

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30-015-30682
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.

<p align="center">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.)</p>		<p>Lease Name or Unit Agreement Name Marathon A 25 State</p>
<p>Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER</p>		<p>Well No. 12</p>
<p>Name of Operator SDX Resources, Inc. (020451)</p>		<p>Pool name or Wildcat Red Lake (QN-GB-SA)</p>
<p>Address of Operator PO Box 5061, Midland, TX 79704</p>		
<p>Well Location Unit Letter <u>G</u> : <u>1650</u> Feet From The <u>North</u> Line and <u>1650</u> Feet From The <u>East</u> Line Section <u>25</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County</p>		
<p>Elevation (Show whether DF, RKB, RT, GR, etc.) 3693' GR</p>		

11 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 ANBANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: <u>Plug Back & Add Perfs</u> <input checked="" type="checkbox"/>	

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.

5/11/04
Set CIBP @ 2615'. TIH w/4" select fire & perf. 2236', 38, 40, 44, 46, 48, 55, 57 (2 spf, 16 holes). Acidize w/2500 gal 15% NEFE HCL. Frac w/40,000 gal Viking 30 & 70,000# 16/30 & 38,000# 12/20 Brady Sd.

RIH w/2-3/8" tbg to 2283'
2" x 1-1/2" x 12' RWAC pmp

Test: 6/20/04: 2 BO, 5 MCF, 185 BW

RECEIVED
JUL 28 2004
OCD-ARTESIA

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 07-23-04

TYPE OR PRINT NAME Bonnie Atwater batwater@sdresources.com TELEPHONE NO. 432/685-1761

(This space for State Use)

JUL 29 2004

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

FOR RECORDS ONLY