

Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
NM-105204

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Malibu Federal #1

9. API Well No.
30-015-31631

10. Field and Pool, or Exploratory Area
Red Lake, QN-GB-SA

11. County or Parish, State
Eddy Co., NM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

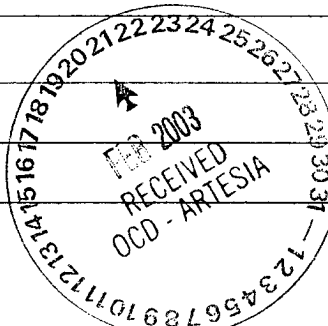
SDX Resources, Inc.

3. Address and Telephone No.

PO Box 5061, Midland, TX 79704 915/685-1761

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

1750' FSL 1650' FEL
Unit J, Sec 5, T18S, R27E



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

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☒ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

The Malibu Federal #1 is currently producing appx 30 BWPD from the San Andres formation. Water is to be stored in a 300 bbl fiberglass brine tank in the existing battery on location.

Produced water will be transferred via a 3" poly flowline to SDX's Chalk Bluff Federal #1 disposal well (SWD 677-B) 2055' FSL, 1980' FWL, Sec 5, T18S R27E for disposal.

Water Analysis Attached.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS ATTACHED

14. I hereby certify that the foregoing is true and correct

Signed Bonnie Stewart Title Regulatory Tech

Date 02/17/03

(This space for Federal or State office use)

Approved by (ORIG. SGD.) ALEXIS C. SWANBODA Title PETROLEUM ENGINEER

Date _____

Conditions of approval, if any:

Accepted for record

North Permian Basin Region
P.O. Box 740
Sundown, TX 79372-0740
(806) 229-8121
Lab Team Leader - Sheila Hernandez
(915) 495-7240

Water Analysis Report by Baker Petrolite

Company:	S D X RESOURCES INC	Sales RDT:	33512
Region:	PERMIAN BASIN	Account Manager:	WAYNE PETERSON (505) 910-9389
Area:	ARTESIA, NM	Sample #:	29896
Lease/Platform:	MALIBU FEDERAL	Analysis ID #:	31613
Entity (or well #):	1	Analysis Cost:	\$7.00
Formation:	UNKNOWN		
Sample Point:	WELLHEAD		

Summary		Analysis of Sample 29896 @ 75 °F					
Sampling Date:	2/11/03	Anions	mg/l	meq/l	Cations	mg/l	meq/l
Analysis Date:	2/11/03	Chloride:	120388.0	3395.71	Sodium:	77266.8	3360.92
Analyst:	WAYNE PETERSON	Bicarbonate:	373.3	6.12	Magnesium:	962.0	79.14
		Carbonate:			Calcium:	1632.0	81.44
TDS (mg/l or g/m3):	206373.6	Sulfate:	5750.0	119.71	Strontium:		
Density (g/cm3, tonne/m3):	1.13	Phosphate:			Barium:		
Anion/Cation Ratio:	1	Borate:			Iron:	1.5	0.05
		Silicate:			Potassium:		
					Aluminum:		
Carbon Dioxide:	485 PPM	Hydrogen Sulfide:		117 PPM	Chromium:		
Oxygen:		pH at time of sampling:		6.8	Copper:		
Comments:		pH at time of analysis:			Lead:		
		pH used in Calculation:		6.8	Manganese:		
					Nickel:		

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
Temp	Gauge Press.	Calcite CaCO ₃		Gypsum CaSO ₄ ·2H ₂ O		Anhydrite CaSO ₄		Celestite SrSO ₄		Barite BaSO ₄		CO ₂ Press
°F	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
80	0	0.41	14.04	-0.07	0.00	-0.04	0.00	0.00	0.00	0.00	0.00	0.46
100	0	0.46	17.19	-0.15	0.00	-0.05	0.00	0.00	0.00	0.00	0.00	0.59
120	0	0.50	20.63	-0.23	0.00	-0.05	0.00	0.00	0.00	0.00	0.00	0.75
140	0	0.54	24.64	-0.29	0.00	-0.02	0.00	0.00	0.00	0.00	0.00	0.94

Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.
Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.
Note 3: The reported CO2 pressure is actually the calculated CO2 fugacity. It is usually nearly the same as the CO2 partial pressure.