

|                                                                                                                                                                                                                                                                                                                              |                                   |                                                                                                                                                    |                                                                                                                                                                                                                            |                                                                   |                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|---------------------|
| Submit To Appropriate District Office<br>State Lease - 6 copies<br>Fee Lease - 5 copies<br>District I<br>1625 N. French Dr., Hobbs, NM 88240<br>District II<br>1301 W. Grand Avenue, Artesia, NM 88210<br>District III<br>1000 Rio Brazos Rd., Aztec, NM 87410<br>District IV<br>1220 S. St. Francis Dr., Santa Fe, NM 87505 |                                   | State of New Mexico<br>Energy, Minerals and Natural Resources<br><br>Oil Conservation Division<br>1220 South St. Francis Dr.<br>Santa Fe, NM 87505 |                                                                                                                                                                                                                            | Form C-105<br>Revised June 10, 2003                               |                     |
|                                                                                                                                                                                                                                                                                                                              |                                   | WELL API NO.<br>30-015-34110                                                                                                                       |                                                                                                                                                                                                                            | 5. Indicate Type of Lease<br>STATE X FEE <input type="checkbox"/> |                     |
|                                                                                                                                                                                                                                                                                                                              |                                   | State Oil & Gas Lease No.                                                                                                                          |                                                                                                                                                                                                                            |                                                                   |                     |
| WELL COMPLETION OR RECOMPLETION REPORT AND LOG                                                                                                                                                                                                                                                                               |                                   |                                                                                                                                                    |                                                                                                                                                                                                                            |                                                                   |                     |
| 1a. Type of Well:<br>OIL WELL X GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>                                                                                                                                                                                                |                                   |                                                                                                                                                    | 7. Lease Name or Unit Agreement Name<br><br>Sedona                                                                                                                                                                         |                                                                   |                     |
| b. Type of Completion:<br>NEW X WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF.<br>WELL OVER BACK RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/>                                                                                                           |                                   |                                                                                                                                                    | 8. Well No.<br>2 FEB 02 2006                                                                                                                                                                                               |                                                                   |                     |
| 2. Name of Operator<br>SDX Resources, Inc.                                                                                                                                                                                                                                                                                   |                                   |                                                                                                                                                    | 9. Pool name or Wildcat<br>R.                                                                                                                                                                                              |                                                                   |                     |
| 3. Address of Operator<br>PO Box 5061, Midland, TX 79704 432/685-1761                                                                                                                                                                                                                                                        |                                   |                                                                                                                                                    | RECEIVED                                                                                                                                                                                                                   |                                                                   |                     |
| 4. Well Location<br>Unit Letter P : 604 Feet From The South Line and 990 Feet From The East Line<br>Section 21 Township 17S Range 28E NMPM Eddy County                                                                                                                                                                       |                                   |                                                                                                                                                    |                                                                                                                                                                                                                            |                                                                   |                     |
| 10. Date Spudded<br>11-12-05                                                                                                                                                                                                                                                                                                 | 11. Date T.D. Reached<br>11-19-05 | 12. Date Compl. (Ready to Prod.)<br>12-30-05                                                                                                       | 13. Elevations (DF& RKB, RT, GR, etc.)<br>3622' GR                                                                                                                                                                         | 14. Elev. Casinghead                                              |                     |
| 15. Total Depth<br>3600                                                                                                                                                                                                                                                                                                      | 16. Plug Back T.D.<br>3531        | 17. If Multiple Compl. How Many<br>Zones?                                                                                                          | 18. Intervals<br>Drilled By                                                                                                                                                                                                | Rotary Tools<br>X                                                 | Cable Tools         |
| 19. Producing Interval(s), of this completion - Top, Bottom, Name<br>3468' - 3500'                                                                                                                                                                                                                                           |                                   |                                                                                                                                                    |                                                                                                                                                                                                                            | 20. Was Directional Survey Made<br>Yes                            |                     |
| 21. Type Electric and Other Logs Run<br>LDT-CNL-GR, DLL                                                                                                                                                                                                                                                                      |                                   |                                                                                                                                                    |                                                                                                                                                                                                                            | 22. Was Well Cored<br>Yes                                         |                     |
| 23. CASING RECORD (Report all strings set in well)                                                                                                                                                                                                                                                                           |                                   |                                                                                                                                                    |                                                                                                                                                                                                                            |                                                                   |                     |
| CASING SIZE                                                                                                                                                                                                                                                                                                                  | WEIGHT LB./FT.                    | DEPTH SET                                                                                                                                          | HOLE SIZE                                                                                                                                                                                                                  | CEMENTING RECORD                                                  | AMOUNT PULLED       |
| 8-5/8"                                                                                                                                                                                                                                                                                                                       | 24# J-55                          | 392'                                                                                                                                               | 12-1/4"                                                                                                                                                                                                                    | 350 sx C - Circ                                                   | -                   |
| 5-1/2"                                                                                                                                                                                                                                                                                                                       | 17# - 15.5# J-55                  | 3592'                                                                                                                                              | 7-7/8"                                                                                                                                                                                                                     | 350 sx 35/65/6                                                    | -                   |
|                                                                                                                                                                                                                                                                                                                              |                                   |                                                                                                                                                    |                                                                                                                                                                                                                            | + 300 sx C - Circ                                                 |                     |
| 24. LINER RECORD                                                                                                                                                                                                                                                                                                             |                                   |                                                                                                                                                    |                                                                                                                                                                                                                            |                                                                   |                     |
| SIZE                                                                                                                                                                                                                                                                                                                         | TOP                               | BOTTOM                                                                                                                                             | SACKS CEMENT                                                                                                                                                                                                               | SCREEN                                                            |                     |
|                                                                                                                                                                                                                                                                                                                              |                                   |                                                                                                                                                    |                                                                                                                                                                                                                            |                                                                   |                     |
| 26. Perforation record (interval, size, and number)<br>3468', 69, 70, 71, 72, 76, 77, 78, 79, 80, 84, 87, 92, 94, 96, 99, 3500<br>3-1/2" slick gun - 17 holes                                                                                                                                                                |                                   |                                                                                                                                                    | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.<br>DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED<br>3468 - 3500 3500 gal 15% NEFE<br>20000 gal gel 20% HCL + 30000 gal 40# linear gel<br>+ 3000 gal 15% NEFE Cool Down Acid |                                                                   |                     |
| 28. PRODUCTION                                                                                                                                                                                                                                                                                                               |                                   |                                                                                                                                                    |                                                                                                                                                                                                                            |                                                                   |                     |
| Date First Production<br>1-3-06                                                                                                                                                                                                                                                                                              |                                   | Production Method (Flowing, gas lift, pumping - Size and type pump)<br>2-1/2" x 2" x 16' RWAC                                                      |                                                                                                                                                                                                                            | Well Status (Prod. or Shut-in)<br>Prod                            |                     |
| Date of Test<br>1-15-06                                                                                                                                                                                                                                                                                                      | Hours Tested<br>24                | Choke Size                                                                                                                                         | Prod'n For Test Period                                                                                                                                                                                                     | Oil - Bbl<br>10                                                   | Gas - MCF<br>17     |
| Flow Tubing Press.                                                                                                                                                                                                                                                                                                           | Casing Pressure                   | Calculated 24-Hour Rate                                                                                                                            | Oil - Bbl<br>10                                                                                                                                                                                                            | Gas - MCF<br>17                                                   | Water - Bbl.<br>160 |
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.)<br>Sold                                                                                                                                                                                                                                                           |                                   |                                                                                                                                                    |                                                                                                                                                                                                                            | Test Witnessed By<br>Chuck Morgan                                 |                     |
| 30. List Attachments<br>logs, deviation survey                                                                                                                                                                                                                                                                               |                                   |                                                                                                                                                    |                                                                                                                                                                                                                            |                                                                   |                     |
| 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<br>Bonnie Atwater                                                                                                                                                                                                                                                                                                  |                                   | Printed Name<br>Bonnie Atwater                                                                                                                     |                                                                                                                                                                                                                            | Title Regulatory Tech                                             |                     |
| E-mail Address<br>batwater@sdresources.com                                                                                                                                                                                                                                                                                   |                                   |                                                                                                                                                    |                                                                                                                                                                                                                            | Date 1/31/06                                                      |                     |

# 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 depth 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. Canyon        | T. Ojo Alamo            | T. Penn. "B"     |
| T. Salt                 | T. Strawn        | T. Kirtland-Fruitland   | T. Penn. "C"     |
| B. Salt                 | T. Atoka         | T. Pictured Cliffs      | T. Penn. "D"     |
| T. Yates 550            | T. Miss          | T. Cliff House          | T. Leadville     |
| T. 7 Rivers 960         | T. Devonian      | T. Menefee              | T. Madison       |
| T. Queen 1230           | T. Silurian      | T. Point Lookout        | T. Elbert        |
| T. Grayburg 1652        | T. Montoya       | T. Mancos               | T. McCracken     |
| T. San Andres 1964      | T. Simpson       | T. Gallup               | T. Ignacio Otzie |
| T. Glorieta 3348        | T. McKee         | Base Greenhorn          | T. Granite       |
| T. Paddock 3434         | T. Ellenburger   | T. Dakota               | T.               |
| T. Blinbry              | T. Gr. Wash      | T. Morrison             | T.               |
| T. Tubb                 | T. Delaware Sand | T. Todilto              | T.               |
| T. Drinkard             | T. Bone Springs  | T. Entrada              | T.               |
| T. Abo                  | T.               | T. Wingate              | T.               |
| T. Wolfcamp             | T.               | T. Chinle               | T.               |
| T. Penn                 | T.               | T. Permian              | T.               |
| T. Cisco (Bough C)      | T.               | T. Penn "A"             | T.               |

## OIL OR GAS SANDS OR ZONES

No. 1, from...3468.....to.....3500.....  
 No. 2, from...3202.....to.....3232.....

No. 3, from.....2340.....to.....2530.....  
 No. 4, from.....2006.....to.....2018.....

## 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<br>In Feet | Lithology                        | From | To | Thickness<br>In Feet | Lithology |
|------|------|----------------------|----------------------------------|------|----|----------------------|-----------|
| 550  | 1230 | 680                  | Anhy, Dolomite                   |      |    |                      |           |
| 1230 | 1652 | 422                  | Sd, Anhy, Dolomitic Sd, Dolomite |      |    |                      |           |
| 1652 | 1964 | 312                  | Dolomite, Anhy, Sd               |      |    |                      |           |
| 1964 | 3348 | 1384                 | Dolomite                         |      |    |                      |           |
| 3348 | 3434 | 86                   | Sd & Dolomite                    |      |    |                      |           |
| 3434 | 3600 | 162                  | Dolomite                         |      |    |                      |           |

WELL NAME AND NUMBER Sedona No. 2

LOCATION Section 21, T17S, r28E, 604' FSL, 990' FEL, Eddy County NM

OPERATOR SDX Resources, Inc.

DRILLING CONTRACTOR United Drilling, Inc.

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and had conducted deviation tests and obtained the following results:

| <u>Degrees @ Depth</u>      | <u>Degrees @ Depth</u>      | <u>Degrees @ Depth</u>      |
|-----------------------------|-----------------------------|-----------------------------|
| <u>1/2° 400'</u>            | <u>                    </u> | <u>                    </u> |
| <u>1/2° 513'</u>            | <u>                    </u> | <u>                    </u> |
| <u>1/2° 1030'</u>           | <u>                    </u> | <u>                    </u> |
| <u>1/2° 1502'</u>           | <u>                    </u> | <u>                    </u> |
| <u>1/4° 2003'</u>           | <u>                    </u> | <u>                    </u> |
| <u>1/2° 2500'</u>           | <u>                    </u> | <u>                    </u> |
| <u>1/2° 3027'</u>           | <u>                    </u> | <u>                    </u> |
| <u>                    </u> | <u>                    </u> | <u>                    </u> |

Drilling Contractor United Drilling, Inc.

By: George A. Aho  
George A. Aho

Title: Business Manager

Subscribed and sworn to before me this 28<sup>th</sup> day of November,  
2005.

Carlue Machin  
Notary Public

My Commission Expires: 10/08/08

Chaves New Mexico  
County State