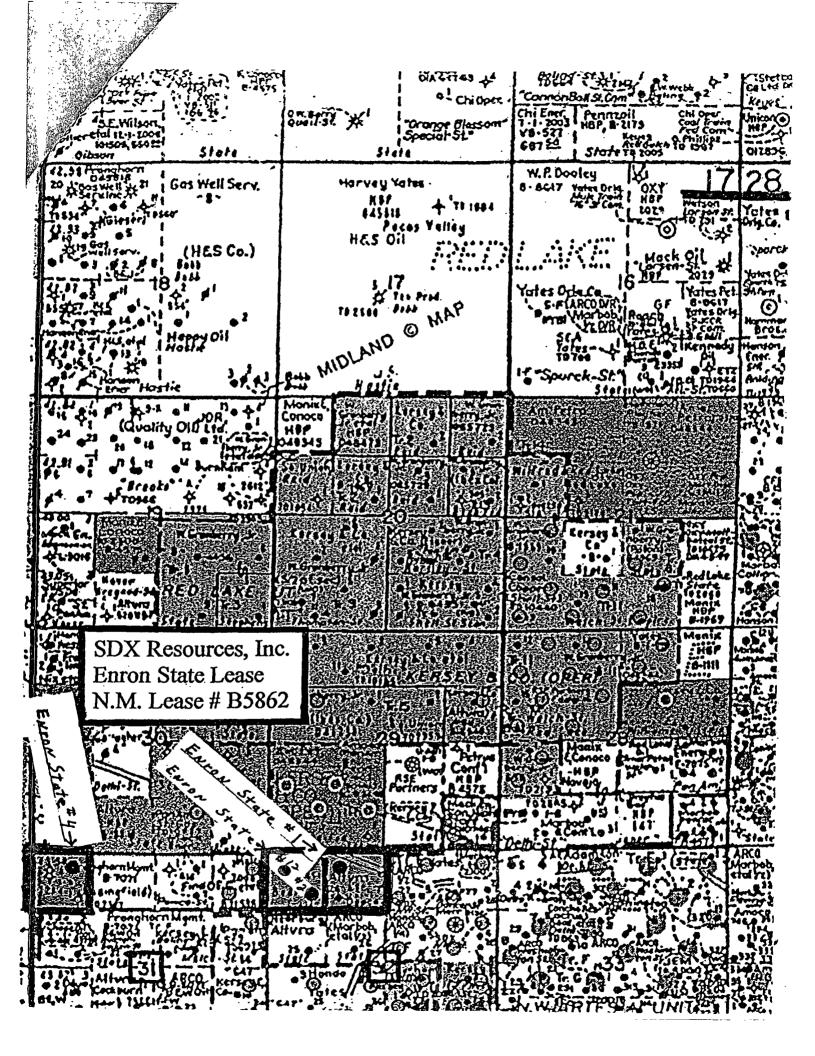
| Submit 3 Copies To Appropriate District Office   | State of New Mexico  | Form C-103   |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
| <u>District I</u> 1625 N. French Dr., Hobbs, NM 88240  | gy, Minerals and Natural Resources   | May 27, 2004 WELL API NO.                            |  |  |  |  |  |  |  |
| Dietrict II  | CONSERVATION DIVISION  | 30-015-2-5000  |  |  |  |  |  |  |  |
| District III 1000 Rio Brazos Rd., Aztec, NM 87410  | 1220 South St. Francis Dr. K. L. U   | 5. Indicate to pe of Lease  STATE X FEE              |  |  |  |  |  |  |  |
| District IV  | Santa Fe, NM 87505   | 6. State X FEE 6. State Qil of Gas Lease No.  B-5862 |  |  |  |  |  |  |  |
| 1220 S. St. Francis Dr., Santa Fe, NM<br>87505   |  |  |  |  |  |  |  |  |  |
| SUNDRY NOTICES AND (DO NOT USE THIS FORM FOR PROPOSALS TO DRI  |  | 7. Lease Name or Unit Agreement Name<br>Enron State  |  |  |  |  |  |  |  |
| 1 `  | RENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH   |  |  |  |  |  |  |  |  |
| 1. Type of Well: Oil Well X Gas Well   | ☐ Other NOV 0 5 2007   | 8. Well Number 12                                    |  |  |  |  |  |  |  |
| 2. Name of Operator SDX Resources, Inc.  | OCD-ARTESIA  | 9. OGRID Number 020451                               |  |  |  |  |  |  |  |
| 3. Address of Operator   |  | 10. Pool name or Wildcat                             |  |  |  |  |  |  |  |
| PO Box 5061, Midland, TX 79704   |  | Artesia, GL-YE (96830)                               |  |  |  |  |  |  |  |
| 4. Well Location   |  |  |  |  |  |  |  |  |  |
|  | feet from the _North line and:   |  |  |  |  |  |  |  |  |
| Section 32 Township 17S Range 28E NMPM Eddy County  11. Elevation (Show whether DR, RKB, RT, GR, etc.)   |  |  |  |  |  |  |  |  |  |
| 3667' GR   |  |  |  |  |  |  |  |  |  |
| Pit or Below-grade Tank Application or Closure   | intones from nonvest fresh water well. Distance  |  |  |  |  |  |  |  |  |
|  | Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water  Pit Liner Thickness Depth to Groundwater Distance from nearest surface water |  |  |  |  |  |  |  |  |
| Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material  12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data  |  |  |  |  |  |  |  |  |  |
| •••  | ,  | •  |  |  |  |  |  |  |  |
| NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING   |  |  |  |  |  |  |  |  |  |
| TEMPORARILY ABANDON  |  |  |  |  |  |  |  |  |  |
| PULL OR ALTER CASING   MULTIPL   | E COMPL CASING/CEMEN   | T JOB  |  |  |  |  |  |  |  |
| OTHER: Surface Commingle   | X OTHER:   | П  |  |  |  |  |  |  |  |
| 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date  |  |  |  |  |  |  |  |  |  |
| of starting any proposed work). SEE F or recompletion.   | RULE 1103. For Multiple Completions: A   | ttach wellbore diagram of proposed completion        |  |  |  |  |  |  |  |
| or recompletion.   |  |  |  |  |  |  |  |  |  |
| SDX Resources, Inc. proposes to add production   |  |  |  |  |  |  |  |  |  |
| (B5862). The lease is currently covered under PC-1096A. The interest is identical for both pools and all facilities are located on lease. The battery is located on location with the Enron State #1. Production from the Enron St #12 well from the Artesia, GL-YE pool (96830)                       |  |  |  |  |  |  |  |  |  |
| will be commingled with production from the Enron State #1, #2 & #4 wells which are producing from the NE Red Lake GL-YE (96836)   |  |  |  |  |  |  |  |  |  |
| pool, the Artesia, QN-GB-SA (03230) pool and the Red Lake, QN-GB-SA (51300) pool under PC-1096A. Production to be allocated by   |  |  |  |  |  |  |  |  |  |
| periodic test.   |  |  |  |  |  |  |  |  |  |
| Attachments:   |  |  |  |  |  |  |  |  |  |
| Lease Map Lease & Pool Information   |  |  |  |  |  |  |  |  |  |
| Title Statement  |  |  |  |  |  |  |  |  |  |
| Well & Battery Plat  |  |  |  |  |  |  |  |  |  |
| Battery & Tester Schematics  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines X, a general permit  or an (attached) alternative OCD-approved plan . |  |  |  |  |  |  |  |  |  |
| SIGNATURE Bonnie atteat  | TITLE_Regulatory Tech_   | DATE10-19-07   |  |  |  |  |  |  |  |
| Type or print name Bonnie Atwater  | E-mail address: batwater@sdxresourc  | res.com Telephone No. 432-685-1761                   |  |  |  |  |  |  |  |
| For State Use Only   | , et .   | NOV 0 6 2007   |  |  |  |  |  |  |  |
| APPROVED BY: FOR RECOR   | IDS ONLY   | DATE   |  |  |  |  |  |  |  |



SDX Resources, Inc. **Enron State** Section 32, T17S, R28E Lease & Pool Information

| Well # | API<br>30-015- | <u>Legals</u>      | <u>Perfs</u>               | <u>Pool</u>                         | Pool<br><u>Code</u> | Est Dai<br>Oil | ily Prod<br><u>Gas</u> | uction<br>Wtr |
|--------|----------------|--------------------|----------------------------|-------------------------------------|---------------------|----------------|------------------------|---------------|
| 1      | 31530          | 530' FNL 1650' FWL | 2420 – 2549                | Artesia, Q-G-S                      | 03230               | 1              | 17                     | 0             |
| 2      | 31920          | 990' FNL 990' FWL  | 2268 - 2647<br>3500 - 3586 | Artesia, Q-G-S<br>Artesia, G-Y      | 03230<br>96830      | 2<br>14        | 8<br>14                | 0<br>108      |
| 4      | 32162          | 460' FNL 990' FWL  | 2080 – 2298<br>3281 – 3399 | Red Lake, Q-G-S<br>NE Red Lake, G-Y | 51300<br>96836      | 8<br>2         | 27<br>6                | 34<br>12      |
| 12     | 35050          | 330' FNL 550' FWL  | 3429 – 3520                | Artesia, G-Y                        | 96830               | 13             | 42                     | 64            |
|        |                |                    |                            |                                     |                     | 40             | 114                    | 218           |

Lease Description: Section 32, T17S, R28E N/2 NW/4 Section 31, T17S, R28E NW/4 NW/4 ±80 acres

±40 acres

Battery Description: Section 32, T17S, R28E, Unit C NE/4 NW/4

## Steve Sell

P. O. Box 5061 Midland, TX 79704 432-685-1761, 1-800-344-1761 Fax 432-685-0110

October 18, 2007

NMOCD 1220 S. St. Francis Drive Santa Fe, NM 87504

Re: Ownership Certification

Enron State #1, #2, #4 & #12 Sec. 31-32; T17S-R28E Eddy County, New Mexico

## Dear Gentlemen:

After reviewing the associated land files for the captioned wells, this is to inform you that the ownership is identical in all of the producing horizons to be commingled.

If you should have any questions or comments, please contact me at the letterhead address. Thank you for your consideration and prompt attention to this matter.

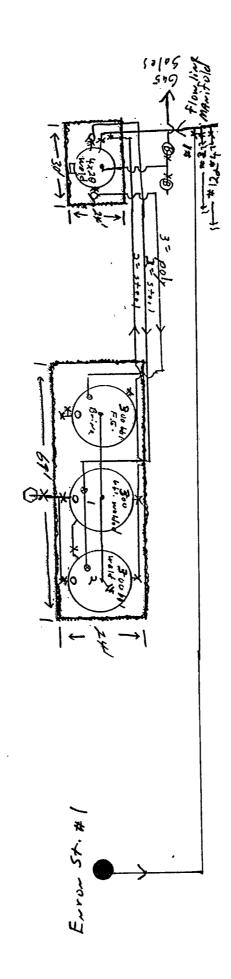
Sincerell

Landman

\bw

cc: New Mexico State Land Office

310 Old Santa Fe Trail Santa Fe, NM 87501 SDX Resources, INC.
Enrow State Battery
Sec. 32 T175 R28E



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