

Submit 3 Copies To Appropriate District Office
 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 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

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

WELL API NO.	30-025-33459
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	NM 12612
7. Lease Name or Unit Agreement Name	NM 70926X
8. Well Number	Cooper Jal Unit #421
9. OGRID Number	193003
10. Pool name or Wildcat	JALMAT: Tan, Y & 7-R; Langlie Mattix: 7-R, Q, GB

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

2. Name of Operator
 SDG Resources L. P.

3. Address of Operator
 P. O. Box 1390
 Montrose, CO 81402

4. Well Location
 Unit Letter J; 1575 feet from the SOUTH line and 2525 feet from the EAST line
 Section 24 Township 24S Range 36E NMPM LEA County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3,318' KB

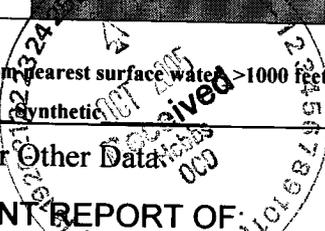
Pit or Below-grade Tank Application or Closure

Pit type DIRT Depth to Groundwater 130 feet Distance from nearest fresh water well >1000 feet Distance from nearest surface water >1000 feet

Pit 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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PANDA <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Perf'd Yates 7-Rivers & Queen, Acid & Frac Stim. <input checked="" type="checkbox"/>	



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: Perforated Jalmat & Langlie Mattix and completed as DHC (Jalmat/Langlie Mattix); acidized, and fracture stimulated.

- MIRU Pulling Unit. POOH with rods, pump and tubing string. NU BOP.
- RIH w/ 4 3/4" bit & 6 - 3 1/2" drill collars on 2 7/8" work string. Drilled cement and clean out to 3,780'.
- Lay down bit & drill collars.
- Perf'd Yates (3024'-3040' & 3044'-52'), 7-Rivers (3452'-59', 3483'-93', 3512'20', 3532'-46' & 3586'-88'), and Queen (3616'-22', 3636'-38', 3654'-56', 3674'-94', 3705'-08', 3716'-24' & 3741'-48') 180 degree phasing, 2 JHPF, using 4" HSC gun. RD Wireline.
- RIH with 5 1/2" Frac packers on 3 1/2" work string.
- Acidize perfs: Queen (3616'-3748'), 7-Rivers (3452'-3588') with 4,000 gallons 15% NEFE HCl acid.
- Fracture stimulate Langlie Mattix Queen (3452'-3748') & 7-Rivers (3452'-3588') w/ 121,000 16/30 mesh sand.
- POOH and lay down 3 1/2" work string and packer.
- Clean out well to new TD with sand bailer on 2 7/8" work string. Lay down bailer and 2 7/8" work string
- RIH 2 7/8" production string, pump and rods. Place well on production. Turn over to operations. 09/23/05
- Disposed of pit fluids. Fold Pit Liner inward, cover with 20 mil liner and cover with top soil. File Form C144 with NMOCD.

DHC-3592

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 , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Domingo Cayula TITLE Senior Petroleum Engineer DATE 9/20/05

Type or print name Domingo Cayula E-mail address: domingo@sdgresources.com Telephone No. 432-580-8500

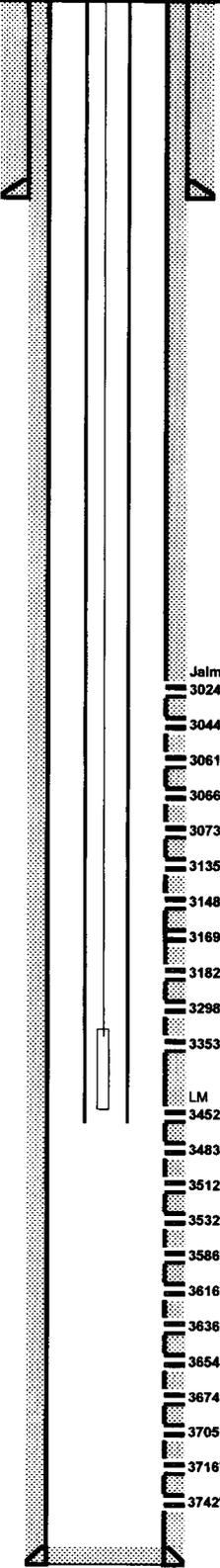
APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE DEC 05 2005

Conditions of Approval (if any):

WELLBORE SCHEMATIC AND HISTORY

CURRENT COMPLETION SCHEMATIC

Surface Csg
 Hole Size: 12 1/4 in
 Csg. Size: 8 5/8 in
 Set @: 404 ft
 Sxs Cmt: 250
 Circ: Yes
 TOC @: surf
 TOC by: circ



Production Csg.
 Hole Size: 7 7/8 in
 Csg. Size: 5 1/2 in
 Set @: 3800 ft
 Sxs Cmt: 1150
 Circ: Yes
 TOC @: surface
 TOC by: circ

PBTD: 3780 ft
 TD: 3800 ft

LEASE NAME: **Cooper Jal Unit** WELL NO: **421**

STATUS: Active Oil API# 30-025-33459
 LOCATION: 1575 FSL & 2525 FEL, Sec 24, T - 24S, R - 36E, Lee County, New Mexico
 SPUD DATE: 06/27/96 TD 3800 KB 3335' DF
 INT. COMP. DATE: 08/11/96 PBTD 3780 GL 3,318'

ELECTRIC LOGS: MSFL-DLL-BHR-GR from 3794 - 2750' (8-2-96 Schlumberger)
 LTD-CNL-NGT from 3794 - 200' (8-2-96 Schlumberger)
 GR-CCL (8-6-96 Schlumberger)

GEOLOGICAL DATA **CORES, DST'S or MUD LOGS:**

HYDROCARBON BEARING ZONE DEPTH TOPS:
 Yates - 3023' 7-Rivers 3222' Queen 3614'

CASING PROFILE
 SURF. 8 5/8" - 24#, WC-50, ST&C set@ 404'. Cmt'd w/250 sxs - circ cmt to surface.
 PROD. 5 1/2" - 15.5#, WC-50, LT&C set@ 3800' Cmt'd w/1150 sxs - circ cmt to surface.
 LINER. None

CURRENT PERFORATION DATA
 CSG. PERFS: OPEN HOLE:
 Perf'd fr 3061'-63', 3066'-68', 3073 - 3090', 3135'-38', 3148'-54', 3169'-72', 3182'-84', 3298'-3308', & 3353'-56' w/ 4 spf (192 holes total)
 Perf'd fr 3742'-48', 3716'-24', 3705'-08', 3674'-94', 3654'-56', 3636'-38', 3616'-22',
 3586'-88', 3532'-46', 2512'-20', 3483'-93', 3452'-59', 3044'-52' & 3024'-40', 2 SPF, 180 degree phase, 224 holes.

TUBING DETAIL		ROD DETAIL	
Length (ft)	Detail	Length (ft)	Detail
0	KB	18	26" x 1 1/4" spray metal PR w/ 1" pin
2986	95 2 7/8" 6.5#, J-55, 8rd EUE tbq.	24	6", 18" - 1" Fiberglass pony rods
3	1 5 1/2" x 2 7/8" TAC	1125	30 1" Fiberglass rods
411	14 2 7/8" 6.5#, J-55, 8rd EUE tbq.	925	37 7/8" steel rods
31	1 2 7/8" blast joint	1000	40 89 - 3/4" rods
1	1 2 7/8" SN	300	12 1 1/2" K bars
4	1 2 7/8" Perf Sub	1	1 26-K Shear Tool
32	1 2 7/8" BP Mud Anchor	20	1 2 1/2" x 1 1/2" X 20' rod pump w/ RH release
3468 btm		10	1 1 1/4" x 16' gas anchor
		3423	btm

WELL HISTORY SUMMARY

12-Dec-96 Ran GR-CCL from 3684-2684'. Perf'd 3061'-63', 3066'-68', 3073-3090', 3135'-38', 3148'-54', 3169'-72', 3182'-84', 3298'-3308', & 3353'-56' w/4 spf (192 holes total). Frac w/ 52,000 gals 30# borate XL 2% KCL carrying 268,000#s 12/20 brady sand. Pump tst 24 hrs - 27 bopd, 113 bwpd, 43 Mc/gpd.

3-Jul-97 C/O fill from 3482 - 3630' (148'). Returned to production

13-Feb-98 Changed out TAC, SN and rod pump.

18-Jan-99 Changed out 10 - 3/4" rod boxes, 10 - 7/8" rod boxes and rod pump.

5-Jan-00 Changed out MA and pump.

19-Jan-04 POOH with rods and pump. RIH with upsized pump(1 1/4" to 1 1/2") and rods. PWOP

26-Jul-04 POOH with rods and pump. Scanaloged tubing out of hole: 16 yellow, 67 blue, 10 green (31% to 40% wall loss), 8 green (41% to 50% wall loss), and 6 red. RIH with 1 blast jt, 13 yellow band, TAC, 3 yellow, 67 blue, 11 double band, and 14 single band tubing. Tagged bottom at 3590'. RIH with pump and rods. PWOP.

23-Sep-05 POOH with rods, pump and tubing. RIH with 4 3/4" bit, 10 - 3 1/2" drill collars. Tagged at 3523', cleaned out to 3715'. Drilled from 3715' to 3780', circulated frac sand. Perf'd fr 3742'-48', 3716'-24', 3705'-08', 3674'-94', 3654'-56', 3636'-38', 3616'-22', 3586'-88', 3532'-46', 2512'-20', 3483'-93', 3452'-59', 3044'-52' & 3024'-40', 2 SPF, 180 degree phase, 224 holes. Hydrotest 3 1/2" WS to 7000#. Acidized perfs 3452'-3748' with 4,000 gals 15% NEFE acid. Diverted with 200 ball sealers - balled out 4 times (Pmax= 4200#). Frac'd with 121,060# 16/30 sand. Pavg= 2394# at 26.8 bpm. ISIP= 1922#. RIH with Notch Collar and tagged at 3780'. RIH with pump and rods. PWOP.

Jalmat
 3024'-40'
 3044'-52'
 3061'-63'
 3066'-68'
 3073'-90'
 3135'-38'
 3148'-54'
 3169'-72'
 3182'-84'
 3298'-3308'
 3353'-56'
 LM
 3452'-59'
 3483'-93'
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