Exxon Fee #1
1911' FNL & 1980' FEL
Sec. 4, T21S, R37E
Lea County, New Mexico

Casing: 8-5/8", J-55, 24# @ 1245'. Cmtd w/750 sx Class C & circ.

5-1/2", J-55, 17# @ 7100'. DV tool @ 5080'. Stage 1 cmt = 400 sx Class H. Stage 2 = 500 sx 65/35 POZ (lead) + 300 sx Class C (tail).

Perfs: 6770' - 6819' (14 holes)
CIBP @ 6755' w/35' cmt.

6553' - 6703'
CIBP @ 6450' w/35' cmt.

5820' - 5837', 5916' - 5926' (29 holes)

4227' - 4388'
Squeezed 50 sx Class C + 50 sx Thix-o Tropic

Tubing: 2-7/8" w/SN @ 6026' on 190 jts. 1 jt (31') MA, 4' perf sub, Baker TA 12 jts above SN @ 5644'.

Rods: 93 – ¾", 90 – 7/8" & 55 – 1" rods.

Pump: 2-1/2"x2"x20' RHBC

PROCEDURE

1. MIRU & TOH w/rods & pump. Shop pump. NU BOP.
2. TIH with pkr.
3. Spot acid across perfs. Pull up & set pkr @ appx. 5740'. Acidize all perfs @ 4 bpm w/2600 gals of 15% NEFE w/1000 scf/bbl of N_2 & 70 balls. Flow back acid & N_2.
4. Return well to pumping.

ExonProc
7/21/98

SDX RESOURCES, INC.

AUTHORIZATION FOR EXPENDI1

AFE-98

Purpose:	Acidize the Exxon Fee # 1		
Objective - Depth:		**Lease:**	Exxon Fee
- Formation:		**Well #**	1
Estimated Spud Date:		**Field:**	Bilnberry Drinkard Tubb North
Estimated Completion Date:		**County:**	Lea
		State:	N.M.
		Legal:	1911 FNL, 1980 FEL, T21S, R37E, Sec. 4

INTANGIBLE COST	Amount	Unit Cost	Dry Hole	Completion	Total
Legal - Drilling Title Opinion			0	0	0
Drilling - Daywork	0 Days	0.00 $/Dy	0	0	0
- Footage	0 Feet	0.00 $/Ft	0	0	0
- Turnkey	0 Feet		0	0	0
Mud & Chemicals			0	0	0
Water - Brine, Fresh			0	2,500	2,500
Cement - Surface	0 Sacks		0	0	0
- Intermediate	0 Sacks		0	0	0
- Production	0 Sacks		0	0	0
- Plug, Bond, Cleanup			0	0	0
Location - Road, Pad Cleanup			0	1,500	1,500
- Labor & Roustabout			0	0	0
- Survey, Archaeological			0	0	0
- Damages			0	0	0
- Environmental Impact			0	0	0
Services - Wireline Logging			0	0	0
- Testing (DST Profile,etc)			0	0	0
- Coring & Analysis	0 Feet		0	0	0
- Pulling & Reverse Unit	3 Days	1500.00 $/Dy	0	4,500	4,500
- Perforating			0	0	0
- Acidizing, PPI Tool			0	7,000	7,000
- Fracturing			0	0	0
- Mud Logging	0 Days	0.00 $/Dy	0	0	0
- Engineering, Geological & Geophysical			0	0	0
Transportation (water etc)			0	0	0
Welding			0	0	0
Rental - BOP, Frac Tanks, Packer, etc.			0	2,500	2,500
Equipment - RBP Rental			0	950	950
Supplies - Well Signs, etc.			0	0	0
Supervision	3 Days	300.00 $/Dy	0	900	900
Insurance			0	0	0
Administrative Overhead			0	0	0
SUBTOTAL INTANGIBLE COST			0	19,850	19,850
Contingencies (10%)			0	1,985	1,985
Sales Tax (6%)			0	1,310	1,310
TOTAL INTANGIBLE COST			0	23,145	23,145

TANGIBLE COST	Specifications	Amount	Unit Cost	Dry Hole	Completion	Total
Casing - Surface	8 5/8"	0 Feet	0.00 $/Ft	0	0	0
- Intermediate		0 Feet	0.00 $/Ft	0	0	0
- Production	5 1/2"	0 Feet	0.00 $/Ft	0	0	0
Tubing	2 7/8"	0 Feet	0.00 $/Ft	0	0	0
Rods	3/4" & 7/8"	0 Feet	0.00 $/Ft	0	0	0
Wellheads, Casing Heads and Misc. Fittings				0	0	0
Packer or Tubing Anchor				0	0	0
Pumping Equip. - Downhole Pump				0	0	0
- Unit w/ Motor, Panel	114			0	0	0
- Electrical system				0	0	0
Battery - Tanks, Stairs, Walkway				0	0	0
- Heater Treater				0	0	0
- Fittings				0	0	0
- Meter & Installation				0	0	0
- Flowlines		0 Feet	0.00 $/Ft	0	0	0
- Injection Equipment				0	0	0
Other				0	0	0
Sales Taxes (6%)				0	0	0
TOTAL TANGIBLE COST				0	0	0
TOTAL COST				0	23,145	23,145

Joint Interest Approval- It is recognized that amounts provided for herein are estimates only, and approval of this authorization shall extend to the actual costs incurred in conducting the operation specified, either more or less than herein set out.

Prepared by: ____________________ Date: ____________

Operator

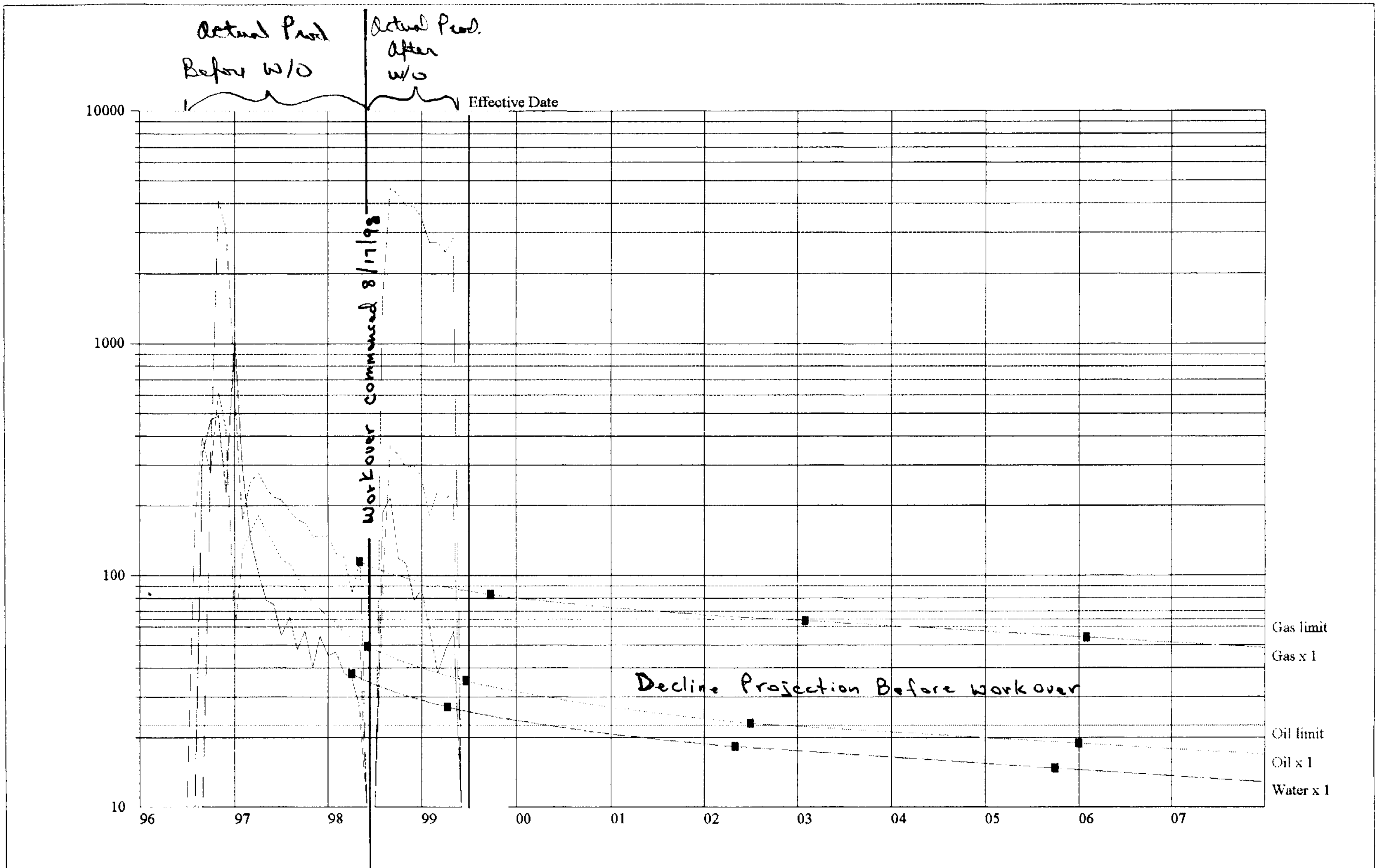
exonfe

Approved by: ____________________ Date: ____________ Tax ID# ____________

Non-Operator

PRODUCTION GRAPH

4:23:45 p - 7/13/99

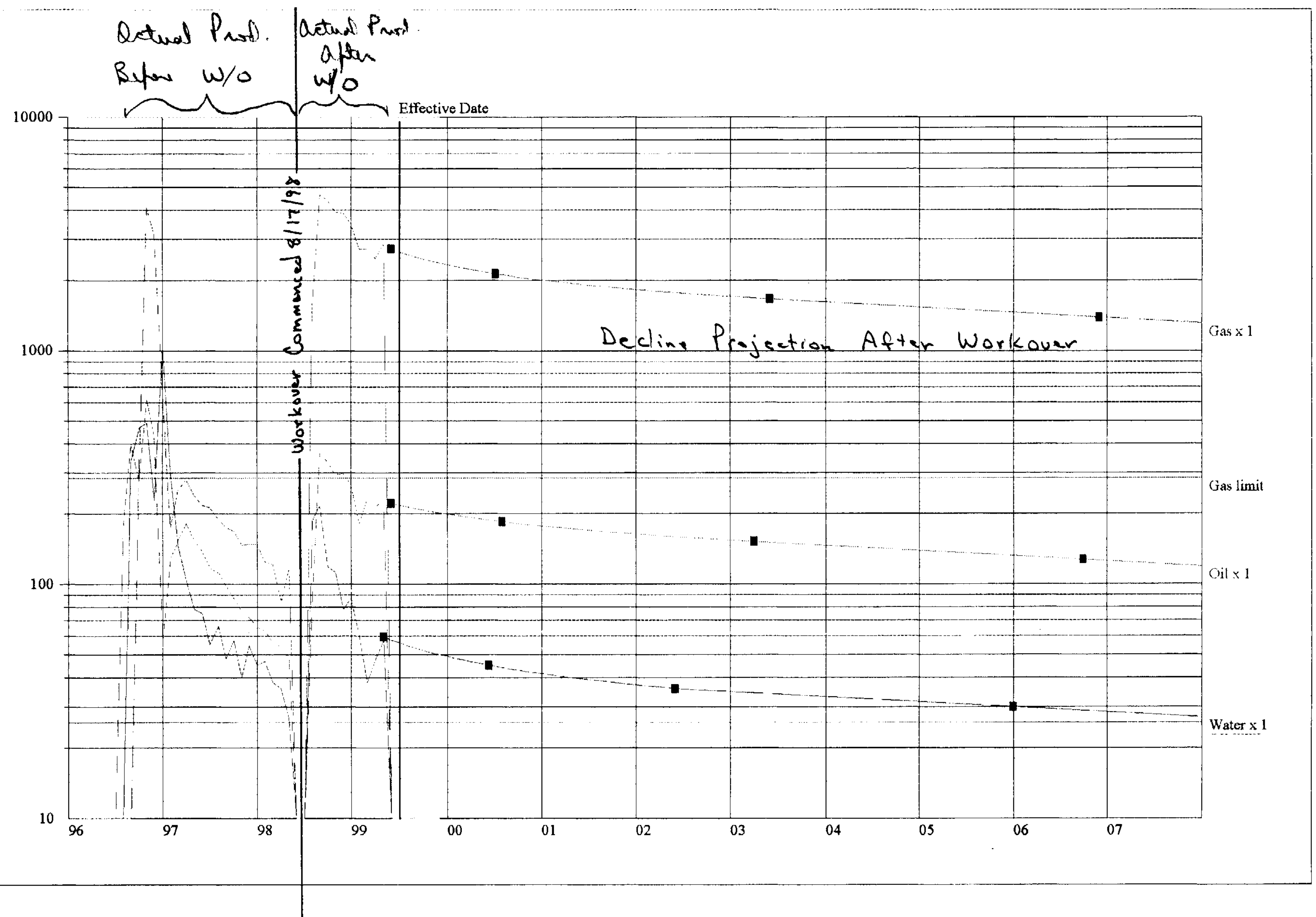


EXXON FEE (1 - 100%)
DRINKARD
SDX RESOURCES INCORPORATED
LEA, NM

	Oil (bbl)	Gas (mcf)	Water (bbl)
Cumulative:	6,062	43,653	4,801
Remaining:	1,078	2,886	826
Ultimate:	7,140	46,539	5,627

PRODUCTION GRAPH

4:21:08 p - 7/13/99



EXXON FEE (1 - 100%)
DRINKARD
SDX RESOURCES INCORPORATED
LEA, NM

	Oil (bbl)	Gas (mcf)	Water (bbl)
Cumulative:	6,062	43,653	4,801
Remaining:	37,180	412,622	8,586
Ultimate:	43,242	456,275	13,387