DATE IN	12/4/06 SUSPER	NSE JOI ES LOGGED IN 12/B/06 THE DHC APP NO. pTDS0634232032
		ABOVE THIS LINE FOR DIVISION USE ONLY 383
		NEW MEXICO OIL CONSERVATION DIVISION - Engineering Bureau - 1220 South St. Francis Drive, Santa Fe, NM 87505
		ADMINISTRATIVE APPLICATION CHECKLIST
Т	HIS CHECKLIST IS N	IANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
Appli	[DHC-Dow [PC-Po	undard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] mhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] ool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] alified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]
[1]	TYPE OF A	PPLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication
	[A]	NSL NSP SD
	Checl [B]	k One Only for [B] or [C] Commingling - Storage - Measurement M DHC CTB PLC PC OLS OLM
	[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery WFX PMX SWD IPI EOR PPR
	[D]	Other: Specify
[2]	NOTIFICAT [A]	TON REQUIRED TO: - Check Those Which Apply, or Does Not Apply 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]		CURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE ATION 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 Fc, NM 87505

Nov. 30, 2006

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

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 MapsAttachment 2C-107Attachment 3Production HistoryAttachment 4:Well Plat and Completion DataAttachment 5:Supporting Data

Sincerely,

mon

Chuck Morgan

DistrictI i N. Fre

4

District II

M 88240

1301 W. Grand Avenue, Artesia, NM 88210 District III

0 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

Yes ____No

Oil Conservation Division

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

APPLICATION TYPE Single Well Establish Pre-Approved Pools EXISTING WELLBORE

APPLICATION FOR DOWNHOLE COMMINGLING

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

Eddy Enron State D, Sec 31, T178, R28E Well No. Unit Letter-Section-Township-Range Lease County

OGRID No. 020451 Property Code 27087 API No. 30-015-32162 Lease Type: _Federal _X_State __ Fee

DATA ELEMENT	UPPER ZONE じゅうモニ	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Artesia, QN-GB-SA		artin 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? 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?	YesX No
Will commingling decrease the value of production?	Yes NoX
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?	YesX 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 Chack Morgan	_TITLE_EngineerDATE_11/30/06
TYPE OR PRINT NAMEChuck Morgan	TELEPHONE NO. (_432)_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

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 Mongo

Chuck Morgan

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

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& Morga

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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
	Sec. 31 T17S R28E 460 N 990 W Sec. 32 T17S R28E 530 N 1650 W	Rolph Gallinger Rolph Gallinger	B5862 B5862	Glorietta San Andres
			DOOZ	
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

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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

June 5, 2003

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

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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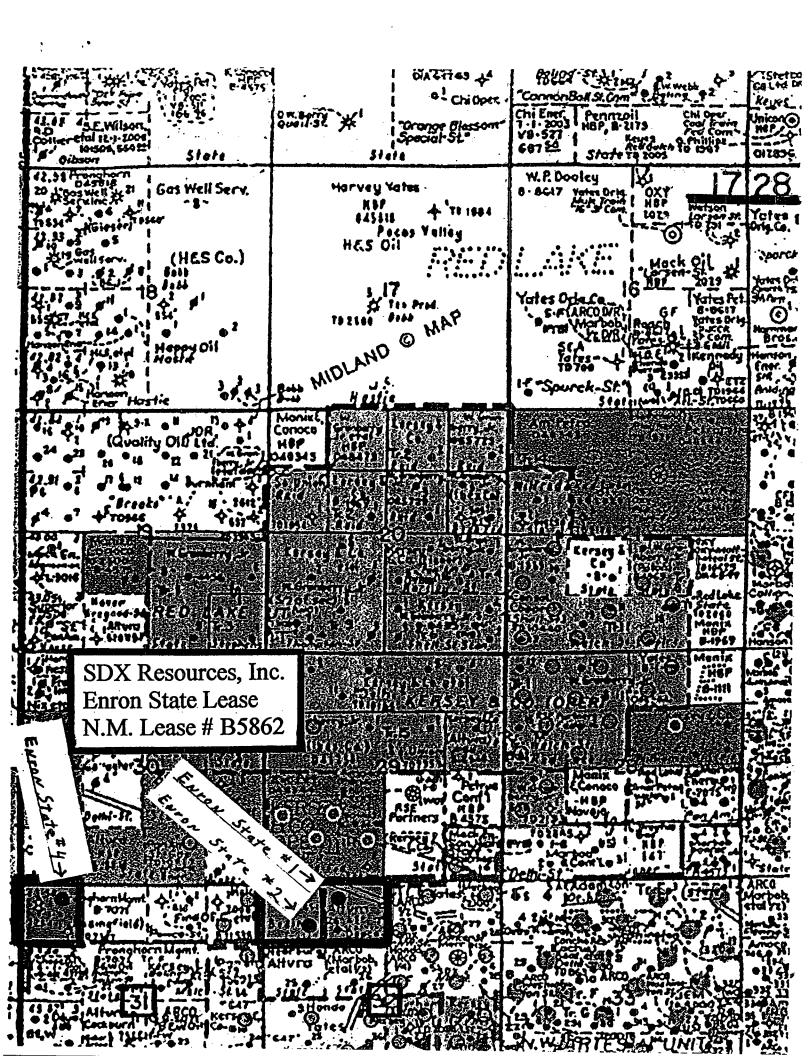
The following data is submitted for your information:

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,

Church Moya

Chuck Morgan



Submit to Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies DISTRICT 1	5		State of New Me s and Natural Res	sources Depa				Form C-105 Revised 1-1-89
P.O. Box 1960, Hobb	s, NM 88240	OIL CON	SERVATIO	N DIVISI	ON	WELL API N 30-015-31		
DISTRICT II P.O. Drawer DD, Artes	1 NM 88210	-	2040 Pacheco S Santa Fe, NM	t. 87505		5. Indicate T	pe of Lease	
DISTRICT III 1000 Rio Brazos Rd, J						6. State Oil &		and the second distance of the second se
		OR RECOMPLE	TION REPORT	AND LOG				
1a. Type of Well: OIL WELL	_	•	OTHER			7. Lease Name	or Unit Agree	ement Name
b. Type of Completion: NEW WORK WELL OVER			RESVR X OTHER			Enron State	•	·
2. Name of Operator SDX Resources, 1						8. Wel No.		
Address of Operator					{	9. Pool name o	Wildcat	
PO Box 5061, Mic	land TX 79704					Artesia, QN		
. Well Location		, 						
Unit Letter	<u> </u>	Feet From The	North	Line and	165	0 Feet I	from The	West Lin
Section	32	Township	17S Range	28E	NA	/PM		Eddy County
0. Date Spudded	11. Date T.D. Reach	red 12. Date C 11/2	ompl. (Ready to Prod.) 1/01	13. Ek 3678	vations (DF	& RKB, RT, GR	, etc.)	14. Elev. Casinghead
5. Total Depth 4000	16. Plug Bac	жт.р. 3700	17. If Multiple Compl. Many Zones?	How 1	6. Intervals Drilled By	Rotary Tool	•	Cable Tools
. Producing Interval(s) 2420 - 2549	of this completion - 1	Top, Bottom, Name				- <u>-</u> !	20. Was Dire	ectional Survey Made
. Type Electric and Oth	ver Logs Run					22. Was We	Cored	
Existin	0!	CASING RE	CORD (Rep	ort all string	s set in	well)		
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5-1/2"		39	93	7-7/8"	300	sx C Lite + 6	00 sx C	
		{			╉╼╼╼╼			-{
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						2-7/8"	318	0
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8, 20, 21, 26, 32,	43, 45, 47, 49							25 + 100000# 16/30
				<u> </u>			- 35000 12	220 Brady Sd
te First Production		Fraduction Method (File	PRODUCTIO		Dump)		Wall Cha	itus (Prod. or Shut-in)
11/21/01		" x 1-3/4" x 20' RH		a are and the			TEA OLD	Prod
te of Test 12/06/01	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - BbL. 87	Gas-N 18		/ater - BbL. 30	Gas - Oil Ratio 2080
	Casing Pressure	Calculated 24- Hour Rate	Oil - BbL. 87	Gas-MOF	Wat 	ter - BbL 30	Oil Gravi	ty - API - (Corr.)
w Tubing Press.)		· · · · · · · · · · · · · · · · · · ·				nessed By	· · · · · · · · · · · · · · · · · · ·
w Tubing Press. Disposition of Gas (Sc Sold) ki, used for fuel, ven	ted, etc.j	20 · · ·			Chuck	(Morgan	
Disposition of Gas (Sc	ki, used for fuel, ven	ted, etc.)	,,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,			Chuc	(Morgan	
Disposition of Gas (Sc old							(Morgan	

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Submit to Appropriate			State of Ne	w Havia			-			Form C-105	
District Office State Lease - 6 copies		Energy, Mine	erals and Natur			partm e	nt		•	Revised 1-1-89	
Fee Lease - 5 copies <u>DISTRICT </u> P.O. B ax 1980, Hobbs,	, NM 88240	OIL CO	NSERVA			SIOI		VELL API NO 30-015-319			
<u>DISTRICT II</u> P.O. Drawer DD, Artesi	ia, NM 88210		2040 Pache Santa Fe,		87505		1	5. Indicate Ty	pe of Lease STA		E 🗍
<u>DISTRICT III</u> 1000 Rio Brazos Rd, A	ztec, NM 87410						T	5. State Oil &	Gas Lease N		
WELL CO	OMPLETION	OR RECOMP	LETION REP	PORT A	ND LOO	3					
1a. Type of Well: Old WELL	GAS WE						7	. Lease Name	or Unit Agreem	ent Name	
b. Type of Completion: NEW WORK WELL OVER	Презнач Г	PLUG BACK					- [ı	Enron State	1		
2. Name of Operator							8	. Well No.		· · · · · · · · · · · · · · · · · · ·	
SDX Resources, Ir 3. Address of Operator	nc								AELAnd		
PO Box 5061, Mid	land TX 79704	l						Pool name or Artesia, GL-		G-~A	
4. Well Location							-		<u> </u>		
Unit Letter	D 990) Feet From T	he <u>No</u>	rth	Line	and	990	Feet F	rom The	West	Line
Section	32	Township	175	Range	285		NMP		<u></u>		unty
10. Date Spudded 09/04/01	11. Date T.D. React 09/11/01		te Compl. (Ready) 0/26/01	io Prod.)		. Elevatio 199	ns (DF &	RKB, RT, GR	, etc.) 14	. Elev. Casinghea	id
15. Total Depth 4030	16. Plug Ba	ж Т. Д . 3983	17. If Multiple Many Zoo		w		tervals Red By	Rotary Took		able Tools	
19. Producing Interval(s), 2268 - 2647			I					12		ional Survey Mad Yes	le
21. Type Electric and Oth LDT-CNL-GR, DLL								22. Was Wel	Cored	D	
23.		CASING	RECORD	Report	t all stri	ings s	et in v	vell)			
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5-1/2"	24# J-5 17 & 15.5#		386 4010		2-1/4" 7-7/8"			x Lite + 650		None	
			· · · · ·								
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26. Perforation record (<i>C 4 7</i> 0 70 07							SQUEEZE, E	тс.
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1 spf)									gal Viking 2	5 + 95000# 16/	30 +
					<u></u>				35000# 12/	20 Brady	
28. Date First Production		Production Method	PRODUC			ype pum	р)		Well Statu	s (Prod. or Shut-i	n)
10/29/01		2-1/2" x 2 " x *								Prod	
Date of Test 10/29/01	Hours Tested	Choke Size	Prod'n Fo Test Perio		xi - BbL. 106	E	Gas - MC 80	₣ ₩ [ater - BbL. 296	Gas - Oil Ratio 755	
Flow Tubing Press.	Casing Pressure	Calculated Hour Rate	24- Oil-BbL 106		Gas-I	NCF 0	Water	- BbL. 296	Oil Gravity	API - (Corr.)	
29. Disposition of Gas (So Sold	kl, used for fuel, ver	nted, etc.)			<u> </u>				nessed By Morgan		
30. List Attachments											
Logs, Deviation Sur 31. I hereby certify that the		on half aldre of the		complete 4	ha tha hast	of par lo	oudad ·	ad hollof	<u> </u>		
∧		-1	ns form is true and	COMPINI N	N UIƏ DOST	or nny KN	umeage t	nia poner	-	•	
Signature <u>Boy</u>	onie At	Turatan	Printed Bol	nnie Atwa	rater		Title	Regulator	y Tech	Data 1/13/0	12

.

State Lease - 6 copies Fee Lease - 5 copies		Energ	yy, Mineral	State of Ne is and Natur		ces Departi	_				m C-105 rised 1-1-89
DISTRICT P.O. Box 1980, Hobbs,	NM 88240	OIL	CON	SERVA	TION	DIVISIO		VELL API N 30-015-32		••	
<u>DISTRICT II</u> P.O. Drawor DD, Artesia	r, NM 88210		-	2040 Pacho Santa Fe,	eco St. NM 8	7505			ype of Lease		
<u>DISTRICT III</u> 1000 Rio Brazos Rd, Az	ziec, NM 87410						6	. State Oil (& Gas Lease	No.	
WELL CC	MPLETION	OR RE	COMPLE	TION REF	PORTAN	DLOG					
1a. Type of Well:	· · · · · · · · · · · · · · · · · · ·		·				7	. Lease Nam	e or Unit Agree	ement Na	me
OIL WELL	GAS VI	ELL 🗌	DRY	other							
NEW - WORK							-	Enron Stat	e		
WELL X OVER				RESVR 0				Well No.			
SDX Resources, In	с.										
3. Address of Operator							9.	Pool name o	v Wildcat	11	
PO Box 5061, Midla	and, TX 7970	4 432/6	85-1761				F	Red Lake,	QN-GB-SA	GeL	
4. Well Location				No			990	.	F	w	est una
Unit Letter	<u>D 46</u>	Fee	t From The .	140		_ Line and _	850	Feet	From The		Line
Section	31	Town	nship	178	Range	28E	NMP	M		Edd	ty County
· · · · · · · · · · · · · · · · · · ·	1. Date T.D. Rea	ched	12. Date C	ompi. (Ready	lo Prod.)	1	ations (DF &	RKB, RT, G	R, etc.)	14. Elev	r. Casinghead
03/26/03	04/02/03		05/1	1/03		3628				<u>.</u>	
15. Total Depth 3460	16. Plug B	ack T.D. 3430		17. If Multiple Many Zo	Compl. How nes?	18	Intervals Drilled By	Rotary Too	*	Cable T	ools
19. Producing Interval(s), o	of this completion		om, Name			I		<u>'</u> í	20. Was Dir	ectional	Survey Made
3281 - 3399										Yes	•
21. Type Electric and Othe	-	<u> </u>						22. Was We	ell Cored	No	
DLT-CNL-GR, DLL	<u>-GR</u>										
		·		ECORD	·		· · · · · · · · · · · · · · · · · · ·				
CASING SIZE 8-5/8"	WEIGHT L			H SET	HOLE	<u>size</u> -1/4		<u>AENTING F</u> 375 6x C -			
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	14-10.01	0.00									
	· · ·	1 14 17	0.0500	80					JBING RE		
4. SIZE	TOP		R RECO	ISACKS CE	MENT	SCREEN	25	SIZE	DEPTH		PACKER SET
								2-7/8*	336		
	<u> </u>	·									
B. Perforation record (in 3281 84 02 3302						<u>r. ACID, S</u> DEPTH INTE			CEMEN		JEEZE, ETC.
3281, 84, 92, 3302, 78, 80, 85, 97, 99 (2	04, 12, 14, 2 22 holes, 4" se	2, 29, 40, dect fire0	45, 49, 5	י, סו, סב, ו	', '°, F	3281-3			3500 gal		
· · · · · · · · · ·					E		-				
								L	-		
, , 			- Mathed (PRODUC bwing, gas lift	CTION	to and here :			Wall St	atus <i>(Pr</i>	od, or Shut-in)
26. Data First Renduction		Den de - d'	an meunoa (<i>l-</i> 1		- I nnifini g - 2	no any spo f		•	TTEN OU		rod
and the second	Pm		' x 2" x 12'				Gas - MC	F	Water - BbL.		
Date First Production 05/06/03	Pm Hours Tested 24	p 2-1/2"		Prod'n Fo Test Peri		30	38	. 1	64		ias - Oil Ratio 1267
Date First Production 05/06/03 Date of Test 05/11/03	Hours Tested	p 2-1/2" C	' x 2" x 12'	Prod'n Fo Test Peri	^{od} 1		38	r-BbL. 64	64	ity - API -	1267
Date First Production 05/06/03 Date of Test 05/11/03 Flow Tubing Press. 9. Disposition of Gas (Sok	Hours Tested 24 Casing Pressure	p 2-1/2"	' x 2" x 12' hoke Size alculated 24- our Rate	Prod'n Fo Test Peri Oil - Bbl	^{od} 1	30 Gas-MCF	38	r - BbL. 64 Test W	64 Oil Grav fitnessed By		1267
Date First Production 05/06/03 Date of Test 05/11/03 Flow Tubing Press. 19. Disposition of Gas (Sok Sold	Hours Tested 24 Casing Pressure	p 2-1/2"	' x 2" x 12' hoke Size alculated 24- our Rate	Prod'n Fo Test Peri Oil - Bbl	^{od} 1	30 Gas-MCF	38	r - BbL. 64 Test W	64 Oil Grav		1267
Date Finst Production 05/06/03 Date of Test 05/11/03 Flow Tubing Press. 19. Disposition of Gas (Sok	Hours Tested 24 Casing Pressure d, used for fuel, w	p 2-1/2"	' x 2" x 12' hoke Size alculated 24- our Rate	Prod'n Fo Test Peri Oil - Bbl	^{od} 1	30 Gas-MCF	38	r - BbL. 64 Test W	64 Oil Grav fitnessed By		1267
Date First Production 05/06/03 Date of Test 05/11/03 Flow Tubing Press. 9. Disposition of Gas (Sold Sold 0. List Attachments	Hours Tested 24 Casing Pressure d, used for fuel, w Vey	p 2-1/2" CR CR CR CR CR CR CR CR CR CR CR CR CR	' x 2" x 12' noke Size alculated 24- our Rate	Prod'n Fo Test Peri Oil - BbL 30		30 Gas - MCF 38	38 Wate	r - BbL. 64 Test W Chuc	64 Oil Grav fitnessed By		1267

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<u>District [[</u> 811 South First, / <u>District]]]</u>	N. French Dr., Hobbs, NM \$8240 Energy, Minerals & Natural Resources Revised Ket II OIL CONSERVATION DIVISION Submit to Appropria Ket III 2040 South Pacheco JAN 1) 2, 2(101 State Rio Brazos Rd., Aztec, NM \$7410 Santa Fe. NM 87505 Fee South Pacheco, Santa Fe, NM \$7505 Image: American State AMEN							Form C-102 ed March 17. 1999 late District Office 2 Lease - 4 Copies 2 Lease - 3 Copies		
2949 South Pache	co, Santa Fi					REAGE DEDI	יאיזיטאי פו			NDED REPORT
•	API Numb			Pool Cod 230		Artesia (Q	' Pool Na			
* Property	Code			···· · · · · · ·	Property	Name			•1	Well Number
		ENRC	N STAT	E						1
OCRID 1 020451	No.	SDX	RESOUR	CES, I	[•] Operator NC .	Name				Elevation 3678.
					¹⁰ Surface	Location				
UL or lot ne.	Section	Township	Range	Let Ida	Feet freat the		Feet from the	East	West line	County
_C	32	17 - S	28-e		530	NORTH	1650	WE	ST	EDDY
			" Bo	ttom Hol	e Location I	f Different From	n Surface			
UL er lot no.	Section	Township	Range	Let Ida	Feet from the		Feet from the	Em	/West line	County
² Dedicated Acres 40	¹³ Joint et	Infill ^M C	nsolidation	Cede ^{il} On	der No.	L				

h.,

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

16	530		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
			Signature Bonnie Atwater Primed Name Bonnie Atwater Thie Regulatory Tech Date 1/2/01
			Is SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by are or under my supervision, and that the same is true and correct to the best of my belief. DECRHIBER, 20-2000
,			Deter of Sur Port of the second secon

District [
1625 N. French D	r., Hobbs, NM 88240
District II	•
\$11 South First, /	Artesia, NM 88210
District III	
1990 Rie Brazee I	Rd., Aztec, NM \$7410
District IV	
2010 South Pache	co. Santa Fe. NM 87585

API Number

State of New Mexico Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe. NM 87505

-UN 1 4 2001

Form C-102 Revised March 17, 1999

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

WELL LOCATION A	ND ACREAGE DEDICATION PLAT	AMENDED REPORT
Pool Code	'Pool Name	
03230	Artesia QN-GB-SA	

* Property Code	* Property Name	Well Number
27087	ENRON STATE	2
OCRID Ne.	* Operator Name	Elevation
020451	SDX RESOURCES, INC.	3699.
	¹⁰ Surface Location	

UL ér let ne.	Section	Township	Range	Let Ide	Foet from the	North/South line	Fost from the	East/West Mac	County
D	32	17–S	28-E		990	NORTH	990	WEST	EDDY
			" Bott	om Hole	Location If	Different From	Surface		
UL or lot no.	Section	Tewnship	Range	Let Ida	Feet from the	North/South line	Fost from the	East/West Hae	County
* Dedicated Acres	i " Joint e	r Laful "C	enselidation Co	ede "Orde	x Ne.				
40		1							

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

16				"OPERATOR CERTIFICATION
				I hereby certify that the information contained herein is are and
06				complete to the best of my knowledge and belief
6			ł	
990'	[l .		
	<u></u>			
				Signature Ronnie, Alerator
				Primed Name Bonnie Atwater
·				The Regulatory Tech
				Date 7/23/01
				^{III} SURVEYOR CERTIFICATION
			· ·	I hereby certify that the well location shown on this plat was
•				plotted from Beld 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.
			· ·	www. 11
				JUNE 11 2001
				Date of Smith
				Aller to suger and
				Contraction of the contraction o

Form C-102 State of New Mexico Oletifict 1 1625 N. French Dr. Hobbe, NM 86240 Revised March 17, 1999 Submit to Appropriate District Office Energy, Minerals & Natural Resources State Lease - 4 Copies Fee Lease - 3 Copies District II #11 South First, Arteolo, NM 88210 OIL CONSERVATION DIVISION District M • 1000 No Brazos Rd., Azlac Nil 87410 2040 South Pacheco <u>Ofetrict IV</u> 2040 South Pacheca, Santa Fe, NM 87505 AMENDED REPORT Santa Fe, N M 87505 WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Name API Number Pool Code 03230 Artesia, QN-GB-SA Well Number Property Code Property Name 27087 4 ENRON STATE OCRID Na. Elevation **Operation** Name SDX RESOURCES. INC. 3628 020451 Surface Location UL or Lot No. Section Township Feet from the North/South Ene Feet from the East/West line Range Lot Ide. County WEST 31 17-5 460 NORTH 990 EDDY D 28-E Bottom Hole Location If Different From Surface UL or Lot No. | Section Township Range Lot Kh. Feet from the North/South line Feet from the East/West line County Dedicated Acres Joint or Infil Consolidation Code Order No. 40 3.50 NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIMISION OPERATOR CERTIFICATION 460 I BEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY ENONLEDGE AND BELLEF. 990' Signature Printed Name Bonnie Atwater Title Regulatory Tech Date 1/13/02 SURVEYOR CERTIFICATION I WEREBT CERTIFY THAT THE WELL LOCATION GROWN ON THIS PLAT WAS PLOTTED FROM FIELD WOITS OF ACTULE SURVETS MADE BY NO ON UNDER AT SUPERVISION, AND THAT THE RAKE AS TRUE AND CORRECT TO THE REST OF MT ENOVIEDCE AND BELLEF. NOV, 21, 2001 Date of Survey R. R EUO, an day say of strange Sign ol Sur NEER 5412 RECOTES NM Cortificate Number

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SDX Resources Inc.		F	RODUCTION	N DETAIL	REPORT I	BY PROPER	TY			DV300 .06/0	5/2003 Pi	AGE 1
FROM 02/01/2003 THRU 03	3/31/2003									(Base/Allo		
										(At Sta	te Pressu	re Base)
	PROD	OIL	DAILY	GAS	DAILY	GOR or	WATER	DAILY	DAY	* CUMULA	TIVE*	PRICE
PROPERTY NAME	ST MONTH	PROD	AVG	PROD	AVG	BBL/MM	BBLS	AVG	PRD	OIL BBL	GAS MCF	/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

DATE	BO	MCF	<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. eve Sell

Landman

\bw

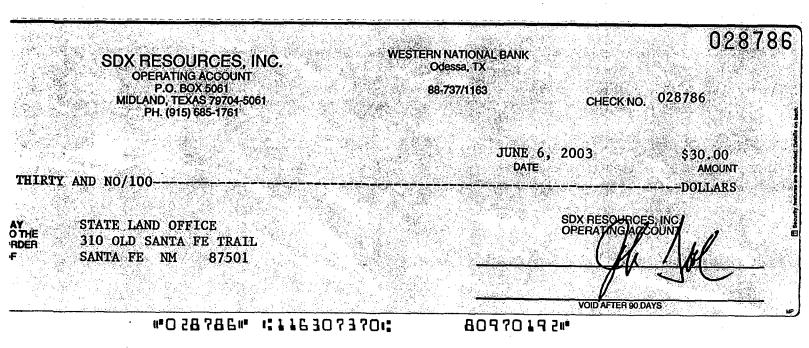
cc: New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501

SDX RESOURCES, INC.

JUNE 6, 2003

STATE LAND OFFICE

FOR: SURFACE COMMINGLE APPLICATION FOR ENRON #4



028786

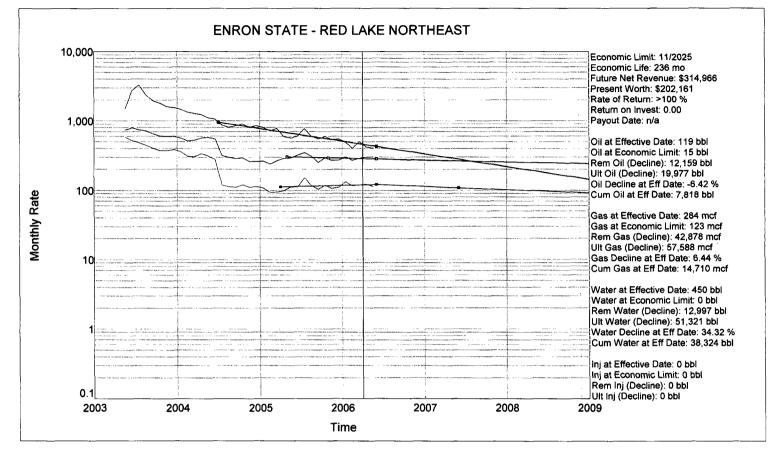
CHECK NO. 028786

\$30.00

Last Twelve Months Historic Production Report

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

Lease Name: ENRON STATE (4) County, ST: EDDY, NM Location: 31 17S 28E NE NW NW Operator: SDX RESOURCES INCORPORATED Field Name: RED LAKE NORTHEAST



	Well	Days	Oil	Gas	Water	Injection
Date	Count	On	(bbl)	(mcf)	(bbl)	(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: ¾° @ 626', ¾° @ 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: %° @ 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: ¾° @ 1836', ¾° @ 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

5.7

- 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 Enron State #4 Page 3

- 100# TP. Blow down to pit. TOH w/tbg & pkr. TIH w/tbg. ND 5/6/03 -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' $1 - 2-7/8'' \times 4'$ 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' $1 - 1 - 1/4'' \times 1'$ strainer nipple 1 - 2-1/2" x 2" x 12' RWAC PS, SM, DV pump 1 - 1' x 1" lift sub 57 - ¾" rods 73 - 7/8" rods $1 - 7/8'' \ge 2'$ 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"
- 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

CWC: \$201,161

st @ 8 spm = 360 bbls @ 100%.

DWC: \$3,840

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') $1 - 1 - 1/4'' \times 1'$ 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 - ¾" rods & 73 7/8" rods $2 - 7/8'' \times 8'$ 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
	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 - eratic.
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 perfs 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 perfs &
 break down perfs 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 - ¾" rods 73 - 7/8'' rods $1 - 7/8'' \times 8' \times 8' \times 4'$ subs = 20' $1 - 1 - 1 - 1/4'' \ge 22'$ polish rod 1 - 1-1/4" x 1-1/2" x 12' liner DWC: \$8,750 CWC: \$107,438 Production for 10/20/06: 0 BO, 30 MCF, 100 BW 10/23/06 -Production for 10/21/06: 0 BO, 30 MCF, 150 BW Production for 10/22/06: 10/24/06 -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 Production for 10/25/06: 31 BO, 30 MCF, 132 BW. 67 JFL 40 10/27/06 -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 Production for 10/31/06: 28 BO, 52 MCF, 138 BW 11/2/06 -11/3/06 -Production for 11/1/06: 28 BO, 59 MCF, 135 BW Production for 11/2/06: 34 BO, 60 MCF, 130 BW 11/6/06 -Production for 11/3/06: 28 BO, 61 MCF, 125 BW Production for 11/4/06: 21 BO, 55 MCF, 85 BW Production for 11/5/06: 11/7/06 -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 Production for 11/7/06: 23 BO, 62 MCF, 88 BW 11/9/06 -11/10/06 -Production for 11/8/06: 33 BO, 131 MCF, 88 BW

FINAL REPORT

y National Bay National State								5	
Submit to Appropriate District Office State Lease - 6 copies	Ene	Sta rgy, Minerals an	te of New Mex Id Natural Res		teent			Form C-105 Revised 1-1-89	
DISTRICT	Fire Lesse - 5 copies DESTRICT P.G. Box 1980, Hubbs, NM 88240 OIL CONSERVATION DIVISION WELL API NO. 30-015-32162								
DISTRICT) Pacheco S la Fe. NM		<u> </u>	. Indicate Ty	pe of Lease	M [7]	
P.O. Drawer DD, Artesia, NM 88210 SETTLA F. NM 67305 ETATE STATE FEE									
WELL CO	MPLETION OR R	ECOMPLETIC	N REPORT	AND LOG					
1a. Type of Well: OIL WELL	GAS WELL			25262728	200	. Loaso Name	or Unit Agroen	ient Namo	
b. Type of Completion: NEW WORK WELL X OVER	[] DEEPHEN [] BY	ug Diff XCK [] Ress		Mair A	4031	Enron State	•		
2. Name of Operator			07 0	DECENVES	N 8	L Wei No.			
SDX Resources, Inc. 3. Address of Operator	<u> </u>		12	ARTES	57	4 . Pool name o	Wildoat C	Variation -	
PO Box 5061, Midla	ind, TX 79704 432	2/885-1761	(a)	-3/4		Red Lake,	March	Yeso	
4. Well Location Unit Letter	D 460	Feet From The	North	I BI EL BLOOD	990	Feet	Prom The	West Line	
Section		numentia 17:			NM			Eddy County	
	1. Date T.D. Reached		pl. (Ready to Pro		levations (DF		2, etc.) 1	4. Elsy. Casinghead	
03/26/03	04/02/03	05/11/0			8' GR				
15. Total Depth 3460	16. Plug Back T.D 3430		. If Multiple Comp Many Zones?	al, How	18. Intervala Delled By	Rotary Top	k	Cable Tools	
19. Producing Interval(s), o	of this completion - Top, E	lation, Name	<u> </u>	ومراجع والمراجع والمراجع والمراجع			20. Was Dire	ctional Survey Made Yes	
3281 - 3399 21. Type Electric and Othe	ur Loga Run			···· · · · · · · · · · · · · · · · · ·		22. Was W			
DLT-CNL-GR, DLL	GŘ					L	<u> </u>	1 0	
		ASING REC				and the state of the			
CASING SIZE 8-5/8"	WEIGHT LB/FT. 24# J-55			HOLE SIZE 12-1/4		MENTING F		AMOUNT PULLED	
5-1/2"	14 - 15.5# J-55	i <u>345</u>	ſ	7-7/8	350 st	5/65 POZ C	• 350 C - Circ		
		NER RECOR							
24. SIZE			ACKS CEMEN	T SCREE	N 25.	SIZE	DEPTH		
				_		2-7/8	336	3	
28. Perforation record (interval, size, and num	ber)		ZT. ACIE	, SHOT, F	RACTURE	, CEMENT	, SQUEEZE, ETC.	
3281, 84, 92, 3302 78, 80, 85, 97, 99 (57, 62 , 71, 73	B, DEPTHI	NTERVAL		AND KIND	MATERIAL USED	
10,00,00,00,00,00				320	1-3399	1	3500 ga	15% NEFE	
	• <u></u>								
28. Date First Production 05/06/03		uction Niethod (Flow 1/2" × 2" × 12' R		DN ping - Stee and ty	po pump)		Well Sta	tus (Prod. or Shut-in) Prod	
Date of Test 05/11/03	Hours Tested	Chaico Size	Prod'n For Test Period	Cil-Bbl. 30	Gas-1		Water-BbL. 64	Gas-Of Ratio 1267	
Flow Tubing Press.	Casing Pressure	Calculated 24- Hour Rate	08-BbL. 30	Gas-N 31	CF Wa	ter - BbL. 64		ly - API - (Corr.)	
29. Disposition of Gas (So Sold	kt, used for fuel, vented, a	etc.)					Anessed By ok Morgan		
30. List Attachments				<u> </u>			INA Activ		
Logs, Deviation Su 31. / hereby certify that the		the side of the sum		ninin in the hard	af anna kananakan	o and hall-d			
D	M. I have by contily that the information shown on both sites of this form is sue and complete to the bast of my knowledge and baller Signature Bonnia China the Printed Bonnie Atwater Title Regulatory Tech Date								

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	<u>District I</u> 1625 N. Franch Dr. Hobbe, NM 88240 <u>District B</u> 811 South First, Arteelo, NM 88210 <u>District III</u> 1000 Reo Brozce Rd., Aztec NM 67410 <u>Visitict IV</u> 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										
		Number	ELL		TION		ND A	ACRE	AGE	DEDICA	ATION F		NT		
		30-015-32162 03230 Property Code					Artesia, QN-GB-SA							Number	
	27087	27087				ENRON STATE						4			
		OGRID No. 020451				Operation Name SDX RESOURCES, INC.						Elevation 3628			
						Surface Location						t-			
į	UL or Lot No. D	Section 31	1	nahlp 7-S	Range 28-		Lot Idn.		t from the 60	North/South line NORTH	Fact from the 990	we WE	/West line ST	County EDDY	
\mathbf{X}	UL or Lot No.	Section		Botton mehip	Hold		cation			From Su		- E	West line	County	
		500000	IOW	n qen sp	nunge					Nordy South Bit					
	Dedicated Acre	a Joint or	infill C	onsolidatio	n Code	Ord	ler No.								
	NO ALLO	WABLE	WILL I	BE AS	SIGNE	D TO) THIS UNIT	COMP HAS B	LETION	NUNTIL A	LL INTERE	ST	HAVE	BEEN	
•		460						15262	28293	3031				IFICATION S DUFORMATION CT TO THE D DELET.	
								V 			n Signature Printed Nam		Bonnie Atwater gulatory Tech		
				10 40 40 40 40 40 40							SURVE I HEREBY C SHOWN ON	YOR	Y THAT THE PLAT WAS I ACTUAL JU	IFICATION WILL LOCATION NOTED FROM RYDTED ALON BY TON, AND TEAT URECT IV THE D BELLEF.	
													#:6#700 5412	22	

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Revised March 17, 1999 State of New Mexico District 1 1625 N. Franch Dr. Hobbs, NM 88240 Submit to Appropriate District Office Energy, Minerals & Natural Resources State Lease - 4 Copies Olatict II All South First, Artesis, NM 68210 Fee Leose - 3 Copies OIL CONSERVATION DIVISION Cintaiot III 1000 Rio Brazos Rd., Aztec NM 57410 2040 South Pacheco <u>District IV</u> 2010 South Pachaco, Sonto Fe, NM 87505 AMENDED REPORT Santa Fe, N M 87505 WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code Pool Nome APi Number 30-015-32162 51300 NE Red Lake, GL-YE Well Number Property Code Property Name 27087 4 ENRON STATE Elevation OGRID No. **Operation Name** 3628 SDX RESOURCES. INC. 020451 Surface Location UL or Lot No. Section Township Range Lat Ide. Feet from the North/South line Fant from the East Athet line County 460 NORTH 990 WEST EDDY 17-S 28 - ED 31 Bottom Hole Location If Different From Surface UL or Lot No. | Section North/South line Feet from the East/West line Township Lot Ide. Feet from the County Range Dedicated Acre 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 600 I BEREBY CERTIFY THAT THE INFORMATION HEREIG IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELLEF. 990 10212228 2829303 7 2003 Kenn RECEIVED ថា - ARTESIA Signature ncũ Printed Name Bonnie Atwater Title **Regulatory** Tech 1/13/02 Date SURVEYOR CERTIFICATION I BEREBT CERTIFY THAT THE VELL LOCATION SHOWN ON THIS PLAT WAS PLOTTED FROM FILLS MOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPPRYSION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY ENOULEDCE AND BELEP. 1R 200 NOV Date of Survey Dr. *:6% NEER 5412 REMARS NM Certificate Number

Form C-102

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

Enron State #4Yeso Zone Only: Production test: 9/29/06 3.5 BOPD 8.7 MCFGPD 15 BWPD

Enron State #4San Andres & Yeso Zone Combined: Production test: 11/25/06 17 BOPD 50 MCFGPD 55 BWPD

By Subtraction Method: Enron State #4San Andres Only: 13.5 BOPD or 79.4% 41.5 MCFGPD or 83% 40 BWPD