

| | | | | | |
|-------------------|----------|---------------------|---------------------|-------------------|-------------------------|
| DATE IN: 12/10/07 | SUSPENSE | ENGINEER: W. Morgan | LOGGED IN: 12/10/07 | TYPE: DHC 3978 | APP NO.: PKUR0734454897 |
|-------------------|----------|---------------------|---------------------|-------------------|-------------------------|

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.

| | | | |
|--------------------|-----------|--------------------------|----------|
| Chuck Morgan | | Engineer | 12/10/07 |
| Print or Type Name | Signature | Title | Date |
| | | cmorgan@sdxresources.com | |
| | | e-mail Address | |

SDX Resources, Inc.

P.O. Box 5061

MIDLAND, TX 79701

TEL: (432) 685-1761 FAX: (432) 685-0533

TOLL FREE: (800) 344-1761

RECEIVED

2007 DEC 3 PM 1 31

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

Nov. 28, 2007

Attention Will Jones

RE: Down hole commingling application
Kersey Williams A Federal #6
Sec. 28 T17S R28E
Eddy County, New Mexico

Dear Mr. Jones,

SDX Resources respectfully request permission to down hole commingle production from the Artesia Yeso Glorietta pool with production from the Red Lake-Qn-Gb- Sa pool in their Kersey Williams A #6 well . Ownership is identical for both pools and the oil from both pools is sour and is close to the same gravity. There should therefore be no difference in revenue to any party. Commingling will improve the economics of the lease, extending its life, resulting in the recovery of additional reserves. Attached is a completed form C-107A. Thanks for your assistance on this matter.

Sincerely,



Chuck Morgan

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-10
 Revised June 10, 2005

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.
 30-015-33689

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
 SDX Resources, Inc.

3. Address of Operator
 PO Box 5061, Midland, TX 79704

4. Well Location
 Unit Letter N : 2310 feet from the North line and 620 feet from the East line
 Section 18 Township 17S Range 28E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3674' GR

7. Lease Name or Unit Agreement Name
 Kersey Williams A Federal

8. Well Number
 7

9. OGRID Number
 020451

10. Pool name or Wildcat
 Red Lake, San Andres (97253)

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

| | | | |
|--|--|---|---|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING [<input type="checkbox"/>] |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDONMENT [<input type="checkbox"/>] |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPLETION <input type="checkbox"/> | CASING TEST AND CEMENT JOB <input type="checkbox"/> | |
| OTHER: Surface Commingle <input checked="" type="checkbox"/> | | OTHER: [<input type="checkbox"/>] | |

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

SDX Resources, Inc. proposes to commingle production from 2 separate pools into a common surface battery on their Kersey William Federal Battery (NMNM048344). The interest is identical for both pools and all facilities are located on lease. The battery is located at location with the Kersey Williams A Federal #7 well which is producing from the Red Lake, San Andres pool (pool code #97253). It will be commingled with production from the Kersey Williams A Federal #6 well which is producing from the Artesia, Glorietta Yeso pool (pool code #96830).

- Attachments:
 Lease Map
 Lease & Pool Information
 Title Statement
 Well & Battery Plat
 Battery & Tester Schematics

SEE ATTACHED FOR
 CONDITIONS OF APPROVAL

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

SIGNATURE Bonnie Atwater TITLE Regulatory Tech DATE 11/3/05

Type or print name Bonnie Atwater E-mail address: batwater@sdxresources.com Telephone No. 432/685-1761
 (This space for State use)

APPROVED BY DAVID R. CLAW TITLE PETROLEUM ENGINEER DATE NOV 2 1

Conditions of approval, if any:

BLM
2909 W. 2nd Str.
Roswell, N.M. 88201

Nov. 28, 2007

Attention: Mr. Armondo Lopez

RE: Down hole commingling application
Kersey Williams A Federal #6 (Lease NM048344)
Sec. 28 T17S R28E
Eddy County, New Mexico

Dear Mr. Lopez

SDX Resources respectfully request permission to down hole commingle production from the Artesia Yeso Glorieta pool with production from the Red Lake-Qn-Gb- Sa pool in their Kersey Williams A Federal #6 well.

Enclosed with this letter is a copy of the application sent to the NMOCD.

Sincerely,



Chuck Morgan

State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501

Nov. 28, 2007

Attention: Mr. Pete Martinez

RE: Downhole commingling application
Kersey Williams A Federal #6
Sec. 28 T17S R28E
Eddy County, New Mexico

Dear Mr. Martinez

SDX Resources respectfully request permission to downhole commingle production from the Artesia Glorieta Yeso pool with production from the Red Lake-Qn-Gb- Sa pool in their Kersey Williams A Federal # 6 well. Ownership is identical for both pools in the well. 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 and Federal government. Downhole commingling will improve the economics of the well, extending its life, resulting in the recovery of additional reserves.

An allocation formula based on production test has been proposed to account for the production from each zone.

Enclosed with this letter is a copy of the application send to the NMOCD.

Sincerely,



Chuck Morgan

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

State of New Mexico
Energy, Minerals & Natural Resources

24200-06
Form C-104
Revised June 10, 2003

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

Submit to Appropriate District Office
5 Copies

X AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | |
|---|---|---|
| ¹ Operator name and Address SDX Resources, Inc. PO Box 5061 Midland, TX 79704 | | ² OGRID Number 020451 |
| | | ³ Reason for Filing Code/ Effective Date New Zone |
| ⁴ API Number 30 - 015-33872 | ⁵ Pool Name Red Lake, QN-GB-SA | ⁶ Pool Code 51300 |
| ⁷ Property Code 33871 | ⁸ Property Name Kersey Williams A Federal | ⁹ Well Number 6 |

II. ¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South Lin | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|-----------------|---------------|----------------|--------|
| G | 28 | 17S | 28E | | 1700 | North | 1700 | East | Eddy |

¹¹ Bottom Hole Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------------------|--|--|-----------------------------------|------------------------------------|-------------------------------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| ¹² Lse Code F | ¹³ Producing Method Code Pmp | ¹⁴ Gas Connection Date 2-20-07 | ¹⁵ C-129 Permit Number | ¹⁶ C-129 Effective Date | ¹⁷ C-129 Expiration Date | | | | |

III. Oil and Gas Transporters

| ¹⁸ Transporter OGRID | ¹⁹ Transporter Name and Address | ²⁰ POD | ²¹ O/G | ²² POD ULSTR Location and Description |
|---------------------------------|--|-------------------|-------------------|--|
| 34019 | ConocoPhillips | | O | |
| 36785 | DCP | | G | |
| | | | | |
| | | | | |

IV. Produced Water

| | |
|-------------------|--|
| ²³ POD | ²⁴ POD ULSTR Location and Description |
|-------------------|--|

V. Well Completion Data

| | | | | | |
|-----------------------------------|-------------------------------------|---------------------------|----------------------------------|---|-----------------------|
| ²⁵ Spud Date 2/1/07 | ²⁶ Ready Date 2/20/07 | ²⁷ TD 3575' | ²⁸ PBDT 2730' CIBP | ²⁹ Perforations 2291 - 2504 | ³⁰ DHC, MC |
| ³¹ Hole Size | ³² Casing & Tubing Size | ³³ Depth Set | ³⁴ Sacks Cement | | |
| *12-1/4" | 8-5/8" 24# | 460' | 100 10/2 RFC | | |
| *7-7/8" | 5-1/2" 15.5# - 14# | 3549' | 400 sx C + 350 sx 35/65 POZ | | |
| *EXISTING | | | | | |
| | 2-7/8" Tbg | 2597' | | | |

VI. Well Test Data

| | | | | | |
|---------------------------------------|--|------------------------------------|---------------------------------|-----------------------------|----------------------------------|
| ³⁵ Date New Oil 2/20/07 | ³⁶ Gas Delivery Date 2/20/07 | ³⁷ Test Date 2/26/07 | ³⁸ Test Length 24 | ³⁹ Tbg. Pressure | ⁴⁰ Csg. Pressure |
| ⁴¹ Choke Size | ⁴² Oil 9 | ⁴³ Water 100 | ⁴⁴ Gas 104 | ⁴⁵ AOF | ⁴⁶ Test Method Pmp |

| | |
|--|---|
| ⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Bonnie Atwater</i> | OIL CONSERVATION DIVISION Approved by: |
| Printed name: Bonnie Atwater | Title: |
| Title: Regulatory Tech | Approval Date: |
| E-mail Address: batwater@sdresources.com | |
| Date: 3-16-2007 | Phone: 432/685-1761 |

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other Instructions on reverse side.

| | | |
|--|---|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM-048344 |
| 2. Name of Operator SDX Resources, Inc. | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address PO Box 5061, Midland, TX 79703 | 3b. Phone No. (include area code) 432-685-1761 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1700' FNL 1700' FEL Unit G, Sec 28, T17S, R28E | | 8. Well Name and No. Kersey Williams A Federal #6 |
| | | 9. API Well No. 30-015-33872 |
| | | 10. Field and Pool, or Exploratory Area Red Lake, QN-GB-SA 51300 |
| | | 11. County or Parish, State Eddy Co., NM |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Sqz & Add Perfs |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

2/1/07 - Set CIBP @ 3320'. Sqz Perfs 2887 - 3036' w/150 sx CI C cmt.

2/9/07 - Drill up CIBP @ 3320'.

2/12/07 - Set 5-1/2" CIBP @ 2730'. TIH w/4" select fire & perf: 2291', 92, 96, 2310, 12, 23, 28, 30, 36, 40, 47, 52, 57, 69, 72, 83, 88, 94, 96, 2404, 11, 17, 32, 69, 77, 81, 84, 96, 98, 2502, 04 (31 holes). Test CIBP 1000# - ok. Treated perfs w/3500 gal 15% NEFE. Frac perfs w/45,145 gal Lightning 25 + 65,420# 16/30 & 35,240# Brady sd.

2/24/07 - Set 2-1/2" x 2" x 12' RWAC pmp. 2-7/8" tbg @ 2597'.

2/26/07 - Test: 9 BO, 104 MCF, 100 BW

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Bonnie Atwater

Title Regulatory Tech

Signature

Bonnie Atwater

Date

03/16/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

ACCEPTED FOR RECORD

MAR 22 2007

Wesleyan Ingram

WESLEYAN INGRAM
PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

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 30-015-33872 | Pool Code 51300 | Pool Name Red Lake, QN-GB-SA |
| Property Code 33871 | Property Name KERSEY WILLIAMS A FEDERAL | Well Number 6 |
| OGRID No. 020451 | Operation Name SDX RESOURCES, INC. | Elevation 3670 |

Surface Location

| UL or Lot No. | Section | Township | Range | Lot Idn. | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|--------|
| G | 28 | 17-S | 28-E | | 1700 | NORTH | 1700 | EAST | EDDY |

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 INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | |
|--|--|
| | <p>OPERATOR CERTIFICATION I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.</p> |
| | <p>3-16-04 <i>Bonnie Atwater</i> Signature <i>Bonnie Atwater</i></p> |
| | <p>Printed Name Bonnie Atwater</p> |
| | <p>Title Regulatory Tech</p> |
| | <p>Date 9/22/04</p> |
| | <p>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.</p> |
| | <p>SEPTEMBER 17, 2004 Date of Survey</p> |
| | <p><i>R. REDDY</i> Signature and Seal NEW MEXICO REGISTERED LAND SURVEYOR 5412 ENGINEER NM EXPRESSIVE 512 Certificate Number</p> |

24200-00

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

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Revised June 10, 2008

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

RECEIVED
AUG 26 2005
Submit to Appropriate District Office
5 Copies

BY: AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | |
|---|---|---|
| ¹ Operator name and Address SDX Resources, Inc. PO Box 5061 Midland, TX 79704 | | ² OGRID Number 020451 |
| | | ³ Reason for Filing Code/ Effective Date |
| ⁴ API Number 30 - 015-33872 | ⁵ Pool Name Artesia, GL-YE | ⁶ Pool Code 96830 |
| ⁷ Property Code 33871 | ⁸ Property Name Kersev Williams A Federal | ⁹ Well Number 6 |

II. ¹⁰ Surface Location

| Ul or lot no. | Section | Township | Range | Lot.Idn | Feet from the | North/South Lin | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|-----------------|---------------|----------------|--------|
| G | 28 | 17S | 28E | | 1700 | North | 1700 | East | Eddy |

¹¹ Bottom Hole Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|------------------------|-------------------------------------|-----------------------------------|-----------------------------------|------------------------------------|-------------------------------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| ¹² Lse Code | ¹³ Producing Method Code | ¹⁴ Gas Connection Date | ¹⁵ C-129 Permit Number | ¹⁶ C-129 Effective Date | ¹⁷ C-129 Expiration Date | | | | |
| F | P | 7/1/05 | | | | | | | |

III. Oil and Gas Transporters

| ¹⁸ Transporter OGRID | ¹⁹ Transporter Name and Address | ²⁰ POD | ²¹ O/G | ²² POD ULSTR Location and Description |
|---------------------------------|--|-------------------|-------------------|--|
| 34019 | ConocoPhillips | | O | |
| 36785 | Duke | | G | |
| | | | | RECEIVED AUG 12 2005 OCC-ARTESIA |

IV. Produced Water

| ²³ POD | ²⁴ POD ULSTR Location and Description |
|-------------------|--|
| 36401 | |

V. Well Completion Data

| ²⁵ Spud Date | ²⁶ Ready Date | ²⁷ TD | ²⁸ PBTB | ²⁹ Perforations | ³⁰ DHC, MC |
|-------------------------|------------------------------------|-------------------------|----------------------------|----------------------------|-----------------------|
| 5/23/05 | 7/1/05 | 3575 | 3503 | 3440-3480 | |
| ³¹ Hole Size | ³² Casing & Tubing Size | ³³ Depth Set | ³⁴ Sacks Cement | | |
| 12-1/4" | 8-5/8" 24# | 460 | 100 10/2 RFC | | |
| 7-7/8" | 5-1/2" 15.5-14# | 3549 | 400 C + 350 35/65 POZ | | |

VI. Well Test Data

| ³⁵ Date New Oil | ³⁶ Gas Delivery Date | ³⁷ Test Date | ³⁸ Test Length | ³⁹ Tbg. Pressure | ⁴⁰ Csg. Pressure |
|----------------------------|---------------------------------|-------------------------|---------------------------|-----------------------------|-------------------------------|
| 7/1/05 | 7/1/05 | 7/10/05 | 24 | | |
| ⁴¹ Choke Size | ⁴² Oil | ⁴³ Water | ⁴⁴ Gas | ⁴⁵ AOF | ⁴⁶ Test Method Pmp |
| | 24 | 207 | 46 | | |

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.
Signature: *Bonnie Atwater*
Printed name: Bonnie Atwater
Title: Regulatory Tech
E-mail Address: batwater@sdxresources.com
Date: 8/11/05
Phone: 432/685-1761

OIL CONSERVATION DIVISION
Approved by: *[Signature]*
Title: TIM W. GUM
Approval Date: DISTRICT II SUPERVISOR
AUG 16 2005

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

24200-06
RECEIVED
AUG 18 2005
BY: _____
FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

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 _____

2. Name of Operator
SDX Resources, Inc.

3. Address PO Box 5061, Midland, TX 79704 3a. Phone No. (include area code) 432/685-1761

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
 At surface 1700' FNL 1700' FEL
 At top prod. interval reported below
 At total depth Same

5. Lease Serial No. NNM048344
 6. If Indian, Allottee or Tribe Name
 7. Unit or CA Agreement Name and No.
 8. Lease Name and Well No. Kersey Williams A #6
 9. AFI Well No. 30-015-33872
 10. Field and Pool, or Exploratory Artesia, GL-YE 96830
 11. Sec., T., R., M., on Block and Survey or Area 28-17S-28E, G
 12. County or Parish Eddy 13. State NM
 17. Elevations (DF, RKB, RT, GL)* 3670' GR

14. Date Spudded 5/23/05 15. Date T.D. Reached 5/31/05 16. Date Completed 7/1/05
 D & A Ready to Prod.

R. Total Depth: MD 3575' TVD 19. Plug Back T.D.: MD 3503' TVD 20. Depth Bridge Plug Set: MD 3503' TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each) GR-CCL 22. Was well cored? No Yes (Submit analysis)
 Was DST run? No Yes (Submit report)
 Directional Survey? No Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

| Hole Size | Size/Grade | Wt. (#/ft.) | Top (MD) | Bottom (MD) | Stage Cementer Depth | No. of Sks. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|------------|-------------|----------|-------------|----------------------|------------------------------|-------------------|-------------|---------------|
| 12-1/4" | 8-5/8 | 24# | Surf | 460 | | 100 10/2 RFC | | Surf | -- |
| 7-7/8" | 5-1/2 | 15.5 | Surf | 3549 | | 400 C | | Surf | -- |
| | | 14 | | | | 350 35/65 POZ | | | |

24. Tubing Record

| Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) |
|-------|----------------|-------------------|------|----------------|-------------------|------|----------------|-------------------|
| 2-7/8 | 3346 | | | | | | | |

25. Producing Intervals 26. Perforation Record

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|-----------|-----|--------|---------------------|-------|-----------|--------------|
| A) | | | 3440-3480 | 1 spf | 18 | |
| B) | | | | | | |
| C) | | | | | | |
| D) | | | | | | |

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

| Depth Interval | Amount and Type of Material |
|----------------|---|
| 3440 - 3480 | 3000 gal 15% NEFE |
| | 110 gal SQ300 + 20000 gal heated 20% HCL NEFE |
| | 30000 gal #40 linear gel |

28. Production - Interval A

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|------------------------|
| 7/1/05 | 7/10 | 24 | → | 24 | 46 | 207 | | | 2-1/2" x 2" FOR RWAORD |
| Choke Size | Tbg. Press. Flwg. SI | Cog. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |
| | | | → | 24 | 46 | 207 | 1917 | Prod | |

28a. Production - Interval B

| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| | | | → | | | | | | |
| Choke Size | Tbg. Press. Flwg. SI | Cog. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |
| | | | → | | | | | | |

ACCEPTED FOR RECORD
AUG 16 2005
LES BABYAK
PETROLEUM ENGINEER

(See instructions and spaces for additional data on page 2)

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 | Pool Code 96830 | Pool Name Artesia, GL-YE |
| Property Code 33871 | Property Name KERSEY WILLIAMS A FEDERAL | Well Number 6 |
| OGRID No. 020451 | Operation Name SDX RESOURCES, INC. | Elevation 3670 |

Surface Location

| UL or Lot No. | Section | Township | Range | Lot No. | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| G | 28 | 17-S | 28-E | | 1700 | NORTH | 1700 | EAST | 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 | 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

| | |
|--|--|
| | <p>OPERATOR CERTIFICATION I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.</p> |
| | <p>Signature <i>Bonnie Atwater</i> Printed Name Bonnie Atwater Title Regulatory Tech Date 9/22/04</p> |
| | <p>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.</p> |
| | <p>SEPTEMBER 17, 2004 Date of Survey Signature and Seal of Professional Surveyor Certificate Number 672</p> |

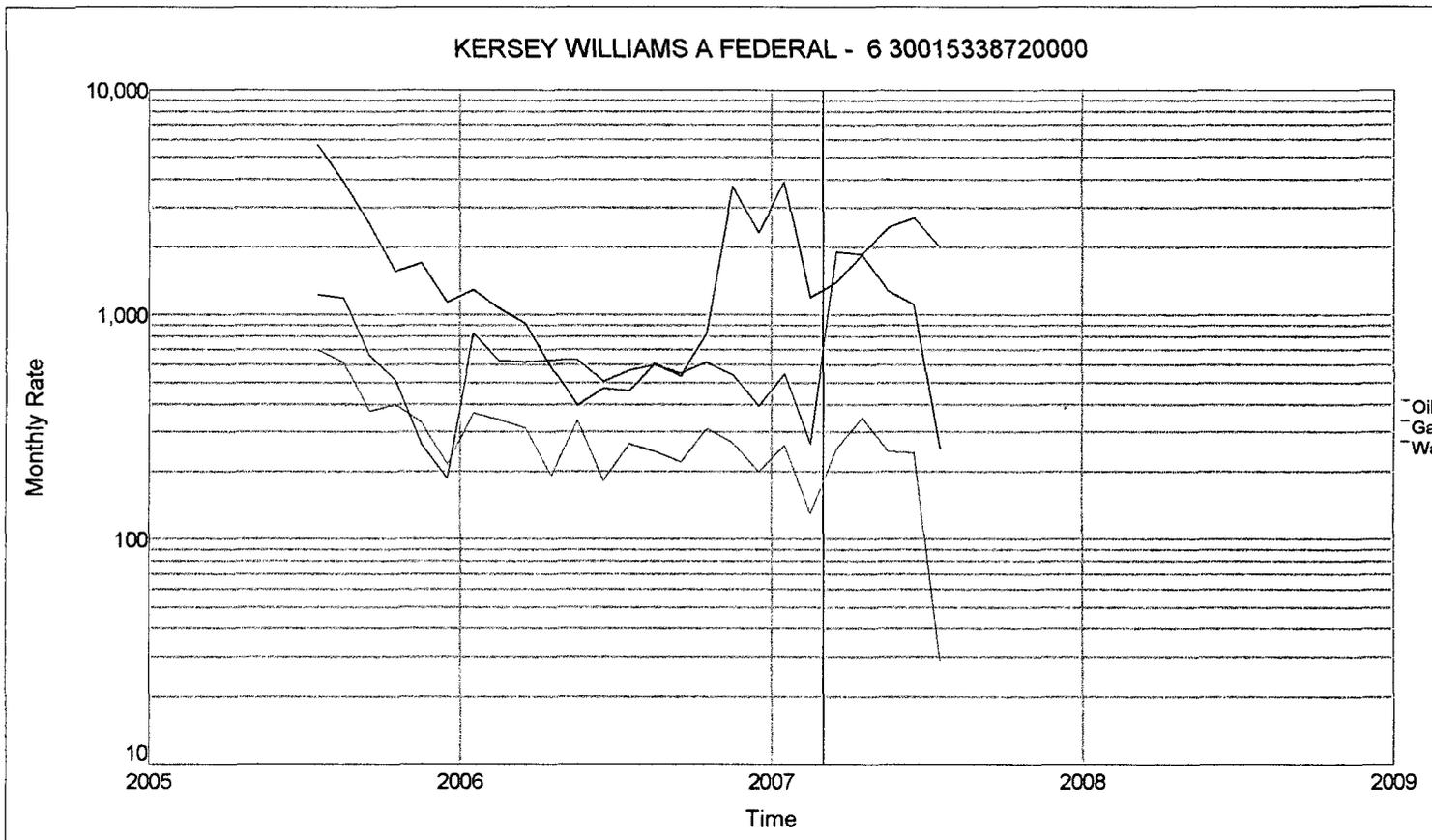
Area on file

Historic Production and Well Count Detail Report

Project: H:\Program Files\IHS Energy\PowerTools v8.0\SDX Comb.mdb

Lease Name: KERSEY WILLIAMS A FEDERAL (6)
 County, ST: EDDY, NM
 Location: 28G 17S 28E NE SW NE

Operator: SDX RESOURCES INCORPORATED
 Field Name: ARTESIA



| Date | Oil (bbl) | Gas (mcf) | Water (bbl) | Well Count | Days On | Total Oil (bbl) | Total Gas (mcf) | Total Water (bbl) |
|---------|-----------|-----------|-------------|------------|---------|-----------------|-----------------|-------------------|
| 01/2005 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 02/2005 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 03/2005 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 04/2005 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 05/2005 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 06/2005 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 07/2005 | 699 | 1,235 | 5,705 | 1 | 27 | 699 | 1,235 | 5,705 |
| 08/2005 | 613 | 1,190 | 3,899 | 1 | 31 | 1,312 | 2,425 | 9,604 |
| 09/2005 | 372 | 668 | 2,537 | 1 | 30 | 1,684 | 3,093 | 12,141 |
| 10/2005 | 399 | 511 | 1,563 | 1 | 20 | 2,083 | 3,604 | 13,704 |
| 11/2005 | 332 | 266 | 1,708 | 1 | 30 | 2,415 | 3,870 | 15,412 |
| 12/2005 | 216 | 187 | 1,142 | 1 | 26 | 2,631 | 4,057 | 16,554 |
| 01/2006 | 367 | 832 | 1,300 | 1 | 31 | 2,998 | 4,889 | 17,854 |
| 02/2006 | 342 | 628 | 1,075 | 1 | 28 | 3,340 | 5,517 | 18,929 |
| 03/2006 | 314 | 619 | 922 | 1 | 31 | 3,654 | 6,136 | 19,851 |
| 04/2006 | 192 | 629 | 587 | 1 | 30 | 3,846 | 6,765 | 20,438 |
| 05/2006 | 340 | 636 | 397 | 1 | 31 | 4,186 | 7,401 | 20,835 |
| 06/2006 | 182 | 508 | 474 | 1 | 30 | 4,368 | 7,909 | 21,309 |
| 07/2006 | 267 | 569 | 461 | 1 | 31 | 4,635 | 8,478 | 21,770 |
| 08/2006 | 246 | 603 | 610 | 1 | 31 | 4,881 | 9,081 | 22,380 |
| 09/2006 | 221 | 552 | 536 | 1 | 30 | 5,102 | 9,633 | 22,916 |

↓
 Slurrita
 Yeso

Historic Production and Well Count Detail Report

Project: H:\Program Files\IHS Energy\PowerTools v8.0\SDX Comb.mdb

| Date | Oil (bbl) | Gas (mcf) | Water (bbl) | Well Count | Days On | Total Oil (bbl) | Total Gas (mcf) | Total Water (bbl) |
|---------------------------------|-----------------|-------------------|------------------|------------|---------|-----------------|-----------------|-------------------|
| <i>Glorieta Yeso</i> 10/2006 | 312 | 617 | 828 | 1 | 30 | 5,414 | 10,250 | 23,744 |
| 11/2006 | 269 | 543 | 3,727 | 1 | 30 | 5,683 | 10,793 | 27,471 |
| <i>Art</i> 12/2006 | 200 | 395 | 2,317 | 1 | 20 | 5,883 | 11,188 | 29,788 |
| <i>Qn</i> 01/2007 | 263 | 548 | 3,915 | 1 | 28 | 6,146 | 11,736 | 33,703 |
| <i>Gb</i> 02/2007 | 130 | 267 | 1,204 | 1 | 0 | 6,276 | 12,003 | 34,907 |
| <i>SA</i> 03/2007 | 253 | 1,913 | 1,405 | 1 | 0 | 6,529 | 13,916 | 36,312 |
| 04/2007 | 349 | 1,865 | 1,861 | 1 | 0 | 6,878 | 15,781 | 38,173 |
| 05/2007 | 246 | 2,456 | 1,285 | 1 | 0 | 7,124 | 18,237 | 39,458 |
| 06/2007 | 243 | 2,706 | 1,117 | 1 | 0 | 7,367 | 20,943 | 40,575 |
| 07/2007 | 29 | 2,002 | 255 | 1 | 0 | 7,396 | 22,945 | 40,830 |
| 08/2007 | 0 ²⁵ | 0 ¹⁸²⁶ | 0 ²⁰⁵ | 0 | 0 | 7,396 | 22,945 | 40,830 |
| 09/2007 | 0 ²⁰ | 0 ¹⁸²⁶ | 0 ¹⁴⁷ | 0 | 0 | 7,396 | 22,945 | 40,830 |
| 10/2007 | 0 | 0 | 0 | 0 | 0 | 7,396 | 22,945 | 40,830 |
| <i>↑</i> 11/2007 | 0 | 0 | 0 | 0 | 0 | 7,396 | 22,945 | 40,830 |
| 12/2007 | 0 | 0 | 0 | 0 | 0 | 7,396 | 22,945 | 40,830 |
| Total: | 7,396 | 22,945 | 40,830 | | 545 | | | |

SDX Resources, Inc. - KERSEY WILLIAMS A #6 - API #30-015-33872 - Eddy Co., NM - New Drill.

- 5/20/05 - Build road & location. Prep for rig to move in and spud on Monday, May 23, 2005.
DWC: \$15,700 CWC: \$15,700
- 5/21/05 - Prep for rig to move in and spud on Monday, May 23, 2005.
5/23/05 CWC: \$15,700
- 5/24/05 - 351' - Day #1. Anhy. PP 500#, SPM 59. Bit #1: 12-1/4", Jets 3-13, WOB all, RPM 60.
MIRU United Rig #12. Finish loading pits & prep to spud. Spud 12-1/4" hole 5/23/05. Drill to 169'. Lost returns. LD 3 DC & mix 3 sx GW 25 & spot pill. TOH & SD for 30 min. TIH & continue drlg. Drill w/no returns 169' - 310'. Regain returns @ 310'. Drill to 351'.
DWC: \$12,611 CWC: \$28,311
- 5/25/05 - 465' - Made 114'. Day #2. Drill to 465'. Circ & drop Totco. TOH. Run 11 jts 8-5/8" K-55 24# csg. Set @ 460'. Cmt w/100 sx 10/2 RFC & 350 sx C + CaCl2 + ¼# sx C/F. PD 2:30 pm. Circ 5 sx to pit per BLM Don Cleghorn. WOC. ND landing jt & NU BOP & choke manifold & test 1000#. No BLM rep. WOC.
DWC: \$27,163 CWC: \$55,474
- 5/26/05 - 1161' - Made 696'. Day #3. MW 9.4, Vis 29, Ph 11, PP 750, GPM 61. Bit #2: 7-7/8", Jets 3-13, 20'/hr, WOB 30, RPM 60. Dev: ½° @ 1003'. WOC total of 18 hrs. TIH w/DC. Drill shoe jt. Start drlg 7-7/8" hole.
DWC: \$27,163 CWC: \$55,474
- 5/27/05 - 1721' - Made 560'. Day #4. Dolo. MW 9.5, Vis 30, WL 27, Ph 9, PP 750, SPM 60. Bit #2: 7-7/8", Jets 3-13, 24'/Hr, WOB 35, RPM 60. Dev: ¾° @ 1503'.
Continue drlg formation.
DWC: \$11,978 CWC: \$81,286
- 5/28/05 - 2063' - Made 342'. Day #5. Dolo. MW 9.4, Vis 31, WL 20, Ph 10, PP 750, SPM 60. Bit #2: 7-7/8", Jets 3-13, 19'/Hr, WOB 35, RPM 60. Dev: ½° @ 2000'.
Trip for hole in pipe. Continue drlg formation.
DWC: \$7,345 CWC: \$88,631
- 5/29/05 - 2369' - Made 306'. Day #6. MW 9.4, Vis 31, WL 24, Ph 10, PP 1000, SPM 60. Bit #2: 7-7/8", Jets 3-13, 17'/Hr, WOB 35, RPM 60.
Trip for hole in pipe. Continue drlg formation.
DWC: \$6,689 CWC: \$95,320
- 5/30/05 - 2896' - Made 527'. Day #7. Dolo. MW 9.5, Vis 30, WL 26, Ph 9, PP 1000, SPM 60. Bit #2: 7-7/8", Jets 3-13, 24'/Hr, WOB 35, RPM 60. Dev: ¾° @ 2526'.
Continue drlg formation.
DWC: \$9,822 CWC: \$105,142
- 5/31/05 - 3490' - Made 594'. Day #8. MW 9.4, Vis 29, WL 27, Ph 9, PP 1000, SPM 60. Bit #2: 7-7/8", Jets 3-13, WOB 35, RPM 60. Dev: ½° @ 3072'.
Continue drlg formation.
DWC: \$11,787 CWC: \$116,929

- 6/1/05 - 3575' TD - Made 85'. Day #9.
Reached TD of 3575' 5/31/05. Circ. TOH. RU SWS. Tag 3576 @ 3:30 pm.
Run Platform X w/HALS 3576 - 460'. RD. RU csg crew & run 50 jts 5-
1/2" J-55 15.5# ST&C = 1625.73' + 59 jts 5-1/2" J-55 14# ST&C =
1923.29'. Total pipe = 3549.12'. PBTd = 3517.07' @ GL. RU BJ. Clear
pipe w/rig. Tie on BJ & cmt w/400 sx Cl C + 350 sx 35/65 POZ C. PD
1:30 am 6/1/05. Float did not hold. SI head. Circ 105 sx to pit. ND
hydrill & jet working pits over. RR 6:00 am 6/1/05.
DWC: \$62,962 CWC: \$179,891
- 6/2/05 - WO Completion.
6/6/05 CWC: \$179,891
- 6/7/05 - RU Precision Wireline w/mast truck. Tag PBTd @ 3447'. Run GR & CCL
3447 - surface. RD & SI.
DWC: \$2,550 CWC: \$182,441
- 6/8/05 - WO Completion.
6/9/05 CWC: \$182,441
- 6/10/05 - MIRU. NU BOP. Tally 112 jts 2-7/8" tbg = 3636.96'. TIH & tag w/107
jts + 6' = 3479.11'. PBTd = 3527.97' = 48.86 shallow. Called for
reverse unit & 1 load wtr. TOH w/tbg & SI BOP. SDON.
DWC: \$19,766 CWC: \$202,207
- 6/11/05 - PU 4 - 3/4" bit and 6 3-1/2" DC. TIH & tag up. RU reverse unit & break
circ. Drill wiper plug & cmt to 3529'. Begin circ up gravel & unable
to drill deeper. Circ clean w/2% KCL & test csg & BOP to 1000#. Held
fine. TOH & LD collars & bit. Bit badly worn. SI & SD for weekend.
DWC: \$8,350 CWC: \$210,557
- 6/12-13/05 SD for weekend.
CWC: \$210,557
- 6/14/05 RU Precision Wireline & TIH w/5-1/2" CIBP. Tag up @ 3505'. Set CIBP
@ 3503' (PBTd). TOH, perf 1 spf: 3440'-43', 46-49', 61'-65', 71-72',
78-80' (18 holes). TIH w/unit pkr. Set pkr @ 3342' (w/9 jts out). SI
& SDFN.
DWC: \$5,800 CWC: \$216,357
- 6/15/05 RU BJ. TIH & spot acid across perms. Pull up to 3440'. Set pkr.
Formation broke @ 5000#. Acidized w/3000 gal 15% NEFE & 40 ball
sealers @ 5 bpm. Good ball action. Several good breaks & ball outs.
Flush to bottom perf. Avg treating psi = 2047#, ISIP = 1041#, 15 min
= 734#. Flow back to pit & swab continuously. FL From 600' to 1500'
w/15% oil cut & very good gas. Set 2 frac tanks & SDON.
DWC: \$14,040 CWC: \$230,397
- 6/16/05 240# TP. Flowed free oil to pit 15 min. Used roustabout truck to
straighten & pack off csg head. Swbd continuously. Pulled FL to 1800'
w/15% oil cut & very good gas. TIH knocking off balls. TOH & set
pkr, load & test csg & BOP - 1000#. Set 1 lined frac tank. Fill
w/260 bbls FW & heat wtr. Prep to hot acid in the am.
DWC: \$6,830 CWC: \$237,227

- 6/17/05 RU BJ, 500# tbg psi, treated down tbg w/2 drums SQ300 & 20,000 gal. Heated 20% HCL, NEFE & 30,000 gal #40 linear gel & 10 ball sealers @ 10 bpm in 10 alternating stages. Avg treating psi = 2500#, ISIP = 1400#, 15 min. = 1293#, then pumped 3000 gal. 15% HCL NEFE @ 5 bpm & flush to bottom perf, ISIP = 1250#, 15 min. = 1064#, flowed back to pit for the remainder of the day. SDON.
DWC: \$56,450 CWC: \$293,677
- 6/18/05 Tbg. dead, breakoff treating valve & RU swab. Swabbed continuously all day. Scattered treating fluid w/3% oil cut & very good gas. SDON
DWC: \$,2600 CWC: \$296,277
- 6/19/05 240# tbg psi, flowed free oil to pit 10 min. Swabbed continuously F/L from 800'-1200' w/3% oil cut & very good gas. SDFWE
DWC: \$1,800 CWC: \$298,077
- 6/21/05 140# tbg pis, TIH knocking off balls, TOH w/tbg & pkr, w/tbg & TAC,N/D BOP land off tbg & assemble wellhead. TIH w/pump & rods, space out rods, long stroked pump, good pump action, rig down & clean loc.
1 - 2-7/8" M/A w/tapped bull plug @ 3383'; 1 - 2-7/8" x 4' perf sub @ 3350'; 1 - 2-7/8" API S/N @ 3346'; 4 - jts 2-7/8" tbg = 130'; 1 - 5 1/2 x 2-7/8" TAC @ 3214'; 99 jts 2-7/8" tbg = 3211'; 1 - 2 1/2" x 2" x 2" x 12' RWAC, PAP, P/S, S/V; 1 - 1" x 1' lift sub; 80 new 3/4" D rods; 52 new 7/8" D rods, 1 - 7/8" x 8' x 6' Sub = 14'; 1 - 1 1/4" x 22' polish rod w/1 1/2" x 12' liner.
Final Inventory: 2 8-5/8" J55 29# 88'; 8 2-7/8" J55 tbg 260'; 8 - new 7/8" D rods
DWC: \$15,300 CWC: \$313,377
- 6/22/05 Weatherford set & hung a Cabot 160 from Tomsco. Deans Electric set panel box & temp elect.
Cabot 160 D S/N C38204B w/64" sh @ 12 spm = 360 bbls x 24 hr @ 100%. Shut in well @ 5 pm, flowlines crossed @ C/R crossing, will repair a.m.
DWC: \$18,625 CWC: \$332,002
- 6/27/05 - Production for 6/23/05 - 13 BO, 25 MCF, 300 BW. 7 jts to FL
Production for 6/24/05 - 19 BO, 10 MCF, 290 BW
Production for 6/25/05 - 15 BO, 34 MCF, 274 BW
- 6/28/05 - Production for 6/26/05 - 22 BO, 36 MCF, 300 BW. 14 jts to FL
- 6/29/05 - Production for 6/27/05 - 19 BO, 39 MCF, 216 BW. 14 jts to FL
- 6/30/05 - Production for 6/28/05 - 19 BO, 40 MCF, 242 BW. 21 jts to FL
- 7/1/05 - Production for 6/29/05 - 19 BO, 41 MCF, 232 BW. 11 jts to FL
- 7/5/05 - Production for 6/30/05 - 22 BO, 39 MCF, 228 BW
Production for 7/1/05 - 24 BO, 41 MCF, 323 BW
Production for 7/2/05 - 24 BO, 42 MCF, 284 BW
Production for 7/3/05 - 22 BO, 42 MCF, 324 BW
- 7/6/05 - Production for 7/4/05 - 24 BO, 43 MCF, 274 BW. 19 jts to FL
- 7/7/05 - Production for 7/5/05 - 16 BO, 40 MCF, 200 BW. 14 jts to FL
- 7/8/05 - Production for 7/6/05 - 22 BO, 45 MCF, 250 BW. 14 jts to FL
- 7/11/05 - Production for 7/7/05 - 27 BO, 45 MCF, 223 BW. 26 jts to FL
Production for 7/8/05 - 30 BO, 42 MCF, 225 BW
Production for 7/9/05 - 36 BO, 44 MCF, 225 BW
- 7/12/05 - Production for 7/10/05 - 24 BO, 46 MCF, 207 BW. 12 jts to FL. Dn 2 hrs - elec.
- 7/13/05 - Production for 7/11/05 - 27 BO, 46 MCF, 180 BW. 18 jts to FL

FINAL REPORT

KERSEY WILLIAMS A FEDERAL #6 - API #30-015-33872 - Eddy Co., NM - Workover

- 10/28/06 - Hot watered csg & flow line. MIRU. SD for weekend.
DWC: \$1,066 CWC: 1,066
- 10/29/06 - SD for weekend.
10/30/06 CWC: \$1,066
- 10/31/06 - TOH w/rods & pmp. NU BOP & test & tally tbg out. TIH w/Halliburton 3L RBP & set @ 3148'. Break circ & test 1000#. Roll csg w/2% KCL. Drop 2 sx sd down tbg & clear tbg. TOH. RU WL. Tie into CH log & perf: 2887', 89, 93, 95, 2901, 08, 15, 17, 29 45, 54, 63, 65, 75, 87, 91, 97, 99, 3008, 18, 23, 25, 30, 34, 36 (1 spf, 25 holes). TIH w/5-1/2" PPI pkr w/1' spacing to 2807'. SDON.
DWC: \$16,764 CWC: \$17,830
- 11/1/06 - TIH & tie in w/collars. Drop & test FCV's & tool. Spot acid across perfs. Break down ec perf w/PPI tool. Pull up, fish valves, reverse annulus clean & set tool @ 2807'. Acidize all perfs w/3500 gal of 15% NEFE w/50 ball sealers @ 5 bpm. Good ball action & ball out. ISIP = 1104#, 5 min SIP = 1028#, 10 min SIP = 1000#, 15 min SIP = 965#. Flow back acid & RU swab. Swbd to SN in 14 runs. Pulling ~100'/run. 1 hr SD 400' fl entry. Good gas w/treating fl & a trace of oil. Set 3 frac tks.
DWC: \$15,777 CWC: \$33,607
- 11/2/06 - 1500' entry overnight w/300' free oil & good gas. Swab dry in 7 runs. 2 cons hrly runs = 400' entry w/5% oil cut & good gas, 3rd hrly run = 400' entry w/10% oil cut & very good gas. SI tbg & fill 3 frac tanks w/420 bbls Loco Hills FW ec & SDON. Prep to frac in the a.m.
DWC: \$4,707 CWC: \$38,314
- 11/3/06 - 150# TP. 1200' entry overnight w/300' frac oil. Swab dry in 4 runs, 1 hr = 400' entry w/10% oil cut & very good gas. TIH knocking off balls. TOH w/tbg & pkr. ND BOP & NU frac valve. RU BJ & frac dn 5-1/2" csg w/50,500 gal Lightning 27-25 & 67,400# 16/30 Ottawa & 35,300# 12/20 Brady. Staged 1-5# w/5# hold on 12/20 @ 45 bpm. Avg treating psi = 2540#, ISIP = 1907#, 15 min = 1636#. RD BJ & RU flow back. Consolidate remaining fl to 1 tk w/load 2% & SDON.
DWC: \$73,620 CWC: \$111,934
- 11/4/06 - Csg dead. NU BOP. TIH & tag sd @ 3080'. Wash sd to RBP. Get on RBP & TOH. TIH w/tbg. ND BOP. Land off tbg & assemble wellhead. TIH w/pmp & rods. Space out rods, good pmp action. RD & clean loc. Released oil rentals & emptied all tks.
1 - 2-7/8" MA w/tapped bull plug @ 3383'
1 - 2-7/8" x 4' perf sub @ 3350'
1 - 2-7/8" API SN @ 3346'
4 jts - 2-7/8" tbg = 130'
1 - 5-1/2" x 2-7/8" TAC @ 3214'
99 jts - 2-7/8" tbg - 3211'
1 - 2-1/2" x 2" x 12' RWAC, PAP, R/S, S/V
1 - 1" x 1' lift sub
80 - 3/4" D rods
52 - 7/8" D rods
1 - 7/8" x 8' x 6' sub = 14'
1 - 1-1/4" x 22' polish rod w/1-1/2" x 12' liner
DWC: \$12,591 CWC: \$124,525
- 11/5/06 - Pmpg back load.
11/7/06
11/8/06 - Pmpg back load. 104 BW

11/9/06 - Pmpg back load.
11/10/06 - Pmpg back load.
11/13/06 - Pmpg back load.
11/14/06 - Pmpg back load.
11/15/06 - Production for 11/13/06: 4 BO, 0 MCF, 152 BW
11/16/06 - Production for 11/14/06: 3 BO, 0 MCF, 103 BW
11/17/06 - Production for 11/15/06: 2 BO, 2 MCF, 127 BW
87 JFL 103 JSN
11/20/06 - Production for 11/16/06: 0 BO, 5 MCF, 175 BW
Production for 11/17/06: 0 BO, 0 MCF, 216 BW
Production for 11/18/06: 0 BO, 0 MCF, 142 BW
11/21/06 - Production for 11/19/06: 0 BO, 0 MCF, 190 BW
11/22/06 - Production for 11/20/06: 3 BO, 0 MCF, 212 BW
11/27/06 - Production for 11/21-25/06: No report
11/28/06 - Production for 11/26/06: 0 BO, 1 MCF, 156 BW
11/29/06 - Production for 11/27/06: 0 BO, 2 MCF, 147 BW
11/30/06 - Production for 11/28/06: 0 BO, 1 MCF, 260 BW
12/1/06 - Production for 11/29/06: 0 BO, 2 MCF, 112 BW
12/4/06 - Production for 11/30/06: 0 BO, 10 MCF, 106 BW
Production for 12/1/06: 0 BO, 13 MCF, 188 BW
Production for 12/2/06: 0 BO, 1 MCF, 152 BW
12/5/06 - Production for 12/3/06: 0 BO, 16 MCF, 131 BW
12/6/06 - Production for 12/4/06: 0 BO, 6 MCF, 178 BW
12/7/06 - Production for 12/5/06: 0 BO, 19 MCF, 170 BW
12/8/06 - Production for 1265/06: 0 BO, 2 MCF, 123 BW
12/11/06 - Production for 12/7/06: 0 BO, 4 MCF, 156 BW
Production for 12/8/06: 0 BO, 6 MCF, 113 BW
Production for 12/9/06: 0 BO, 4 MCF, 122 BW

FINAL REPORT

KERSEY WILLIAMS A #6 - API #30-015-33872 - Eddy Co., NM - Workover.

- 2/1/07 - MIRU. TOH w/rods & pump. NU BOP & SDON.
DWC: \$3,415 CWC: \$3,415
- 2/2/07 - RU tbg tester & test tbg out. 5000# w/6 sec hold. Shop TAC & RD tester. TIH w/5-1/2" CIBP & 102 jts + 70' & set @ 3320' TOH w/tbg. TIH w/5-1/2" CRT & set @ 2820' on 87 jts tbg. Sting out & sting back in. SDON.
DWC: \$6,300 CWC: \$9,715
- 2/3/07 - RU BJ & sqz perfs 2887 - 3036' w/150 sx Cl C + CaCl² @ 15#. Pump psi 230#. Walked displacement in @ 2 bbls every 5 min. No TP but it was not on a vacuum. Sting out of CRI & TOH. Ordered reverse unit & FW for Monday a.m. 2/5/07. SD for weekend.
DWC: \$8,164 CWC: \$17,879
- 2/4/07 - SD for weekend.
2/5/07 CWC: \$17,879
- 2/6/07 - RU reverse unit & TIH. Tag cmt @ 2758'. Drill 2758' - 2820'. Most of CRT drilled up. SDON.
DWC: \$6,530 CWC: \$24,409
- 2/7/07 - Drilling on CRT pulled threads on stripper head nut, exchange stripper head. Drill on CRT 4-1/2 hrs. Not making any hole. TOH. 4-3/4" Vesel severely worn. TIH w/4-3/4" Smith. Made 6" w/good cuttings. CRT cut up but something between bit & cmt. Possibly a slip. Hammer on bit, running 65 rpm w/12K on bit. PP 225#, fine cuttings. Circ bottoms up & SDON.
DWC: \$9,430 CWC: \$33,839
- 2/8/07 - Drill up CRT & cmt to 2854'. Drlg very slow. TOH w/4-7/8" milltooth. TIH w/4-3/4" blade bit. Drill 2854' - 2871' @ 6 min/ft. SDON.
DWC: \$5,230 CWC: \$39,069
- 2/9/07 - Drill 2871' - 3040'. Fell out of cmt. Circ up & test squeeze 500# - good. SDON.
DWC: \$4,680 CWC: \$43,749
- 2/10/07 - TIH & drill up CIBP @ 3320'. TIH to PBTD 3503'. Csg on vac. Could not roll csg. TOH w/tbg & DC. TIH w/4-3/4" bit & 5-1/2" scrapper to 3503'. Csg clean. TOH & LD DC & scrapper. SD for weekend.
DWC: \$4,864 CWC: \$48,613
- 2/11/07 - SD for weekend.
2/12/07 CWC: \$48,613
- 2/13/07 - RU Weatherford WL. TIH w/5-1/2" CIBP & set @ 2730'. TIH w/4" select fire, shift perfs to CH log & perf: 2291', 92, 96, 2310, 12, 23, 28, 30, 36, 40, 47, 52, 57, 69, 72, 83, 88, 94, 96, 2404, 11, 17, 32, 69, 77, 81, 84, 96, 98, 2502, 04 (31 holes). TIH w/5-1/2"ASI w/unloader & tbg to 2512'. Set pkr & test CIBP 1000#. Spot acid across perfs. Pull up & set pkr. Formation broke @ 2529#. Treated w/3500 gal 15% NEFE & 60 ball sealers @ 5 bpm. Flush to bottom perf. Avg treating psi = 1900#, Max psi - 3100#, ISIP = 1119#, 15 min - 1081#. Flow back to tank & swab dry in 5 runs. Treating fl & acid gas. Wait 1 hr - 500' entry w/treating fl & acid gas. Left tbg cracked to tank & SDON.
DWC: \$4,864 CWC: \$48,613

- 2/14/07 - 1400' entry overnight w/400' free oil. Swab dry in 4 runs w/good formation gas. TIH knocking off balls. Pull back & reset pkr. Swab tbg dry, 1 hr = 500' entry w/10% oil cut & good gas. TOH w/tbg & pkr. RU BJ & frac down 5-1/2" csg w/45,145 gal Lightning 25 + 65,420# 16/30 & 35,240# Brady ramped 1-4# w/4# hold on 12/20 @ 45 bpm. Avg treating psi - 2074#, ISIP - 1629#, 15 min = 1400#. RU flow back lines, emptied frac tanks & SDON.
DWC: \$75,075 CWC: \$143,328
- 2/15/07 - 200# CP. Blow down to tank. NU BOP & TIH. Tag CIBP @ 2730'. No sd. Roll csg w/2% KCL & TOH LD 22 jts. TIH w/BHA. ND BOP, land off tbg & assemble wellhead. LD 26 - 3/4" & 3 - 7/8" rods. TIH w/pump & rods. Space out rods. Pmpd up good. Set BP valve. RD & clean loc, 2-1/2 loads to disposal. All rentals released.
1 - 2-7/8" MA w/tapped bull plug @ 2634'
1 - 2-7/8" & 4' PS @ 2601'
1 - 2-7/8" API SN @ 2597'
12 jts - 2-7/8" tbg - 391.27
1 - 5-1/2" x 2-7/8" TAC @ 2205'
68 jts - 2-7/8" tbg = 2202.32'
1 - 2-1/2" x 2" x 12' RWAC, PAP, SV, PS
1 - 1" x 1' lift sub
54 - 3/4" rods
49 - 7/8" rods
1 - 1-1/4" x 22' polish rod w/12' x 1-1/2" liner
DWC: \$6,670 CWC: \$150,088
- 2/16/07 - Pmpg back load
2/19/07 - Pmpg back load
2/20/07 - Pmpg back load
2/21/07 - Pmpg back load. 38 JFL
2/22/07 - Prod for 2/20/07: 20 BO, 34 MCF, 181 BW
2/23/07 - Prod for 2/21/07: 25 BO, 70 MCF, 179 BW
2/26/07 - Prod for 2/22/07: 24 BO, 72 MCF, 154 BW
Prod for 2/23/07: 21 BO, 88 MCF, 179 BW
Prod for 2/24/07: 10 BO, 84 MCF, 127 BW
2/27/07 - Prod for 2/25/07: 12 BO, 105 MCF, 95 BW
2/28/07 - Prod for 2/26/07: 9 BO, 104 MCF, 100 BW. 6 JFL
3/1/07 - Prod for 2/27/07: 4 BO, 108 MCF, 88 BW. 50% timer
3/2/07 - Prod for 2/28/07: 4 BO, 110 MCF, 48 BW

FINAL REPORT

SDX Resources, Inc. - KERSEY WILLIAMS A FEDERAL #6 - API #30-015-33872 -
Eddy Co., NM - Workover.

- 11/6/07 - Hot wtr csg & F/L. MIRU. Haul 30 jts 2-7/8" tbg to loc. Set swab tk & SDON.
DWC: \$2,640 CWC: \$2,640
- 11/7/07 - TOH w/rods & pmp. NU BOP. TIH w/3 jts. Tally tbg out. Tagged @ 2710'. Shop pmp & TAC. Called for bailer & FW. SDON.
DWC: \$4,060 CWC: \$6,700
- 11/8/07 - TIH w/bulldog bailer. Bail 20' frac sd. TOH & dmp bailer. TIH & clean up on top of CIBP @ 2734'. TOH w/tbg & bailer. Pour new rope socket & prep for drill bailer. SDON.
DWC: \$4,650 CWC: \$11,350
- 11/9/07 - TIH w/drill bailer. Drill out CIBP @ 2734'. Push to PBD. TOH w/tbg & LD bailer. SDON.
DWC: \$6,176 CWC: \$17,526
- 11/10/07 - TIH w/BHA. ND BOP. Land off tbg & assemble wellhead. TIH w/pmp & rods. Space out rods. Good pmp action. RD & clean location.
1 - 2-7/8" MA w/tapped BP @ 3412'
1 - 2-7/8" x 4 P/S @ 3379'
1 - 2-7/8" API SN @ 3375'
10 jts - 2-7/8" tbg = 322'
1 - 5-1/2" x 2-7/8" TAC @ 3052'
94 jts - 2-7/8" tbg = 3049'
1 - 2-1/2" x 2" x 12' RWAC, PAP, S/V, P/S
1 - 1" x 1' lift sub
64 - 3/4" rods
68 - 7/8" rods
1 - 7/8" x 8' x 6' subs
1 - 1-1/4" x 22' polish rod w/12' liner
DWC: \$10,166 CWC: \$21,516

FINAL REPORT