

DATE IN 12/4/06	SUSPENSE	ENGINEER Jones	LOGGED IN 12/8/06	TYPE DHC	APP NO. PTDSOC 34232032
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address

SDX Resources, Inc.
P.O. Box 5061
MIDLAND, TX 79704
TEL: (432) 685-1761 FAX: (432) 685-0533
TOLL FREE: (800) 344-1761

RECEIVED

DEC 04 2006

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

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

Nov. 30, 2006

Attention: Mr. Will Jones

RE: Downhole commingling application
Enron State #4
Sec. 31 T17S R28E
Eddy County, New Mexico

Dear Mr. Jones

SDX Resources respectfully request permission to downhole commingle production from the Red Lake Yeso Glorietta pool with production from the Artesia-Qn-Gb- Sa pool in their Enron State #4 well (Previously covered by order # PC1096). 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-1096 & Lease Maps
Attachment 2	C-107
Attachment 3	Production History
Attachment 4:	Well Plat and Completion Data
Attachment 5:	Supporting Data

Sincerely,



Chuck Morgan

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
☐ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☐ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

DHC-3831

SDX Resources, Inc. PO Box 5061, Midland, TX 79704
Operator Address

Enron State 4 D, Sec 31, T17S, R28E Eddy
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 020451 Property Code 27087 API No. 30-015-32162 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
	UNDES		UNDES - CLIMATE
Pool Name	Artesia, QN-GB-SA		Yeso
Pool Code	03230 ✓		51300 96830
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2080' - 2298'		3281' - 3399'
Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
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)	N/A		N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)	36		37
Producing, Shut-In or New Zone	Producing		Producing
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.)	New Zone Date: 11/25/06 Rates: 13.5 BOPD 41.5 MCFGPD	Date: Rates:	Date: 9/30/06 Rates: 3.5 BOPD 8.5 MCFGPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 79.4 % 83 %	Oil Gas % %	Oil Gas 20.6 % 17 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? 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 ☐

NMOCD Reference Case No. applicable to this well: PC-1096

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 Chuck Morgan TITLE Engineer DATE 11/30/06

TYPE OR PRINT NAME Chuck Morgan TELEPHONE NO. (432) 685-1761

E MAIL ADDRESS cmorgan@sdresources.com

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

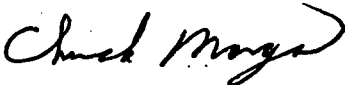
Dear Mr. Martinez

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

BA

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

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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

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**

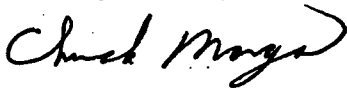
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NAME: Chuck Morgan
COMPANY: SDX Resources, Inc.
PHONE NUMBER: 915/685-1761

SDX RESOURCES, INC.

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

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.

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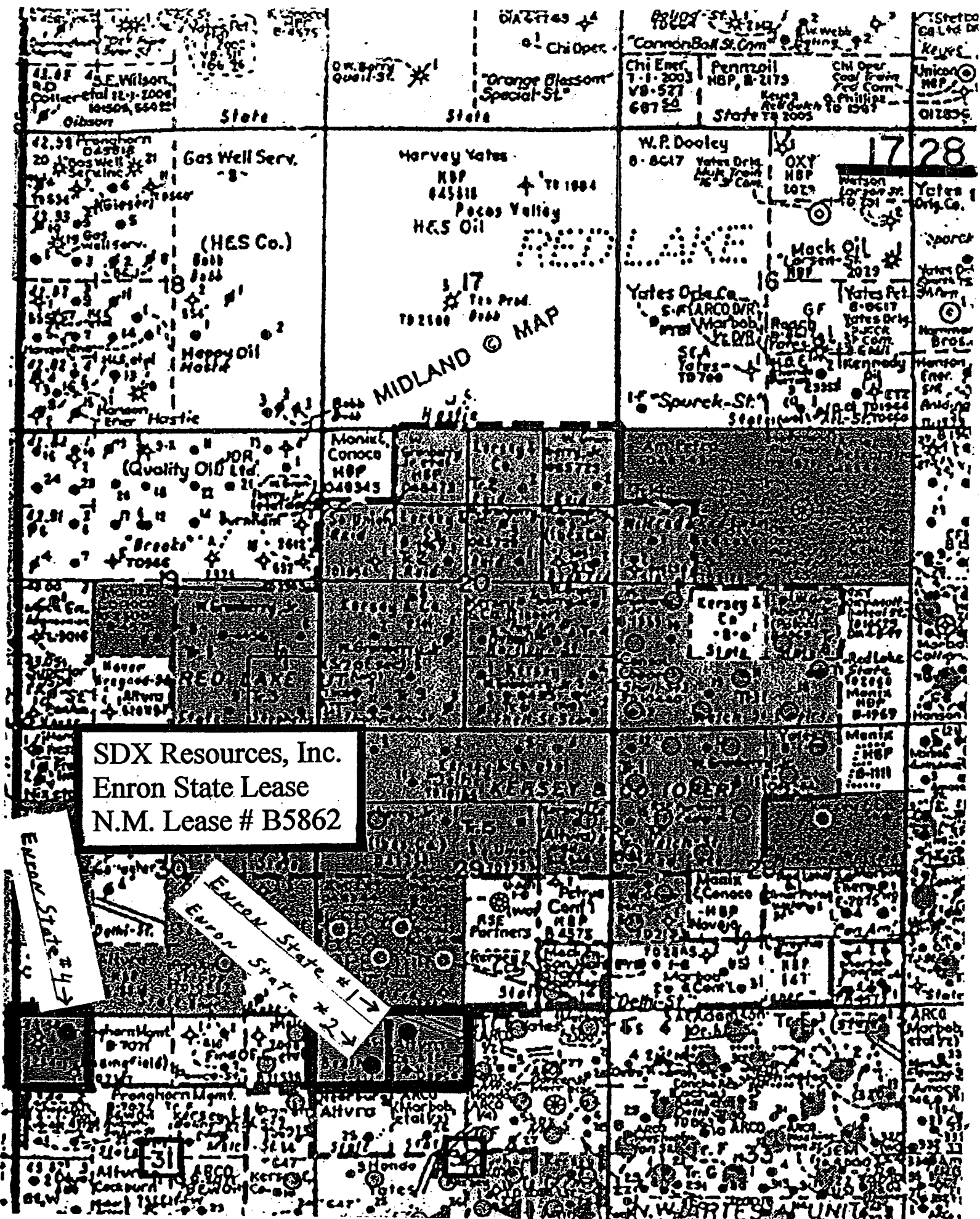
The following data is submitted for your information:

- 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,



Chuck Morgan



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

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

Form C-105
Revised 1-1-89

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

11/21/01

3678

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

4000

3700

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	AMOUNT AND KIND MATERIAL USED
2420 - 2549	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

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

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

Form C-105
Revised 1-1-89

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 _____		8. Well No. 2	
2. Name of Operator SDX Resources, Inc.		9. Pool name or Wildcat Artesia, GL-YE Q-G-5A	
3. Address of Operator PO Box 5061, Midland, TX 79704			
4. Well Location Unit Letter <u>D</u> <u>990</u> Feet From The <u>North</u> Line and <u>990</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			
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			
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
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				25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH 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	AMOUNT AND KIND MATERIAL USED
				2268 - 2647	A: 86 bbls 15% NEFE
					F: 60000 gal Viking 25 + 95000# 16/30 + 35000# 12/20 Brady

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

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

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

Form C-105
Revised 1-1-89

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 _____	
2. Name of Operator SDX Resources, Inc.	
3. Address of Operator PO Box 5061, Midland, TX 79704 432/685-1761	

4. Well Location Unit Letter <u>D</u> <u>460</u> Feet From The <u>North</u> Line and <u>990</u> Feet From The <u>West</u> Line Section <u>31</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County		8. Well No. 4		
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
21. Type Electric and Other Logs Run DLT-CNL-GR, DLL-GR			20. Was Directional Survey Made Yes	
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 6x C - Circ	-
5-1/2"	14 - 15.5# J-55	3454'	7-7/8	350 6x 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 fire)	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
--

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, NM 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	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.

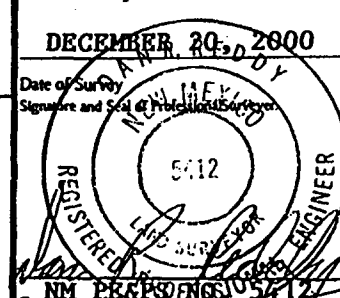
10 Surface Location

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

<div style="position: relative; height: 100px;"> 16 530' 1650' </div>				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
				Signature <u>Bonnie Atwater</u> Printed Name Bonnie Atwater Title Regulatory Tech Date 1/2/01
				18 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 belief.
				DECEMBER 20, 2000 Date of Survey Signature and Seal of Professional Engineer 

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1800 Rio Brazos Rd., Aztec, NM 87410

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State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

JUN 14 2001

Form C-102
Revised March 17, 1999

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☐ 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		2
OGRID No.	Operator Name		Elevation
020451	SDX RESOURCES, INC.		3699.

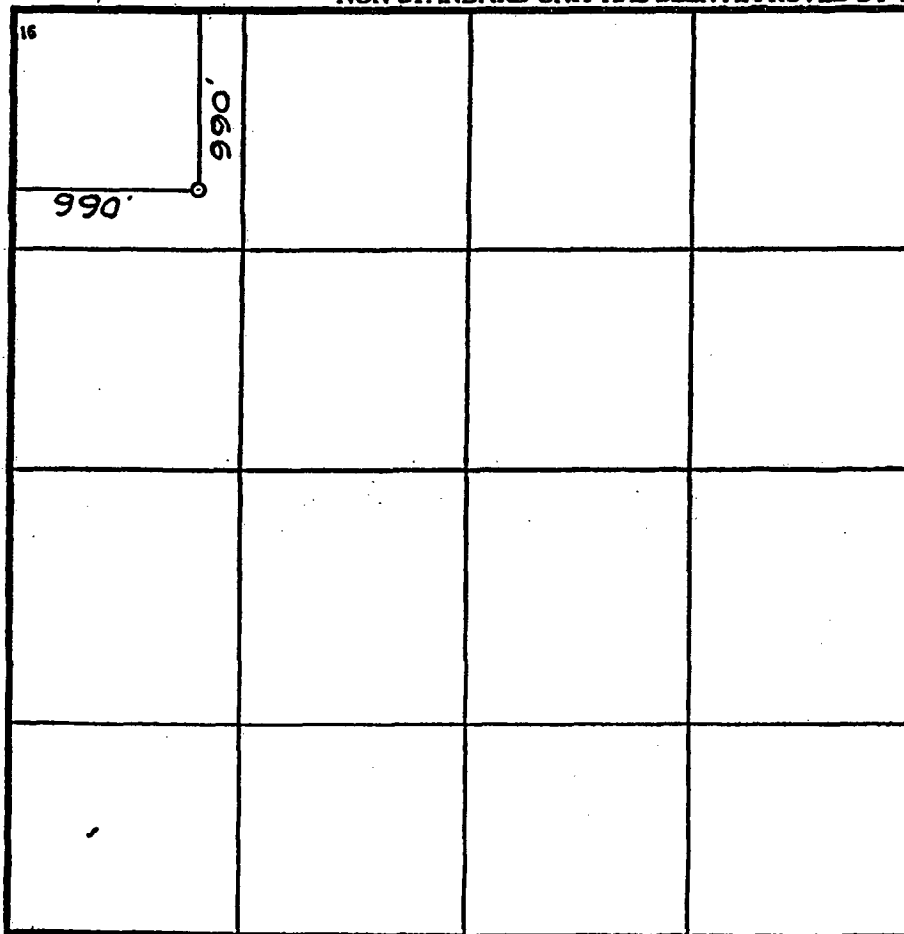
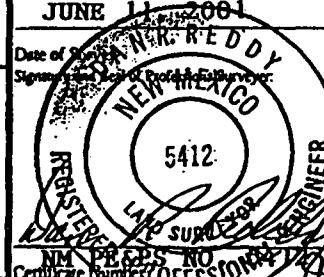
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	32	17-S	28-E		990	NORTH	990	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
¹² Dedicated Acres		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
	Signature <u>Bonnie Atwater</u>	
	Printed Name <u>Bonnie Atwater</u>	
	Title <u>Regulatory Tech</u>	
	Date <u>7/23/01</u>	
	¹⁸ 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 belief.	
	JUNE 14 2001	
	Date of Survey <u>JUNE 14 2001</u>	
	Signature and Seal of Professional Surveyor	
		

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Energy, Minerals & Natural Resources
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, N M 87505

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

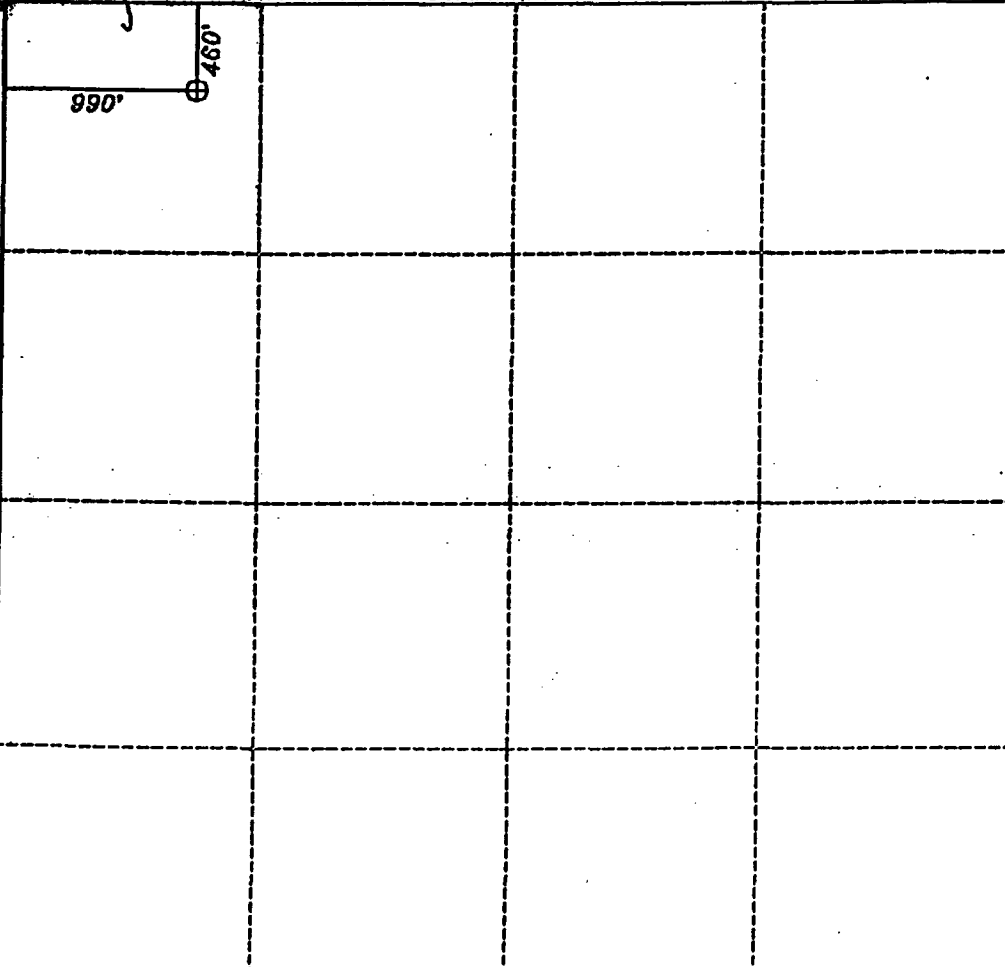
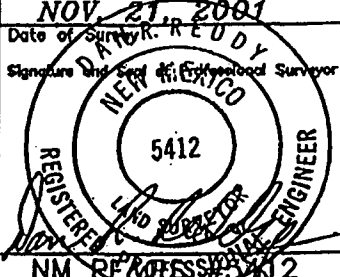
Surface Location

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

	OPERATOR CERTIFICATION I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
	<i>Bonnie Atwater</i> Signature
	Printed Name Bonnie Atwater
	Title Regulatory Tech
	Date 1/13/02
	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.
	NOV 21 2001 Date of Survey R. E. D. Y.
	Signature and Seal of Registered Surveyor 
	NM REPRODUCTION 1/2 Certificate Number

SDX Resources Inc.

PRODUCTION DETAIL REPORT BY PROPERTY

DV300 06/05/2003 PAGE 1

FROM 02/01/2003 THRU 03/31/2003

(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

<u>DATE</u>	<u>BO</u>	<u>MCF</u>	<u>BW</u>
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

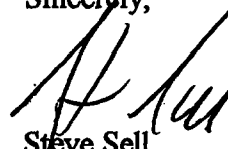
Re: Ownership Certification
Enron State #1, #2 & #4
Sec. 31-32; T17S-R28E
Eddy County, New Mexico

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.

028786

JUNE 6, 2003

CHECK NO. 028786

STATE LAND OFFICE

\$30.00

FOR: SURFACE COMMINGLE APPLICATION
FOR ENRON #4

SDX RESOURCES, INC.
OPERATING ACCOUNT
P.O. BOX 5061
MIDLAND, TEXAS 79704-5061
PH. (915) 685-1761

WESTERN NATIONAL BANK
Odessa, TX
88-737/1163

028786

CHECK NO. 028786

JUNE 6, 2003
DATE

\$30.00
AMOUNT
DOLLARS

THIRTY AND NO/100

AY
OTHER
ORDER
F

STATE LAND OFFICE
310 OLD SANTA FE TRAIL
SANTA FE NM 87501

SDX RESOURCES, INC.
OPERATING ACCOUNT

VOID AFTER 90 DAYS

⑈028786⑈ ⑆116307370⑆

80970192⑈

Security features are included. Details on back.

Last Twelve Months Historic Production Report

Project: H:\Program Files\IHS Energy\PowerTools v8.0\Projects\Enron State.mdb

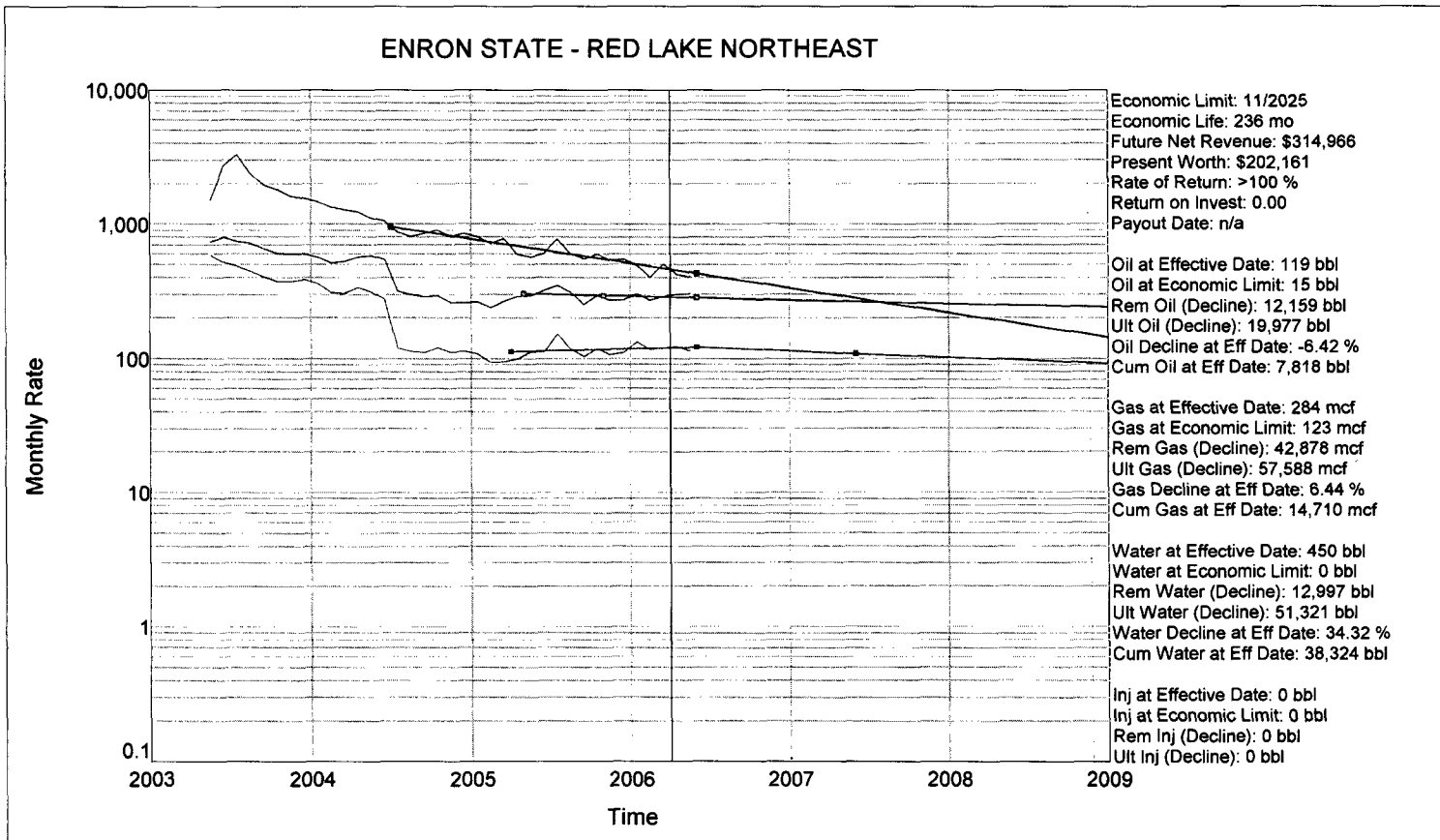
Lease Name: ENRON STATE (4)

Operator: SDX RESOURCES INCORPORATED

County, ST: EDDY, NM

Field Name: RED LAKE NORTHEAST

Location: 31 17S 28E NE NW NW



Date	Well Count	Days On	Oil (bbl)	Gas (mcf)	Water (bbl)	Injection (bbl)
Previous		740	6,637	11,791	32,747	0
06/2005	1	30	111	320	601	0
07/2005	1	31	151	347	775	0
08/2005	1	30	116	312	599	0
09/2005	1	30	103	251	546	0
10/2005	1	31	117	293	593	0
11/2005	1	30	106	268	533	0
12/2005	1	31	110	271	542	0
01/2006	1	31	132	302	489	0
02/2006	1	28	116	268	400	0
03/2006	1	31	119	287	499	0
04/2006	1	30	122	298	420	0
05/2006	1	31	113	303	405	0
Total:		1,104	8,053	15,311	39,149	0

**SDX Resources, Inc. - ENRON STATE #4 - API #30-015-32162, Eddy Co., NM,
United
Drlg Rig # , New Drill.**

- 3/21/03 - Build location. Had to shoot pits. Will line pits this weekend and rig should move in Monday 3/24/03.
DWC: \$13,930 CWC: \$13,930
- 3/24/03 - WO rig.
3/25/03 CWC: \$13,930
- 3/26/03 - MI rig.
CWC: \$13,930
- 3/27/03 - 475' - Anhy. Day #1. MW 8, Vis 28, PP 800, SPM 60. Bit #1: 12-1/4", Jets 13-13-13, WOB all, RPM 70.
MIRU United Rig #4. Spud 12-1/4" hole @ 2:00 pm 3/26/03.
DWC: \$9,520 CWC: \$23,450
- 3/28/03 - 475' - Anhy. Day #2. MW 10, Vis 28, Bit #2: 7-7/8", Jets 3-13.
Circ & cond hole. TOH w/10 8" DCs. RU Bull Rogers & run 11 jts 24# J-55 8-5/8" csg 460'. Land off @ 468' (GL). RU BJ Hughes & cmt w/375 sx of Cl C w/2% CaCl. Circ 100 sx to pit. Float not holding. SI csg. PD 11:30 am. WOC.
DWC: \$14,200 CWC: \$37,650
- 3/29/03 - 1283' - Made 808'. Day #3. MW BW, PP 700, SPM 61. Bit #2: 7-7/8", Jets 3-13, 40'/Hr, WOB 40, RPM 60. Dev: 3/4° @ 626', 3/4° @ 1007'.
Continue drlg formation.
DWC: \$12,212 CWC: \$49,862
- 3/30/03 - 1774' - Made 491'. Day #4. MW 9.9, Vis 27, WL 38, Ph 10, PP 800, SPM 60, Bit #2: 7-7/8", Jets 3-13, 24'/Hr, WOB 40, RPM 60. Dev: 3/4° @ 1499'.
Continue drlg formation.
DWC: \$11,564 CWC: \$61,426
- 3/31/03 - 2175' - Made 401'. Day #5. MW 9.9, Vis 31, Ph 9, PP 800, GPM 307, SPM 60. Bit #2: 7-7/8", Jets 3-13-, 17'/Hr, WOB 40, RPM 60. Dev: 3/4° @ 1836', 3/4° @ 2017'.
Continue drlg formation.
DWC: \$6,691 CWC: \$68,117
- 4/1/03 - 2682' - Made 507'. Day #6. Dolo. MW 10, Vis 30, WL 30, Ph 10. PP 800, GPM 310, SPM 60. Bit #2: 7-7/8", Jets 3-13, 21'/Hr, WOB 40, RPM 60. Dev: 1° @ 2501'.
Continue drlg formation.
DWC: \$8,030 CWC: \$76,147

Enron State #4
Page 2

- 4/2/03 - 3261' - Made 579'. Day #6. Dolo. MW 10, Vis 30, WL 30, Ph 10, PP 850, GPM 315, SPM 60. Bit #2: 7-7/8", Jets 3-13, WOB 40, RPM 60. Dev: 1° @ 3018'.
Continue drlg formation.
DWC: \$8,050 CWC: \$84,197
- 4/3/03 - 3460' TD - Made 199'. Day #7. Dev: ¾° @ 3460'.
Reached TD 3460' @ 11:30 pm 4/2/03. RU loggers & run wire logs. RU csg crew & begin running csg.
DWC: \$7,546 CWC: \$91,743
- 4/4/03 - Run 85 jts 14-15.5# J-55 5-1/2" csg. Land off @ 3453.55'. (PBTD 3430'). 1 jt 40.9' scraped due to bad pin. Circ bottoms up. RD csg crew. RU BJ Services. Cmt w/350 sx 35/65 POZ C lead & 350 sx C tail. PD 9:30 am. Circ 85 sx to pit. ND & set slips. Jet pits & prepare to move out. RR 12:00 pm 4/3/03. Transferred 5 jts 5-1/2" csg from Artesia yard to Enron #4.
DWC: \$25,465 CWC: \$117,208
- 4/5/03 - WO completion.
4/30/03 CWC: \$117,208
- 5/1/03 - MIRU. Tally 112 jts 2-7/8" tbg = 3515'. NU BOP & TIH. Tag w/109 + 10' @ 3430'. Roll csg w/2% & test 1000#. TOH. Run GR & CCL 3930-1400'. Tied into LDT CNL & GR OH log. TIH w/4" select fire & perf: 3281', 84, 92, 3302, 04, 12, 14, 22, 29, 40, 45, 49, 55, 57, 62, 71, 73, 78, 80, 85, 97 & 99 (22 holes). TIH w/5-1/2" pkr & 102 jts. Set @ 3208' & SDON.
DWC: \$57,563 CWC: \$174,771
- 5/2/03 - TIH and spot acid across perfs. Pull up and set packer at 3216'. (102 jts. + 8' sub.) Repair pump truck. Acidize with 3500 gallons of 15% NEFE at 4 bpm. Dropped 30 balls and balled out. Avg pressure 1130# at 4 bpm. ISIP = 826# 5 min SIP 802# 10 min SIP = 763# 15 min SIP 737#. Flow back acid & begin swabbing. Swabbed 18 runs. Fluid level staying at 1200' with a 5% oil cut. Shut down for 30 minutes and fluid came up to 950'. Final fluid level 1200' with a 5% oil cut.
SDFN
DWC: \$10,200 CWC: \$184,971
- 5/3/03 - 190# overnight SIP. FL @ 950'. Blow down well & begin swbg. Pulled 17 runs in 5 hrs. FL staying @ ~1500' w/a 10-15% oil cut & good gas. Rec 100 bbls in 5 hrs. Unset pkr & TIH past perfs. Pull up & reset pkr. Load annulus & test pkr. SI well & SDFN. Cancelled hot acid job & frac tanks.
Sample of fl to BJ.
DWC: \$1,950 CWC: \$186,921
- 5/4/03 - SD for weekend.
5/5/03 CWC: \$186,921

- 5/6/03 - 100# TP. Blow down to pit. TOH w/tbg & pkr. TIH w/tbg. ND BOP. Set TAC, pack off tbg head, assemble wellhead. TIH w/pump & rods, space out rods, SI tbg & csg. Flowline not complete. SDON.
1 - 2-7/8" MA w/topped bull plug @ 3401'
1 - 2-7/8" x 4' slotted sub
1 - 2-7/8" API SN @ 3366.24'
5 jts - 2-7/8" tbg 155.62'
1 - 2-7/8" x 5-1/2" TAC @ 3210.62', 40K, shear
102 jts - 2-7/8" tbg 3210'
1 - 1-1/4" x 1' strainer nipple
1 - 2-1/2" x 2" x 12' RWAC PS, SM, DV pump
1 - 1' x 1" lift sub
57 - 3/4" rods
73 - 7/8" rods
1 - 7/8" x 2' sub
1 - 1-1/4" x 29' polish rod w/1-1/2" x 12' liner
DWC: \$10,400 CWC: \$197,321
- 5/7/03 - RD & clean location. Finish flow line & flush line w/FW. Build header @ battery. Tie in flow line & service pmpg unit. Pmpg to battery @ 11:00 am 5/6/03. Lufkin 320 X SN D82498N - 432831 w/30 hp motor & size 3 control panel, 100" st @ 8 spm = 360 bbls @ 100%.
DWC: \$3,840 CWC: \$201,161
- 5/8/03 - Prod for 5/6/03: 38 BO, ~30-40 MCF, 246 BW. 11 jts to FL
5/9/03 - Prod for 5/7/03: 72 BO, 89 MCF, 156 BW. 65 jts to FL
5/10/03 - Prod for 5/8/03: 74 BO, 94 MCF, 113 BW. 107 jts to FL. Put on 50% clock.
5/11/03 - Prod for 5/9/03: 46 BO, 57 MCF, 107 BW
5/12/03 - Prod for 5/10/03: 37 BO, 44 MCF, 107 BW
5/13/03 - Prod for 5/11/03: 30 BO, 38 MCF, 64 BW
5/14/03 - Prod for 5/12/03: 23 BO, 30 MCF, 65 BW. **FINAL REPORT**

SDX Resources, Inc. - ENRON STATE #4 - Completion.

- 6/18/03 - MIRU. Pump stuck. Strip rods & tbg out of hole. PU 5-1/2 AS-1X pkr. TIH w/47 jts. SD due to storm.
DWC: \$9,150 CWC: \$206,471
- 6/19/03 - Finish TIH w/pkr. Set pkr @ 3184'. Load 7 test annulus & BOP. Held ok. RU BJ Services & pump hot acid job. Treated w/30,000 gal of 40# linear gel, 20,000 gal of 20% HCL acid & 3000 gal of 15% cool down acid. Avg rate & press = 5.9 bpm @ 1120#. Dropped 10 balls during job. ISIP = 720#. Flow back acid.
DWC: \$42,999 CWC: \$249,470
- 6/20/03 - Left well flwg back to pit overnight. Well was dead this morning. Initial FL 500'. Swbd down to 1200' in 14 runs. FL staying @ 1200' w/good gas and an intermittent 5-10% oil cut. SDFN.
DWC: \$1,950 CWC: \$250,420
- 6/21/03 - Well dead. Release pkr & TOH. Run back in the hole w/API 2-7/8" SN & set tbg anchor. ND. Assemble well head. Run pump & rods & begin pmpg back load.
1 - 2-7/8" MA w/tapped bull plug @ 3401'
1 - 2-7/8" x 4' slotted sub
1 - 2-7/8" API SN @ 3366'
5 jts - 2-7/8" tbg (155')
1 - 2-7/8" x 5-1/2" TAC @ 3210' (40 K sheer)
102 jts - 2-7/8" tbg (3210')
1 - 1-1/4" x 1' strainer nipple on pump
1 - 2-1/2" x 2" x 16' RWAC P/S, S/M, D/V pump
1 - 1' x 1" lift sub
57 - 3/4" rods & 73 7/8" rods
2 - 7/8" x 8' subs
1 - 1-1/4" x 22' PR w/1-1/2" x 1-1/4" x 12' PRL
DWC: \$3,700 CWC: \$254,120
- 6/24/03 - Prod for 6/22/03 - 22 BO, 52 MCF, 316 BW. 23 jts to FL, 84 jts to SN
- 6/25/03 - Prod for 6/23/03 - 32 BO, 56 MCF, 305 BW. 36 jts to FL, 70 jts to SN
- 6/26/03 - Prod for 6/24/03 - 29 BO, 62 MCF, 252 BW. 73 jts to FL, 34 jts to SN
- 6/27/03 - Prod for 6/25/03 - 35 BO, 68 MCF, 275 BW
- 6/28/03 - Prod for 6/26/03 - 38 BO, 65 MCF, 248 BW
- 6/29/03 - Prod for 6/27/03 - 38 BO, 59 MCF, 228 BW
- 6/30/03 - Prod for 6/28/03 - 32 BO, 48 MCF, 200 BW
- 7/1/03 - Prod for 6/29/03 - 20 BO, 37 MCF, 186 BW. 102 jts to FL, 5 jts to SN. Line press - erratic.
- 7/2/03 - Prod for 6/30/03 - 18 BO, 33 MCF, 158 BW. LP up for a few hrs.
- 7/3/03 - Prod for 7/1/03 - 20 BO, 24 MCF, 166 BW. LP back down.

FINAL REPORT

ENRON STATE #4 - API # 30-015-32162 - Eddy Co., NM - Workover

- 10/14/06 - Hot watered well & flowline w/75 bbls FW & Chem. Set swab tk & road rig to location. SD for weekend.
DWC: \$1,600 CWC: \$1,600
- 10/15/06 - SD for weekend.
- 10/16/06 CWC: \$1,600
- 10/17/06 - RU. TOH w/rods & pump. NU BOP & test tbg out. 5000# w/6 sec hold. Tally tbg out. Plumb in swab tank & shop pmp & TAC. SDON.
DWC: \$4,250 CWC: \$5,850
- 10/18/06 - TIH w/Halliburton 3L RBP & 80 jts set @ 2507'. Break circ & test 1000#. Roll csg w/2% KCL, dump 2 sx sd & clear tbg. TOH w/tbg. RU WL. Shift perms to CCL log & perf 2080', 82, 2104, 08, 09, 10, 17, 32, 44, 46, 47, 63, 68, 75, 85, 2201, 03, 05, 25, 28, 38, 48, 59, 61, 82, 94, 98 (27 holes). TIH w/5-1/2" PPI pkr w/18' spacing. Spot acid across perms & break down perms 2080' - 2298' in 9 settings w/1 bbl ec. Pull up to 1998'. Fish valves. Reverse csg. Set pkr & acidize w/70 bbls 15% NEFE & 50 ball sealers @ 5 bpm. Balled out @ 4328#. Surged balls off & flush to bottom perf. ISIP = 986#, 15 min = 651#. Flow back to tk & left tbg cracked to tk over night. SDON.
DWC: \$22,798 CWC: \$28,648
- 10/19/06 - FL @ 600'. Swab dry in 4 runs. Treating fl & no gas. 1 hr = 200' entry, treating fl w/iron sulfide, 2nd hrly = 400' entry w/5% oil cut & sm gas, 3rd hrly = 400' entry w/10% oil cut & sm gas, 4th hrly = 400' entry w/10% oil cut & good gas. SDON.
DWC: \$5,910 CWC: \$34,558
- 10/20/06 - 550# TP. Blow down to tk. 1000' entry overnight w/600' free oil. Swab dry in 3 runs. TIH knocking off balls. Reset pkr & swab dry. 3 cons hrly runs = 400' entry w/15% oil cut & very good gas. TOH w/tbg & pkr. ND BOP. NU frac valve. RU BJ & frac dn 5-1/2" csg w/47,000 gal Lightning 27 + 66,000# 16/30 & 35,000# 12/20 Brady. Staged 1-4# w/4# hold on 12/20 @ 35 bpm. Avg treating psi = 1680#. ISIP = 1135#, 15 min 820#. RD BJ & RU flow back lines. SDON.
DWC: \$64,127 CWC: \$98,685

Enron State #4
Workover
Page 2

10/21/06 - 250# CP. Blow down to tank. NU BOP. TH. Tag sd @ 2442'. Wash sd to RBP. Get on RBP & TOH. TIH w/tbg. ND BOP. Land off tbg & assemble wellhead. TIH w/pump & rods. Space out rods. Good pmp action. RD & clean location. Emptied frac tk & swa tk. Haul to disposal. Released all rentals. Pmpg back load to battery.

1 - 2-7/8" MA w/tapped bull plug @ 3401'
1 - 2-7/8" x 4' slotted sub
1 - 2-7/8" API SN @ 3366'
5 jts - 2-7/8" tbg = 155'
1 - 2-7/8" x 5-1/2" TAC @ 3210' (40K shear)
102 jts - 7/8" tbg = 3210'
1 - 2-1/2" x 2" x 12' RWAC P/S, S/M, D/V
1 - 1" x 1' left sub
57 - 3/4" rods
73 - 7/8" rods
1 - 7/8" x 8' x 8' x 4' subs = 20'
1 - 1-1/4" x 22' polish rod
1 - 1-1/4" x 1-1/2" x 12' liner
DWC: \$8,750 CWC: \$107,438

10/23/06 - Production for 10/20/06: 0 BO, 30 MCF, 100 BW
Production for 10/21/06: 0 BO, 30 MCF, 150 BW
10/24/06 - Production for 10/22/06: 21 BO, 32 MCF, 209 BW
10/25/06 - Production for 10/23/06: 28 BO, 32 MCF, 86 BW. 68 JFL
39 JSN
10/26/06 - Production for 10/24/06: 34 BO, 34 MCF, 127 BW
10/27/06 - Production for 10/25/06: 31 BO, 30 MCF, 132 BW. 67 JFL 40
JSN
10/30/06 - Production for 10/26/06: 31 BO, 45 MCF, 128 BW
Production for 10/27/06: 34 BO, 43 MCF, 165 BW
Production for 10/28/06: 24 BO, 44 MCF, 136 BW
10/31/06 - Production for 10/29/06: 21 BO, 48 MCF, 126 BW
11/1/06 - Production for 10/30/06: 26 BO, 49 MCF, 137 BW
11/2/06 - Production for 10/31/06: 28 BO, 52 MCF, 138 BW
11/3/06 - Production for 11/1/06: 28 BO, 59 MCF, 135 BW
11/6/06 - Production for 11/2/06: 34 BO, 60 MCF, 130 BW
Production for 11/3/06: 28 BO, 61 MCF, 125 BW
Production for 11/4/06: 21 BO, 55 MCF, 85 BW
11/7/06 - Production for 11/5/06: 13 BO, 50 MCF, 73 BW
Will install BP regulator 11/7/06
11/8/06 - Production for 11/6/06: 23 BO, 51 MCF, 86 BW
11/9/06 - Production for 11/7/06: 23 BO, 62 MCF, 88 BW
11/10/06 - Production for 11/8/06: 33 BO, 131 MCF, 88 BW

FINAL REPORT

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

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 Pacheco St
Santa Fe, NM 87505

Form C-105
Revised 1-1-89

WELL API NO.
30-015-32162

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Enron State

8. Well No.

4

9. Pool name or Wildcat
Red Lake, ~~Enron~~ *Florida - yes*

Unit Letter D 460 Feet From The North 990 Feet From The West Line

Section 31 Township 17S Range 28E NMPM Eddy County

10. Date Spudded 03/28/03 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. Castinghead

15. Total Depth 3460 16. Plug Back T.D. 3430 17. If Multiple Compl. How Many Zones? 1 18. Intervals Drilled By Rotary Tools ☒ 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

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 ex C - Circ	-
5-1/2"	14 - 15.5# J-55	3454'	7-7/8	390 ex 35/65 POZ C + 390 C - Circ	-

24. LINER RECORD				25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH 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 fire)

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

DEPTH INTERVAL 3281-3399 AMOUNT AND KIND MATERIAL USED 3500 gal 15% NEFE

28. PRODUCTION

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

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

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

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 30-015-32162	Pool Code 03230	Pool Name Artesia, QN-GB-SA
Property Code 27087	Property Name ENRON STATE	Well Number 4
OGRID No. 020451	Operation Name SDX RESOURCES, INC.	Elevation 3628

Surface Location

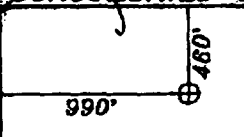

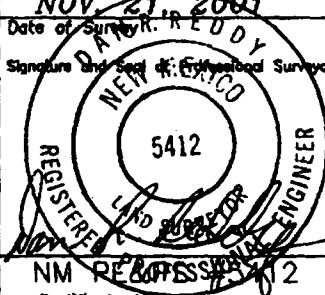
UL or Lot No. D	Section 31	Township 17-S	Range 28-E	Lot Idn.	Feet from the 460	North/South line NORTH	Feet from the 990	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 40 4/3.50	Joint or Infill	Consolidation Code	Order No.
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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 10-14-06
		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.
		Date of Survey NOV 21 2001
		Signature and Seal of Registered Surveyor 
		Certificate Number NM RE 5412

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

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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 30-015-32162	Pool Code 51300	Pool Name NE Red Lake, GL-YE
Property Code 27087	Property Name ENRON STATE	Well Number 4
OCRID No. 020451	Operation Name SDX RESOURCES, INC.	Elevation 3628

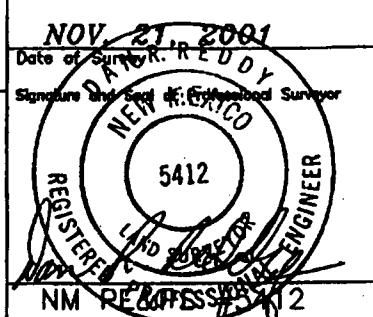
Surface Location

UL or Lot No.	Section	Township	Range	Lot No.	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 No.	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40 4/3.50	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 1/13/02
	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.
	Date of Survey NOV 21 2001
	Signature and Seal of Registered Surveyor 
	Certificate Number 5412

ENRON STATE #4
Unit D 460' FNL 990' FWL
Sec. 31, T17S, R28E
Eddy Co., NM
API #30-015-32162

Enron State #4 Yeso Zone Only:

Production test: 9/29/06
3.5 BOPD
8.7 MCFGPD
15 BWPD

Enron State #4 San Andres & Yeso Zone Combined:

Production test: 11/25/06
17 BOPD
50 MCFGPD
55 BWPD

By Subtraction Method:

Enron State #4 San Andres Only:

13.5 BOPD	or	79.4%
41.5 MCFGPD	or	83%
40 BWPD		