
DWC: \$10,798 CWC: \$36,596
- 11/23/02 - 455' - Day #3. Anhy. MW 9, Vis 60, PP 500, GPM 327, SPM 64. Bit #1: 12-1/4", Jets 13-13-13. WOC. Mix 112 sx FWG & cond pits. Drill cmt plug w/12-1/4" bit & wash to bottom. Circ & cond hole. TOH. Run 10 jts 24# 8-5/8" J-55 csg. Land off @ 428'. RU & cmt w/400 sx Cl C w/24 CaCl & 1/4#/sx cellophane. PD 6:00 am 11/23/02. Circ 105 sx. WOC.
DWC: \$16,106 CWC: \$52,702
- 11/24/02 - WOC. Take off landing jt. NU hydrill & flow line. Test hydrill 500# - 30 min. SD. Will resume drlg 11/30/02 @ 7:00 am.
DWC: \$3,150 CWC: \$55,852
- 11/25/02 - SD till 11/30/02.
11/29/02 CWC: \$55,852
- 11/30/03 - 1090' - Made 635'. Day #10. Anhy. PP 800, GPM 317, SPM 62, Bit #2: 7-7/8", Jets 13-13-13, 36'/Hr, WOB 35, RPM 60. Dev: 1° @ 517', 3/4° @ 1029'.
Drill cmt & insert float. Tag @ 380'. Start drlg formation.
DWC: \$10,924 CWC: \$66,776
- 12/1/02 - 1727' - Made 637'. Day #11. MW 10, Vis 32, WL 30, Ph 9.9, PP 850, GPM 327, SPM 62. Bit #2: 7-7/8", Jets 13-13-13, 28'/Hr, WOB 35, RPM 60. Dev: 3/4° @ 1513'.
Continue drlg formation.
DWC: \$10,250 CWC: \$77,026
- 12/2/02 - 2090' - Made 363'. Day #12. MW 9.4, Vis 29, WL 30, Ph 11, PP 900, GPM 327, SPM 62. Bit #2: 7-7/8", Jets 13-13-13, 16'/Hr, WOB 35, RPM 60. Dev: 1/2° @ 1999'.
Continue drlg formation.
DWC: \$6,046 CWC: \$83,072

- 12/3/02 - 2573' - Made 483'. Day #13. Dolo. MW 9.4, Vis 30, WL 30, Ph 12, PP 900, GPM 327. Bit #2: 7-7/8", Jets 13-13-13, 31'/Hr. Dev: 1/2° @ 2512'. Continue drlg formation. DWC: \$7,726 CWC: \$90,798
- 12/4/02 - 2907' - Made 334'. Day #14. Dolo. MW 9.4, Vis 30, WL 35, pH 12, PP 900, GPM 327, SPM 62. Bit #2: 7-7/8", Jets 13-13-13, 18'/Hr, WOB 35, RPM 60. Drill to 2907'. Circ to trip for bit. TOH for 7-7/8" bit. (All 3 cones run off bit, at least 2 magnet runs & hauling out new #1 pump.) DWC: \$5,576 CWC: \$96,374
- 12/5/02 - 2907'. Day #15. Bit #3: 7-7/8", Jets 13-13-13, RPM 60. TOH for 7-7/8" bit. TIH w/fishing tool. Work on pump. TOH w/fishing tool & circ. WO wireline. Run wireline w/fishing tools to try to get bit cones & RD wireline. TIH w/magnet to try fishing bit cones. Break circ w/magnet to work fish (2 bit cones). TIH w/7-7/8" bit & junk basket. DWC: \$900 CWC: \$97,274
- 12/6/02 - 3398' - Made 491'. Day #16. Dolo/Sd. MW 10, Vis 30, WL 30, Ph 10.5, PP 1000, GPM 317, SPM 60. Bit #2: 7-7/8", Jets 13-13-13, 20'/Hr, WOB 35, RPM 60. Dev: 1° @ 2992'. Continue drlg formation. DWC: \$8,371 CWC: \$105,645
- 12/7/02 - 3520' TD - Made 122'. Day #17. MW 9.7, Vis 30, WL 30, Ph 11, PP 1000, SPM 60. Bit #3: 7-7/8", Jets 13-13-13, 27'/Hr, WOB 35. Dev: 1/4° @ 3520'. Reached TD 3520' 11:30 am 12/6/02. Circ. TOH. Run LDT-CNL-GR, DLL-GR & cut 22 cores. RU Bull Rogers & run 86 jts 5-1/2" J-55 14# csg. Land off @ 3514'. RD csg crew & RU BJ. Circ cmt w/400 sx 35/65 POZ "C" lead & 400 sx "C" w/2% CaCl tail. PD 4:15 am 12/7/02. Circ 68 sx to pit. ND BOP & set slips. Pack off head & jet pits. RR 7:00 am 12/7/02. DWC: \$45,985 CWC: \$151,630
- 12/8/02 - WO Completion.
12/21/02 CWC: \$151,630
- 12/22/02 - MIRU. NU BOP. Tally 111 jts 2-7/8" tbg = 3519.40'. SD for weekend. DWC: \$27,575 CWC: \$179,205
- 12/23/02 - SD for weekend. CWC: \$179,205
- 12/24/02 - TIH w/110 jts + 15'. Tag PBTD @ 3500'. Roll csg w/2% KCL. Test csg & BOP 1000#. TOH w/tbg. SD for Holidays. DWC: \$1,800 CWC: \$181,005

- 12/25/02 - SD for Holidays.
12/26/02 CWC: \$181,005
- 12/27/02 - RU Computalog & run GR-CCL log. PBTB (3468') to 1800'. Perf 1 spf: 2271', 80, 92, 2319, 30, 2334, 36, 40, 48, 55, 61, 74, 78, 82, 92, 2400, 17, 2422, 26, 34, 39, 46, 58, 86 2500 10 (26 holes by LDT-CNL-GR OH log depth). TIH w/PPI tool and set to ~2200'. SDON.
DWC: \$6,150 CWC: \$187,155
- 12/28/02 - TIH. Hang collar & get on depth. Spot acid across perfs & load tbgs. Break down perfs 2271 - 2510 in 12 settings w/1 bbl ec. Avg break = 2853#. Pull up to 2180'. Fish acid bar. Reverse annulus. Set pkr & acidize w/65 bbls & 50 ball sealers @ 6 bpm. Balled out 4302#. Surged balls off. Put away remaining acid & flush to bottom perf. ISIP = 907#, 15 min = 771#. Flow back & swab dry in 9 runs, treating fl, 1 hr = 50' entry, treating fl 2nd hr = 100' entry, treating fl, left cracked to pit & SDON. Total Acid: 3500 gal 15% NEFE 11 gal Ferrotral 270, 4 gal Ferrotral 271, 4 gal NE13 & 4 gal Cl-27 + 50 ball sealers.
DWC: \$9,137 CWC: \$196,292
- 12/29/02 - 980' entry overnight. Swab dry in 3 runs w/trace of oil & sm gas. TIH knocking off balls. Pull back to 2180'. Reset pkr & swab dry. Wait 1 hr w/100' entry w/2% oil cut & sm gas. TOH w/tbgs & pkr. ND BOP. NU frac valve. Fill 2 frac tanks & prep to frac 12/30/02 morning.
DWC: \$2,100 CWC: \$198,392
- 12/30/02 - SD for weekend.
CWC: \$198,392
- 12/31/02 - RU BJ & frac down 5-1/2" csg w/40,000 gal Viking 25 & 55,000# 16/30 & 55,000# 12/20 Brady. Staged 1-5# w/5# hold on 12/20 @ 30 bpm. Avg treating psi = 1446#, ISIP = 1627#, 15 min = 1113#. SI csg overnight. RU flow back line. Get rods & wellhead ready. Consolidate all fl to 1 tk w/1load 2% KCL. SDON.
DWC: \$29,658 CWC: \$228,050

1/1/03 - Csg dead. NU BOP & TIH. Tag sd @ 3302'. Wash sd to 3390'.
LD 29 jts. Pull 35 stands, install TAC. TIH w/35 stands. ND
BOP. Set TAC. Pack off tbg head, assemble wellhead. TIH
w/pump & rods. Space out rods. Began pmpg back load @ 4:00
pm to pit.
Cabot 160D SN 2194027 w/Square D size 2 control panel, 62"
st @ 8 spm = 230 bbls.
1 - 2-7/8" crimped MA @ 2590'
1 - 2-7/8" API SN @ 2557'
11 jts - 2-7/8" tbg
1 - 2-7/8" x 5-1/2" TAC @ 2210'
70 jts - 2-7/8" tbg
1 - 1-1/4" x 1' strainer nipple
1 - 2-1/2" x 2" x 12' RWAC
1 - 1" x 1' lift sub
101 - 7/8" rods
1 - 7/8" x 8' sub
1 - 1-1/4" x 22' polish rod w/12' liner
DWC: \$11,325 CWC: \$239,375

1/2/03 - Put on line 4:00 pm 12/31/02. Prod 180 BLW to pit.

1/3/03 - Prod for 12/31/02: 180 LW to pit.
Prod for 1/1/03: Trace of oil, ~10 MCF, 220 BW. Turned to
battery 4:00 pm 12/31/02.

1/6/03 - Prod for 1/2/03: 0 BO, 46 MCF, 320 BW
Prod for 1/3/03: 16 BO, 97 MCF, 285 BW
Prod for 1/4/03: 17 BO, 126 MCF, 235 BW

1/7/03 - Prod for 1/5/03: 21 BO, 146 MCF, 250 BW

1/8/03 - Prod for 1/6/03: 15 BO, 153 MCF, 184 BW. Reset back press
reg.

1/9/03 - Prod for 1/7/03: 8 BO, 161 MCF, 146 BW. 5 jts to FL, 94 jts
to SN

1/10/03 - Prod for 1/8/03: 7 BO, 176 MCF, 62 BW. Gas locked - lowered
rods, pumping again.

1/11/03 - Prod for 1/9/03: 15 BO, 161 MCF, 217 BW

1/12/03 - Prod for 1/10/03: 24 BO, 186 MCF, 186 BW

1/13/03 - Prod for 1/11/03: 24 BO, 196 MCF, 172 BW

1/14/03 - Prod for 1/12/03: 11 BO, 198 MCF, 163 BW. 39 jts to FL, 60
jts to SN

1/15/03 - Prod for 1/13/03: 20 BO, 201 MCF, 160 BW

1/16/03 - Prod for 1/14/03: 28 BO, 193 MCF, 143 BW

1/17/03 - Prod for 1/15/03: 19 BO, 193 MCF, 147 BW. 69 jts to FL, 30
jts to SN

1/18/03 - Prod for 1/16/03: 14 BO, 182 MCF, 136 BW

1/19/03 - Prod for 1/17/03: 16 BO, 193 MCF, 129 BW

1/20/03 - Prod for 1/18/03: 14 BO, 171 MCF, 120 BW

1/21/03 - Prod for 1/19/03: 15 BO, 115 MCF, 140 BW

FINAL REPORT

WELCH RL #6 - API #30-015-32456 - Eddy Co., NM, Workover.

- 8/30/06 - MIRU. TOH w/rods & pump. NU BOP & TIH. Tag @ 3370'. Test tbg out 5000# w/6 sec hold. Tally tbg out. Shop TAC & pmp, 116' fill. Set swab tank w/2 loads FW & SDON.
DWC: \$9,750 CWC: \$9,750
- 8/31/06 - TIH w/notched collar, bailer & tbg. Tag @ 3370'. Bail to 3380' & bailer quit. TOH & dump bailer. TIH w/notched collar w/bar & bail 3380' - 3476'. Wait ½ hr & clean out to 3476'. TOH w/tbg & bailer. RU Weatherford WL. Shift OH depth to CH depth. Tie into CCL & perf 3411', 12, 13, 15, 16, 17, 25, 26, 27, 34, 36, 43, 44, 45, 48, 50 (2 spf, 32 holes). TIH w/5-1/2" Arrowset w/unloader & 103 jts. Set @ 3298' & SDON.
DWC: \$10,423 CWC: \$20,173
- 9/1/06 - RU BJ. Formation broke @ 1937#. Open bypass & pmp 18 bbls acid. Close bypass. Treated formation w/3500 gal 15% NEFE & 45 ball sealers @ 3-5 bpm. Avg treating psi = 1800#. Balled out twice 4300#. Surged balls off & flush to bottom perf. ISIP = 1020#, 15 min = 687#. Flow back to tank. Swab cont 20 runs = FL @ 1800' w/10% oil cut & good gas. Set 3 frac tanks & fill 2 drums SQ300 on loc. Hauled out 40 new 7/8" D rods w/ F/H, S/M cplg. SDON.
DWC: \$21,054 CWC: \$41,227
- 9/2/06 - Overnight SIP = 200#. FL @ 1000' w/500' of free oil on top. Swbd 13 runs: final FL 2100'. Swbg good gas w/a 10% oil cut. Release pkr & TIH to bottom perf. TOH & re-set pkr in original location. SI & SD for night.
DWC: \$2,200 CWC: \$43,427
- 9/3/06 - SD for weekend. WO acid blender.
9/4/06 CWC: \$43,427
- 9/5/06 - MIRU BJ Services. Treat perms w/30,000 gals heated 40# gell & 20,000 gal heated 20% HCL, pmpd in stages & followed w/3000 gal of 15% Cool Down Acid. ISIP = 1246#. Pmped job @ 10 bpm. Avg acid stage = 2026#, Avg gell stage = 2500#. RD BJ & begin flowing well back.
DWC: \$85,700 CWC: \$129,127
- 9/6/06 - Left well flowing back over night. Well dead this a.m. Release pkr & TOH. TIH w/bull plugged 31' MA, 4' perf sub, SN, 2 jts 2-7/8" tbg, TAC on 103 jts 2-7/8" tbg. SN @ 3357'. Btm tbg @ 3395'. TAC @ 3294'. ND BOP. Set TAC & assemble wellhead. TIH w/pmp on 133 - 7/8" rods & space out w/2 - 8' x 7/8" pony rods. Put choke in flowline. Begin pmpg back load. RD unit & clean location. Unable to move out due to mud. Call dozier & pull unit out. Back drag location & road.
DWC: \$11,350 CWC: \$140,477

9/7/06 - Production for 9/5/06: 0 BO, 0 MCF, 197 BW

9/8/06 - Production for 9/6/06: 0 BO, 0 MCF, 232 BW
44 jts to fluid level, 61 to seat nipple

9/11/06 - Production for 9/7/06: 0 BO, 0 MCF, 231 BW
48 jts to fluid level, 57 to seat nipple
Production for 9/8/06: 7 BO, 0 MCF, 237 BW
Production for 9/9/06: 7 BO, 0 MCF, 204 BW

Production for 9/10/06: 7 BO, 0 MCF, 214 BW. 30 JFL, 75 JSN
Production for 9/11/06: 7 BO, 0 MCF, 209 BW. 7 JFL, 98 JSN
Production for 9/12/06: 20 BO, 10 MCF, 207 BW. 39 JFL, 66 JSN
Production for 9/13/06: 18 BO, 10 MCF, 204 BW. 33 JFL, 72 JSN
Production for 9/14/06: 2 BO, 12 MCF, 208 BW. 25 JFL, 80 JSN
Production for 9/15/06: 12 BO, 12 MCF, 219 BW
Production for 9/16/06: 7 BO, 16 MCF, 200 BW
Production for 9/17/06: 10 BO, 12 MCF, 180 BW. 25 JFL, 80 JSN
Production for 9/18/06: 10 BO, 10 MCF, 195 BW
Production for 9/19/06: 13 BO, 20 MCF, 188 BW. 25 JFL, 80 JSN
Production for 9/20/06: 13 BO, 17 MCF, 178 BW
Production for 9/21/06: 21 BO, 30 MCF, 182 BW. 33 JFL
Production for 9/22/06: 30 BO, 30 MCF, 108 BW
Production for 9/23/06: 34 BO, 63 MCF, 204 BW
Production for 9/24/06: 41 BO, 61 MCF, 203 BW. 39 JFL, 66 JSN
Production for 9/25/06: 35 BO, 64 MCF, 184 BW

9/28/06 - Production for 9/26/06: 35 BO, 62 MCF, 181 BW 53 JFL 52 JSN

9/29/06 - Production for 9/27/06: 41 BO, 64 MCF, 200 BW

10/2/06 - Production for 9/28/06: 35 BO, 57 MCF, 219 BW.
72 JFL, 33 JSN

Production for 9/29/06: 24 BO, 42 MCF, 218 BW

Production for 9/30/06: 27 BO, 51 MCF, 200 BW

FINAL REPORT

District I
625 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

Form C-102

Revised March 17, 1999
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 51300	Pool Name Red Lake, ON-GB-SA
Property Code 28535	Property Name WELCH RL STATE	Well Number 6
OGRID No. 020451	Operation Name SDX RESOURCES, INC.	Elevation 3617

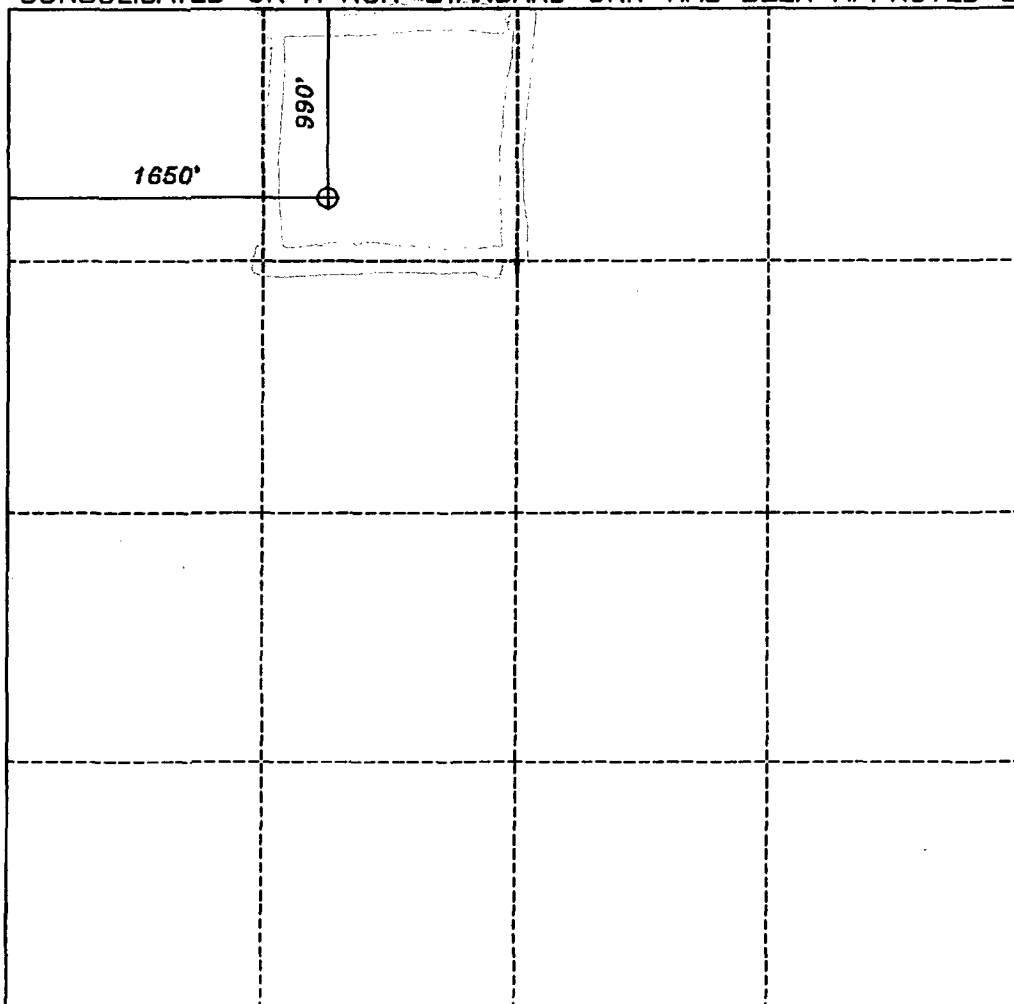
Surface Location

UL or Lot No. C	Section 28	Township 17-S	Range 28-E	Lot Idn.	Feet from the	North/South line NORTH	Feet from the 1650	East/West line WEST	County EDDY
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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 40	Joint or Infill	Consolidation Code	Order No.						

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

	OPERATOR CERTIFICATION I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
	Signature <i>Bonnie Atwater</i>
	Printed Name Bonnie Atwater
	Title Regulatory Tech
	Date 9/20/02
	SURVEYOR CERTIFICATION 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.
	SEPTEMBER 20 2002 Date
	Signature <i>[Signature]</i>
	NEW MEXICO REGISTERED LAND SURVEYOR 5412
	NM PESS 5412 Certificate Number

Last Twelve Months Historic Production Report

Project: C:\Program Files\IHS Energy\PowerTools v8.0\Welch RL.mdb

Lease Name: WELCH RL STATE (6)

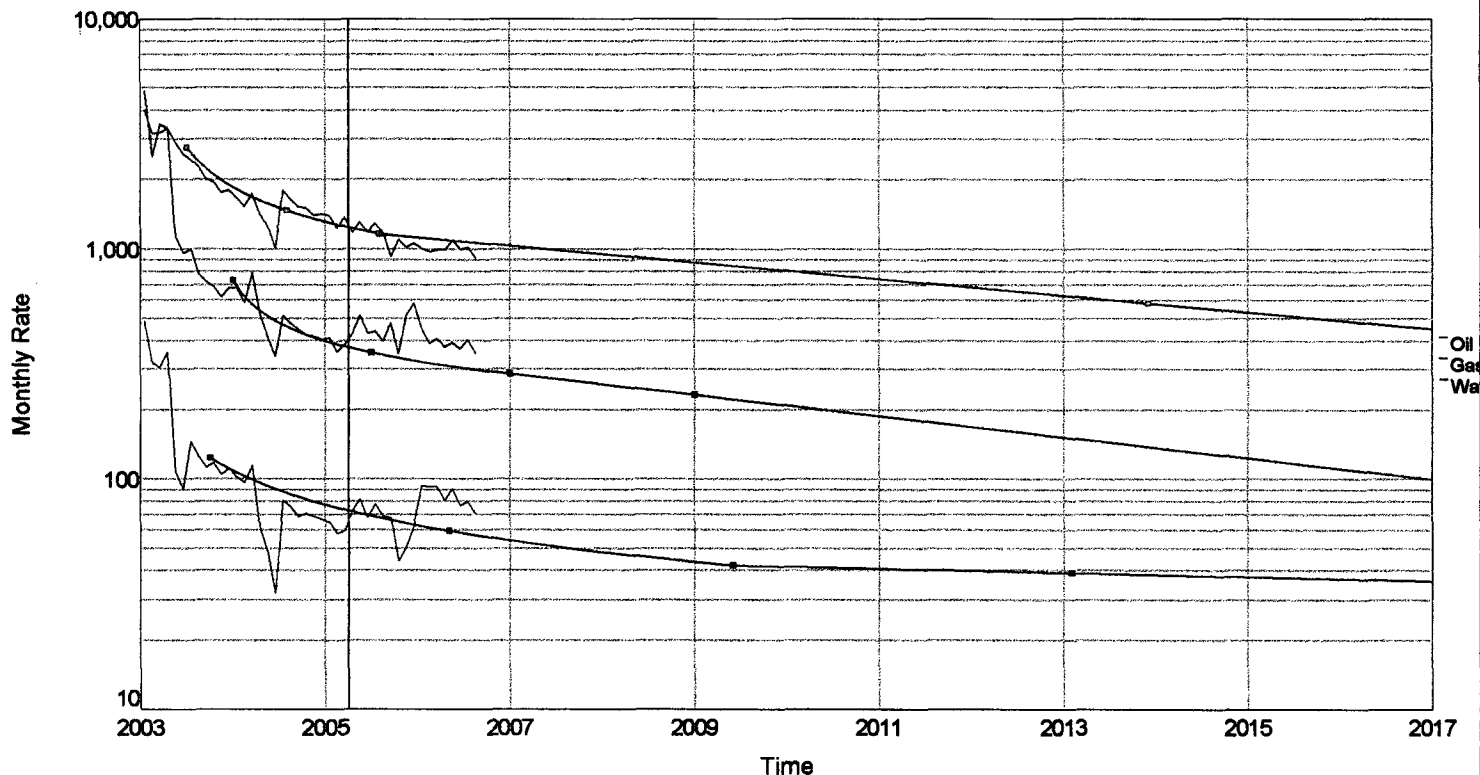
Operator: SDX RESOURCES INCORPORATED

County, ST: EDDY, NM

Field Name: RED LAKE

Location: 28C 17S 28E SW NE NW

WELCH RL STATE - 6



Date	Well Count	Days On	Oil (bbl)	Gas (mcf)	Water (bbl)	Injection (bbl)
Previous		964	3,831	59,598	30,218	0
09/2005	1	30	68	931	478	0
10/2005	1	31	44	1,106	351	0
11/2005	1	30	51	1,022	515	0
12/2005	1	31	63	1,064	585	0
01/2006	1	30	94	1,012	454	0
02/2006	1	28	93	979	391	0
03/2006	1	31	93	997	409	0
04/2006	1	30	81	997	377	0
05/2006	1	31	91	1,099	393	0
06/2006	1		77	1,002	370	0
07/2006	1		80	1,020	405	0
08/2006	1		71	918	355	0
Total:		1,236	4,737	71,745	35,301	0