

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Submit To Appropriate District Office<br>State Lease - 6 copies<br>Fee Lease - 5 copies<br><b>District I</b><br>1625 N. French Dr., Hobbs, NM 88240<br><b>District II</b><br>1301 W. Grand Avenue, Artesia, NM 88210<br><b>District III</b><br>1000 Rio Brazos Rd., Aztec, NM 87410<br><b>District IV</b><br>1220 S. St. Francis Dr., Santa Fe, NM 87505                                                                                                           | <b>State of New Mexico</b><br><b>Energy, Minerals and Natural Resources</b><br><br><b>Oil Conservation Division</b><br><b>1220 South St. Francis Dr.</b><br><b>Santa Fe, NM 87505</b> | <b>Form C-105</b><br>Revised June 10, 2003<br><br><b>WELL API NO.</b><br>30-015-35050<br><b>5. Indicate Type of Lease</b><br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/><br><b>State Oil &amp; Gas Lease No.</b> |
| <b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
| <b>1a. Type of Well:</b><br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/><br><br><b>b. Type of Completion:</b><br>NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/><br>WELL OVER BACK RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/> |                                                                                                                                                                                       | <b>7. Lease Name or Unit Agreement Name</b><br><br>Enron State                                                                                                                                                                              |
| <b>2. Name of Operator</b><br><br>SDX Resources, Inc.                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                       | <b>8. Well No.</b><br><br>12                                                                                                                                                                                                                |
| <b>3. Address of Operator</b><br><br>PO Box 5061, Midland, TX 79704      432/685-1761                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                       | <b>9. Pool name or Wildcat</b><br>Artesia, GL-YE 03230                                                                                                                                                                                      |
| <b>4. Well Location</b>                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
| Unit Letter <u>D</u> : <u>330</u> Feet From The <u>North</u> Line and <u>500</u> Feet From The <u>West</u> Line<br><br>Section <u>32</u> Township <u>17S</u> Range <u>28E</u> NMPM Eddy County                                                                                                                                                                                                                                                                     |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
| <b>10. Date Spudded</b><br>11-20-06                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>11. Date T.D. Reached</b><br>12-05-06                                                                                                                                              | <b>12. Date Compl. (Ready to Prod.)</b><br>12-21-06                                                                                                                                                                                         |
| <b>13. Elevations (DF&amp; RKB, RT, GR, etc.)</b><br>3667' GR                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                       | <b>14. Elev. Casinghead</b>                                                                                                                                                                                                                 |
| <b>15. Total Depth</b><br>3810'                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>16. Plug Back T.D.</b><br>3635' CIBP                                                                                                                                               | <b>17. If Multiple Compl. How Many Zones?</b>                                                                                                                                                                                               |
| <b>18. Intervals Drilled By</b><br>Rotary Tools X Cable Tools                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                       | <b>19. Producing Interval(s), of this completion - Top, Bottom, Name</b><br>3429' - 3520'                                                                                                                                                   |
| <b>20. Was Directional Survey Made</b><br>Yes                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                       | <b>21. Type Electric and Other Logs Run</b><br>CBL-GR-CCL                                                                                                                                                                                   |
| <b>22. Was Well Cored</b><br>No                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
| <b>23. CASING RECORD (Report all strings set in well)</b>                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
| CASING SIZE                                                                                                                                                                                                                                                                                                                                                                                                                                                        | WEIGHT LB. FT.                                                                                                                                                                        | DEPTH SET                                                                                                                                                                                                                                   |
| 8-5 8"                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 28# K-55                                                                                                                                                                              | 355'                                                                                                                                                                                                                                        |
| 5-1/2"                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 14-15.5# K-55                                                                                                                                                                         | 3802'                                                                                                                                                                                                                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
| <b>24. LINER RECORD</b>                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                       | <b>25. TUBING RECORD</b>                                                                                                                                                                                                                    |
| SIZE                                                                                                                                                                                                                                                                                                                                                                                                                                                               | TOP                                                                                                                                                                                   | BOTTOM                                                                                                                                                                                                                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
| <b>26. Perforation record (interval, size, and number)</b><br>3429', 30, 31, 32, 33, 39, 40, 45, 47, 53, 57, 61, 67, 76, 78, 80, 82, 84, 92, 93, 94,<br>3504, 16, 18, 20 (1 spf, 26 holes)                                                                                                                                                                                                                                                                         |                                                                                                                                                                                       | <b>27. ACID. SHOT. FRACTURE. CEMENT. SQUEEZE. ETC.</b>                                                                                                                                                                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       | DEPTH INTERVAL                                                                                                                                                                                                                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       | AMOUNT AND KIND MATERIAL USED                                                                                                                                                                                                               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       | 3429 - 3520                                                                                                                                                                                                                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       | 3600 gal 15% NEFE                                                                                                                                                                                                                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       | 2 drum SQ300 + 20,000 gal 20% NEFE + 30,000 gal 40%                                                                                                                                                                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       | Linear gel + 3,000 gal 15% NEFE                                                                                                                                                                                                             |
| <b>28. PRODUCTION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
| <b>Date First Production</b><br>12/21/06                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Production Method (Flowing, gas lift, pumping - Size and type pump)</b><br>2-1/2" x 2" x 16' RWAC                                                                                  | <b>Well Status (Prod. or Shut-in)</b><br>Prod                                                                                                                                                                                               |
| <b>Date of Test</b><br>1-8-07                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Hours Tested</b><br>24                                                                                                                                                             | <b>Choke Size</b>                                                                                                                                                                                                                           |
| <b>Flow Tubing Press.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Casing Pressure</b>                                                                                                                                                                | <b>Calculated 24-Hour Rate</b>                                                                                                                                                                                                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
| <b>29. Disposition of Gas (Sold, used for fuel, vented, etc.)</b><br>Sold                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                       | <b>Test Witnessed By</b><br>Chuck Morgan                                                                                                                                                                                                    |
| <b>30. List Attachments</b><br>Deviation Survey, Logs                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
| <b>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</b>                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |
| Signature <u>Bonnie Atwater</u>                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       | Printed Name <u>Bonnie Atwater</u>                                                                                                                                                                                                          |
| E-mail Address <u>batwater@sdxresources.com</u>                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       | Title <u>Regulatory Tech</u>                                                                                                                                                                                                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       | Date <u>1-18-07</u>                                                                                                                                                                                                                         |

# 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. 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 600            | T. Miss          | T. Cliff House          | T. Leadville     |
| T. 7 Rivers 880         | T. Devonian      | T. Menefee              | T. Madison       |
| T. Queen 1086           | T. Silurian      | T. Point Lookout        | T. Elbert        |
| T. Grayburg 1566        | T. Montoya       | T. Mancos               | T. McCracken     |
| T. San Andres 1864      | T. Simpson       | T. Gallup               | T. Ignacio Otzte |
| T. Glorieta 3300        | T. McKee         | Base Greenhorn          | T. Granite       |
| T. Paddock 3420         | T. Ellenburger   | T. Dakota               | T.               |
| T. Blinebry             | 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.....to.....  
 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<br>In Feet | Lithology             | From | To | Thickness<br>In Feet | Lithology |
|------|------|----------------------|-----------------------|------|----|----------------------|-----------|
| 0    | 150  | 150                  | Gravel & Redbed       |      |    |                      |           |
| 150  | 200  | 50                   | Sand                  |      |    |                      |           |
| 200  | 600  | 400                  | Anhy                  |      |    |                      |           |
| 600  | 1086 | 486                  | Dolomitic Sand & Anhy |      |    |                      |           |
| 1086 | 3300 | 2214                 | Dolo                  |      |    |                      |           |
| 3300 | 3420 | 120                  | Dolo & Sd             |      |    |                      |           |
| 3420 | 3810 | 390                  | Dolo                  |      |    |                      |           |

WELL NAME AND NUMBER Enron State #12

LOCATION Section 32, T17S, R28E, Unit -D, 330 FNL, 500FWL, Eddy Co.

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 test and obtained the following results:

| <u>Degrees @ Depth</u> | <u>Degrees @ Depth</u>      | <u>Degrees @ Depth</u>      |
|------------------------|-----------------------------|-----------------------------|
| <u>3/4 @ 365'</u>      | <u>                    </u> | <u>                    </u> |
| <u>1/2 @ 873'</u>      | <u>                    </u> | <u>                    </u> |
| <u>1/2 @ 1376</u>      | <u>                    </u> | <u>                    </u> |
| <u>3/4 @ 1881'</u>     | <u>                    </u> | <u>                    </u> |
| <u>1 @ 2380'</u>       | <u>                    </u> | <u>                    </u> |
| <u>1 @ 2853'</u>       | <u>                    </u> | <u>                    </u> |
| <u>1-1/4 @ 3383'</u>   | <u>                    </u> | <u>                    </u> |
| <u>1 @ 3810'</u>       | <u>                    </u> | <u>                    </u> |

Drilling Contractor- UNITED DRILLING, INC.

By: *Luisa Garcia*  
(Luisa Garcia)

Title: Assistant Office Manger

Subscribed and sworn to before me this 7 day of Dec, 2006.

*Steven A. Chaves*  
Notary Public  
Chaves, NM  
County State

My Commission Expires:

10-8-08