

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies <u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> 1301 W. Grand Avenue, Artesia, NM 88210 <u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised June 10, 2003 WELL API NO. 30-015-34585 5. Indicate Type of Lease STATE ☒ FEE ☐ State Oil & Gas Lease No.																																								
WELL COMPLETION OR RECOMPLETION REPORT AND LOG																																										
1a. Type of Well: OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER _____ b. Type of Completion: NEW ☒ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF. WELL OVER BACK RESVR. ☐ OTHER		7. Lease Name or Unit Agreement Name Marathon 25 State																																								
2. Name of Operator SDX Resources, Inc.		8. Well No. 24																																								
3. Address of Operator PO Box 5061, Midland, TX 79704 432/685-1761		9. Pool name or Wildcat Red Lake, QN-GB-SA (51300)																																								
4. Well Location Unit Letter <u>B</u> : 480 Feet From The <u>North</u> Line and 1650 Feet From The <u>East</u> Line Section <u>25</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County																																										
10. Date Spudded 5/8/06	11. Date T.D. Reached 5/15/06	12. Date Compl. (Ready to Prod.) 6/15/06																																								
13. Elevations (DF& RKB, RT, GR, etc.) 3679' GR		14. Elev. Casinghead																																								
15. Total Depth 3148'	16. Plug Back T.D. 3112'	17. If Multiple Compl. How Many Zones?																																								
18. Intervals Drilled By Rotary Tools ☒ Cable Tools		19. Producing Interval(s), of this completion - Top, Bottom, Name 2371' - 2722'																																								
20. Was Directional Survey Made Yes		21. Type Electric and Other Logs Run LDT-CNL-GR, DLL-GR																																								
22. Was Well Cored Yes		23. CASING RECORD (Report all strings set in well)																																								
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>CASING SIZE</th> <th>WEIGHT LB/FT.</th> <th>DEPTH SET</th> <th>HOLE SIZE</th> <th>CEMENTING RECORD</th> <th>AMOUNT PULLED</th> </tr> <tr> <td>8-5/8"</td> <td>28# J-55</td> <td>416'</td> <td>12-1/4"</td> <td>375 sx CI C</td> <td>---</td> </tr> <tr> <td>5-1/2"</td> <td>14# J-55</td> <td>3146'</td> <td>7-7/8"</td> <td>300 sx 35/65 POZ</td> <td>---</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>275 sx CI C</td> <td></td> </tr> </table>	CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED	8-5/8"	28# J-55	416'	12-1/4"	375 sx CI C	---	5-1/2"	14# J-55	3146'	7-7/8"	300 sx 35/65 POZ	---					275 sx CI C		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>SIZE</th> <th>TOP</th> <th>BOTTOM</th> <th>SACKS CEMENT</th> <th>SCREEN</th> <th>SIZE</th> <th>DEPTH SET</th> <th>PACKER SET</th> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>2-7/8"</td> <td>2802'</td> <td></td> </tr> </table>		SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET						2-7/8"	2802'	
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24. LINER RECORD		25. TUBING RECORD																																								
26. Perforation record (interval, size, and number) 2381', 83, 89, 2405, 43, 45, 2605, 07, 15, 16, 23, 33, 43, 50, 63, 70, 79, 82, 86, 91, 2700, 02, 04, 10, 16, 20, 22 (4" select fire, 1 spf, 27 holes)		27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>2371' - 2722'</td> <td>3700 gal 15% NEFE</td> </tr> <tr> <td></td> <td>53000 gal Lightening 25 + 80000# 16/30 +</td> </tr> <tr> <td></td> <td>35,000# 12/20 Brady</td> </tr> </table>	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	2371' - 2722'	3700 gal 15% NEFE		53000 gal Lightening 25 + 80000# 16/30 +		35,000# 12/20 Brady																																
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28. PRODUCTION																																										
Date First Production 6/15/06	Production Method (Flowing, gas lift, pumping - Size and type pump) 2-1/2" x 2" x 12' RWAC																																									
Well Status (Prod. or Shut-in) Prod																																										
Date of Test 6/27/06	Hours Tested 24	Choke Size																																								
Prod'n For Test Period	Oil - Bbl 28	Gas - MCF 169																																								
Water - Bbl. 150	Gas - Oil Ratio 6036																																									
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate																																								
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Oil Gravity - API - (Corr.)		29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold																																								
Test Witnessed By Chuck Morgan		30. List Attachments Deviation Survey, Logs, Core Analysis																																								
31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief																																										
Signature <i>Bonnie Atwater</i>	Printed Name Bonnie Atwater	Title Regulatory Tech																																								
E-mail Address batwater@sdresources.com		Date 7/7/06																																								

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy		T. Ojo Alamo	T. Penn. "B"
T. Salt	480	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	560	T. Pictured Cliffs	T. Penn. "D"
T. Yates	720	T. Cliff House	T. Leadville
T. 7 Rivers	924	T. Menefee	T. Madison
T. Queen	1406	T. Point Lookout	T. Elbert
T. Grayburg	1944	T. Mancos	T. McCracken
T. San Andres	2234	T. Gallup	T. Ignacio Otzte
T. Glorieta		Base Greenhorn	T. Granite
T. Paddock		T. Dakota	T.
T. Blinebry		T. Morrison	T.
T. Tubb		T. Todilto	T.
T. Drinkard		T. Entrada	T.
T. Abo		T. Wingate	T.
T. Wolfcamp		T. Chinle	T.
T. Penn		T. Permian	T.
T. Cisco (Bough C)		T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from...2381.....to...2722.....
 No. 2, from.....to.....
 No. 3, from.....to.....
 No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
0	150	150	Caliche, Redbed, Anhydrite				
150	200	50	Sand				
200	480	280	Anhydrite				
480	560	80	Salt				
720	924	204	Sand, Anhydrite, Dolomite				
924	1406	482	Anhydrite, Dolomite				
1406	1944	538	Sand, Anhydrite, Dolomite				
1944	2234	290	Dolomite, Sand, Dolomitic Sand				
2234	3148	914	Dolomite				