

DATE IN 12-13-04	SUSPENSE	ENGINEER JMS	LOGGED IN 12-14-04	TYPE DHC	APP NO. DSEM0434929333
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ABOVE THIS LINE FOR DIVISION USE ONLY

3381

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name	Signature	Title	Date
e-mail Address			

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
Yes Single Well
Yes Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

SDG Resources P. O. Box 1390 Montrose, CO 81401

Operator Cooper Jal Unit # 202 (LOT 1) Address 19 24-S 37-E Lea

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 193003 Property Code 10917 API No. 30-025-11148 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	JALMA (1-YSR) OV		LANGLIE MATTIX
Pool Code	33820		37240
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2,970'-3,400'		3,400'-3,780'
Method of Production (Flowing or Artificial Lift)	Pumping		
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	35.7 Degree API		35.7 Degree API
Producing, Shut-In or New Zone	Producing		New Zone
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 12/03/04 Rates: 7/3/133	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 94 % Gas 71 %	Oil % Gas %	Oil 6% Gas 29 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Domingo Carrizales TITLE Sr. Petroleum Engineer DATE 12/08/04

TYPE OR PRINT NAME Domingo Carrizales TELEPHONE NO. (432) 550-7580

E-MAIL ADDRESS domingo@sdgresources.com

District I
1625 N. French Dr., Hobbs, NM 88240
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1301 W. Grand Avenue, Artesia, NM 88210
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1220 S. St. Francis Dr., Santa Fe, NM 87505

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OIL CONSERVATION
DIVISION

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised June 10, 2003

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address SDG Resources L. P. P. O. Box 1390 Montrose, CO 81401		² OGRID Number 193003
		³ API Number 30 - 025-11148
³ Property Code 10917	⁵ Property Name Cooper Jal Unit	⁶ Well No. 202

⁷ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	19	24-S	37-E		990	NORTH	330	WEST	Lea

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
⁹ Proposed Pool 1 JALMAT - 2,970'-3,400'					¹⁰ Proposed Pool 2 LANGLIE MATTIX - 3,400'-3,780'				

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code FEDERAL	¹⁵ Ground Level Elevation 3,309' K. B.
¹⁶ Multiple No	¹⁷ Proposed Depth 3,780'	¹⁸ Formation TNSL-YTS-7RV-QUN	¹⁹ Contractor GREAT BASIN WELL SERVICE	²⁰ Spud Date Orig 5/2/50

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone.

Describe the blowout prevention program, if any. Use additional sheets if necessary.

Objectives: Deepen Jalmat producer and complete as a DHC (Jalmat/Langlie Mattix) producer. Acidize and Fracture Stimulate.

1. Use Sentinel Manual BOP rated at 5,000 psig.
2. Deepen well from 3,224' to 3,780'.
3. Acidize Tansill, Yates, 7-Rivers, and Queen zones with 3,000 gallons and Fracture Stimulate with 120,000# 12/20 mesh sand.
4. Down hole commingle Jalmat and Langlie Mattix zones.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Domingo Carrizales*

Printed name: Domingo Carrizales

Title: Sr. Petroleum Engineer

E-mail Address: domingo@sdgresources.com

Date: 12/08/04

Phone: 432-550-7580

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached

District I
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State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-102
 Revised June 10, 2003
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-11148	² Pool Code Jalmat: 33020 Langlie Mattix: 37240	³ Pool Name JALMAT: YATES, 7RVRS
⁴ Property Code 10917	⁵ Property Name Cooper Jal Unit	⁶ Well Number 202
⁷ OGRID No. 193003	⁸ Operator Name SDG Resources L. P. P. O. Box 1390 Montrose, CO 81401	⁹ Elevation 3,309' K. B.

¹⁰ Surface Location

UL or lot no. D	Section 19	Township 24S	Range 37E	Lot Idn	Feet from the 990	North/South line NORTH	Feet from the 330	East/West line WEST	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁹ 					¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature
					Domingo Carrizales Printed Name Sr. Petroleum Engineer domingo@sdgresources.com Title and E-mail Address 12/08/04 Date
					¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

WELLBORE SCHEMATIC AND HISTORY

CURRENT COMPLETION SCHEMATIC

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

Production Csg
 Hole Size: 8 3/4 in
 Csg. Size: 7 in
 Set @: 2972 ft
 Sxs Cmt: 300
 Circ: unknown
 TOC @: unknown
 TOC by:

PBTD: 3224 ft
 TD: 3224 ft

OH ID: 6 1/4 in

TOC @ 621'

OV @ 1300' ???

TOC @ 1655'
 Calc 75%

OH Interval
 2972 - 3224'

LEASE NAME **Cooper Jal Unit** WELL NO. **202**

STATUS: Active Oil 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:

CORES, DST'S or MUD LOGS:

GR-N from 2650 - 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" - 32# J-55 set @ 268' Cmt'd w/75 sxs - circ cmt to surf.

PROD. 7" - 20# J-55 set @ 2972'. Cmt'd w/200 sxs - TOC @ 1655' Calc 75%.. DV tool @ 1300' ??? - pmp 100 sxs - TOC @ 621' ??

LINER None

CURRENT PERFORATION DATA

CSG. PERFS. OPEN HOLE :
 2972 - 3224'

TUBING DETAIL

1/2/2002

ROD DETAIL

1/2/2002

Length (ft)	Detail	Length (ft)	Detail
2828	89 2 7/8" 6.5#, J-55, 8rd EUE tbg.	26	1 26' x 1 1/4" polish rod w/14' - 1 1/2" polish rod liner
3	1 5 1/2" x 2 7/8" TAC	2975	119 7/8" steel rods
283	9 2 7/8" 6.5#, J-55, 8rd EUE tbg.	125	5 1 1/2" sinker bars
1	1 2 7/8" SN	16	1 2 1/2" x 1 1/2" X 16' RWBC rod pump w/HVR & BDV
4	1 1 - 2 7/8" 6.5#, J-55, 8rd EUE perf :	3142	bbm
33	1 1 - 2 7/8" Open ended Mud Anchor		
3151	blm		
	SN@ 3114' TAC@ 2828'		

WELL HISTORY SUMMARY

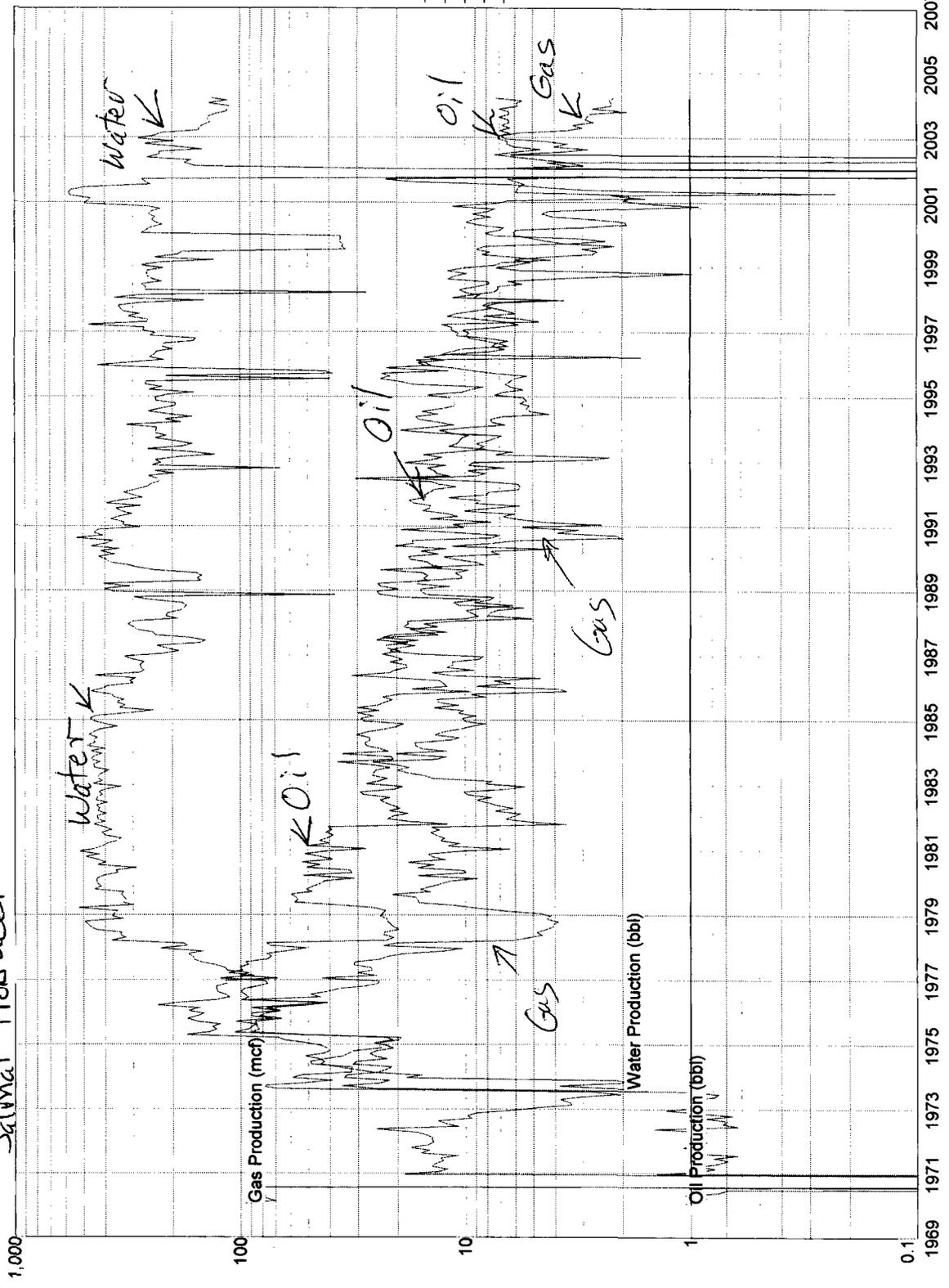
28-May-50 Initial completion OH Yates from 2972 - 3224'. No stimulation. IP=72 bopd & 0 bwpd (flowing)
 27-Jul-70 TA'd
 19-Nov-74 Producing 28 bopd & 55 bwpd
 10-Apr-75 Producing 23 bopd & 70 bwpd
 09-May-75 C/O fill from 3125 - 3224' (99')
 16-Jul-75 Producing 85 bopd & 134 bwpd
 09-Jun-77 Producing 131 bopd & 184 bwpd
 16-May-88 C/O fill from 3175 - 3224' (79'). Jet wash OH. Acid'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=556
After WO: 17.8 bopd, 257 bwpd & 14 Mcfgpd. GOR=792
 17-Dec-87 Repaired rod part & replaced 118 - 7/8" rod boxes. Replaced 84 jts 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

Lease Name: COOPER JAL UNIT
 County: State: LEA, NM
 Operator: SDG RESOURCES LIMITED PARTNERSHIP
 Field: JALMAT
 Reservoir: TANSILL-YATES-SEVEN
 Location: 19 24S 37E

COOPER JAL UNIT - JALMAT # 202

Salmat Producer



- Oil Production (bbt) Daily
- Gas Production (mcf) Daily
- Water Production (bbt) Daily
- Injection Production Daily
- Historical Well Counts

Time