

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTN.M. Oil Cons. Division
1625 N. French Dr.
Hobbs, NM 88240FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

1 Copy only

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Lease Serial No. NM-0321613 NM12613
2. Name of Operator SDG Resources L. P.		6. If Indian, Allottee or Tribe Name
3a. Address P. O Box 1390 Montrose, CO 81401	3b. Phone No. (include area code) 432-550-7580	7. If Unit or CA/Agreement, Name and/or No. Cooper Jal Unit 70962
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990 feet FNL, 330 feet FWL Sec 19, Township 24S, Range 37E		8. Well Name and No. 202
		9. API Well No. 30-025-11148
		10. Field and Pool, or Exploratory Area JALMAT / LANLIE MATTIX
		11. County or Parish, State LEA

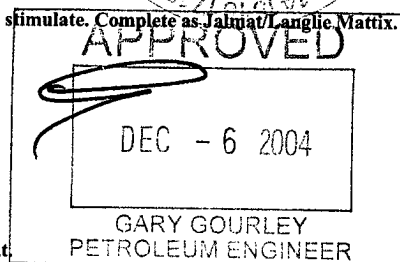
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input checked="" 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 checked="" 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 type="checkbox"/> Other Deepen and acidize
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Fracture Stimulate
	<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.)

Objective: Deepen Jalmat producer from 3,224' to 3,790', add perforations, acidize and fracture stimulate. Complete as Jalmat/Langlie Mattix.

1. MIRU Pulling Unit. POOH with rods, pump and tubing sting.
2. RIH with 4 3/4" bit & 6 - 3 1/2" drill collars on 2 7/8" work string.
3. Deepen well to new TD at 3,790'. Lay down bit and drill collars.
4. RU Wireline Company. Run Compensated Neutron Log from TD to 2500'.
5. RIH with Perf-Clean Tool on 2 7/8" work string.
6. Acidize open hole (2,972'-3,790') with 5,000 gallons 15% NEFE HCl acid.
7. POOH with 2 7/8" work string and lay down Perf-Clean Tool.
8. RIH with 7" treating packer on 3 1/2" work string.
9. Fracture stimulate open hole with 120,000# 12/20 mash sand in 4 stages. Divert with rock salt.
10. POOH and lay down 3 1/2" work string.
11. Clean out well to new TD with sand bailer. Lay down bailer and 2 7/8" work sting.
12. RIH with 2 7/8" production sting, pump and rods. Place werll on production. Turn over to operations.
13. Fold Pit Liner inward, cover with 20 mil liner and cover with top soil. File Form C144 with NMOC.



APPROVED FOR 3 MONTH PERIOD

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Domingo Carrizales	ENDING 3-6-05 Title Sr. Petroleum Engineer
Signature Domingo Carrizales	Date 11/29/2004

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
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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)

GWW

WELLBORE SCHEMATIC AND HISTORY																					
CURRENT COMPLETION SCHEMATIC		Cooper Jal Unit																			
<p>Surface Csg Hole Size: 12 1/2 in Csg. Size: 10 3/4 in Set @: 268 ft Sxs Cmt: 75 Circ: Yes TOC @: surf TOC by: circ</p>		LEASE NAME STATUS: Active Oil WELL NO. 202 API# 30-025-11148																			
		LOCATION: 990 FNL & 330 FWL, Sec 19, T - 24S, R - 37E, Lee County, New Mexico SPUD DATE: TD 3224 KB 3,309' DF INT. COMP. DATE: 05/28/50 PBTD 3224 GL 3,300'																			
		GEOLOGICAL DATA ELECTRIC LOGS: GR-N from 2850 - 3222' (5-28-50 Lane Wells) Trac III (4-12-78 Cardinal Surveys Co.) HYDROCARBON BEARING ZONE DEPTH TOPS: Yates @ 3010'																			
		CASING PROFILE SURF. 10 3/4" - 328', J-55 set @ 268' Cmt'd w/75 sxs - circ cmt to surf. PROD. 7" - 208', J-55 set @ 2872' Cmt'd w/200 sxs - TOC @ 1655' Calc 75%. DV tool @ 1300' ??? - pmp 100 sxs - TOC @ 521' ?? LINER None																			
		CURRENT PERFORATION DATA CSG. PERFS: OPEN HOLE: 2972 - 3224'																			
<p>TOC @ 521'</p> <p>DV @ 1300' ???</p> <p>TOC @ 1655' Calc 75%</p> <p>OH Interval 2972 - 3224'</p>		TUBING DETAIL 1/2/2002 <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Length (ft)</th> <th>Detail</th> </tr> </thead> <tbody> <tr> <td>2828</td> <td>89 2 7/8" 6.5#, J-55, 8rd EUE tbg.</td> </tr> <tr> <td>3</td> <td>1 5 1/2" x 2 7/8" TAC</td> </tr> <tr> <td>283</td> <td>9 2 7/8" 6.5#, J-55, 8rd EUE tbg.</td> </tr> <tr> <td>1</td> <td>1 2 7/8" SN</td> </tr> <tr> <td>4</td> <td>1 1 - 2 7/8" 6.5#, J-55, 8rd EUE perf :</td> </tr> <tr> <td>33</td> <td>1 1 - 2 7/8" Open ended Mud Anchor</td> </tr> <tr> <td>3151</td> <td>blm</td> </tr> <tr> <td colspan="2">SN @ 3114' TAC @ 2828'</td> </tr> </tbody> </table>		Length (ft)	Detail	2828	89 2 7/8" 6.5#, J-55, 8rd EUE tbg.	3	1 5 1/2" x 2 7/8" TAC	283	9 2 7/8" 6.5#, J-55, 8rd EUE tbg.	1	1 2 7/8" SN	4	1 1 - 2 7/8" 6.5#, J-55, 8rd EUE perf :	33	1 1 - 2 7/8" Open ended Mud Anchor	3151	blm	SN @ 3114' TAC @ 2828'	
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WELL HISTORY SUMMARY 28-May-50 Initial completion OH Yates from 2972 - 3224'. No stimulation. IP=72 bopd & 0 bwpd (flowing) 27-Jul-70 TA'd 19-Nov-74 Producing 28 bopd & 55 bwpd 10-Apr-75 Producing 23 bopd & 70 bwpd 08-May-75 C/O fill from 3125 - 3224' (99') 18-Jul-75 Producing 88 bopd & 134 bwpd 09-Jun-77 Producing 131 bopd & 184 bwpd 16-May-88 C/O fill from 3175 - 3224' (78'). Jet wash OH. Add'd OH w/3,000 gals 15% NEFE HCL in 3 stages using 500# & 700# rock salt blocks between stages. AIR=3.2 bpm @ 225 psi. ISIP=vacuum. Returned well to production. Before WO: 9 bopd, 231 bwpd & GOR=558 After WO: 17.8 bopd, 267 bwpd & 14 Mcf/gpd. GOR=792 17-Dec-97 Repaired rod part & replaced 118 - 7/8" rod boxes. Replaced 84 lbs tbg. Returned well to production. 28-Dec-01 Repaired rod part. Returned well to production. 02-Jan-02 Repair rod part & test tbg. Returned well to production. 16-Apr-02 Change out polish rod liner.																					
PREPARED BY: Larry S. Adams D. Carrizales UPDATED: 12-Jun-03																					

Submit 3 Copies To Appropriate District
OfficeState of New Mexico
Energy, Minerals and Natural ResourcesForm C-103
May 27, 2004

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM
87505OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-025-11148

5. Indicate Type of Lease

STATE ☐ FEE ☐ **Fed**

6. State Oil & Gas Lease No.

NM0321613

7. Lease Name or Unit Agreement Name

Cooper Jal Unit

8. Well Number 202

9. OGRID Number 193003

10. Pool name or Wildcat JALMAT:

Tansill, Yates & 7-Rivers; LANGLEIE

MATTIX: 7-Rivers, Queen & Grayburg

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐ **Injector**

2. Name of Operator

SDG Resources L. P.

3. Address of Operator

P. O. Box 1390

Montrose, CO 81401

4. Well Location

Unit Letter D : 990 feet from the NORTH line and 330 feet from the WEST lineSection 19 Township 24S Range 37E NMPM LEA County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3,309' KB

Pit or Below-grade Tank Application ☒ or Closure ☐Pit type DIRT Depth to Groundwater 130 feet Distance from nearest fresh water well >1000 feet Distance from nearest surface water >1000 feetPit Liner Thickness: 12 mil Below-Grade Tank: Volume 200 bbls; Construction Material Synthetic

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐OTHER: Deepen, Acidize and Fracture Stimulate. **Pit** ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: ☐13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date
of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion
or recompletion.

Objective: Deepen producer to 3,790' and complete as DHC Jalmat/Langlie Mattix: acidize, and fracture stimulate.

1. MIRU Pulling Unit. POOH with rods, pump and tubing string.
2. RIH with 6 1/4" bit & 6 - 3 1/2" drill collars on 2 7/8" work string.
3. Deepen well to new TD at 3,790'. Lay down bit and drill collars.
4. RU Wireline Company. Run Compensated Neutron Log from TD to 2500'. RIH with Perf-Clean Tool on 2 7/8" WS.
5. Acidize open hole (2,972'-3,790') with 5,000 gallons 15% NEFE HCl acid.
6. POOH with 2 7/8" work string and lay down Perf-Clean Tool.
7. RIH with 5 1/2" treating packer on 3 1/2" work string.
8. Fracture stimulate open hole with 120,000# 12/20 sand diverting in 4 stages using rock salt.
9. POOH and lay down 3 1/2" work string and packer.
10. Clean out well to new TD with sand bailer on 2 7/8" work string. Lay down bailer and 2 7/8" work string.
11. RIH 2 7/8" production string, pump and rods. Place well on production. Turn over to operations.
12. Fold Pit Liner inward, cover with 20 mil liner and cover with top soil. File Form C144 with NMOC.

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 NMOC guidelines ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.SIGNATURE Domingo Canales TITLE Senior Petroleum Engineer DATE 11/23/04

Type or print name

E-mail address: Domingo@sdgresources.com Telephone No. 432-550-7580

For State Use Only

APPROVED BY:

TITLE FIELD REPRESENTATIVE II/STAFF MANAGER DATE DEC 28 2004

Conditions of Approval (if any)