

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCCUPANCY STATEMENT

FORM APPROVED
OM B No. 1004-0137
Expires: March 31, 2007Month - Year
APR 16 2007
OCD - ARTESIA, NM**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE- Other instructions on reverse side.**1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator **SDX Resources, Inc.**3a. Address
PO Box 5061, Midland, TX 797043b. Phone No. (include area code)
432-685-1761

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**2310' FNL 620' FEL
Sec 18, T17S, R28E, Unit N**

5. Lease Serial No.

NMNM-048344

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Kersey Williams A Federal #7

9. API Well No.

30-015-33689

10. Field and Pool, or Exploratory Area

Red Lake QN-GB-SA&Artesia, GL-YE

11. County or Parish, State

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

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

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

Administrative Order DHC-3632**Existing:****8-5/8" 32# J-55 csg @ 460'. Cmt'd w/375 sx C.****5-1/2" 14# J-55 csg set @ 3557'. Cmt'd w/350 sx C tail & 350 sx 35/65 POZ C lead.****Perfs: 3489' - 3499'. Acidized & treated w/20,000 gal Hot 20% HCL & 30,000 gal Gel.****CIBP @ 3320'****Perfs: 2339' - 2552', 2044' - 54' & 2120' - 22'****Proposal:****TOH w/tbg. TIH w/chisel point bailer & bail down to CIBP. Chisel up CIBP & push to PBTD of 3516'.****Return well to production.***Subsequent sundry required when work complete.*

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

Bonnie AtwaterTitle **Regulatory Tech**

Signature

Bonnie Atwater

Date

04/02/2007**APPROVED****THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

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

Title

Office

Date **APR 12 2007***Wesley W. Ingram***WESLEY W. INGRAM****PETROLEUM ENGINEER**

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

(Instructions on page 2)