

5/1/05
District I
1625 N. French Drive, Hobbs, NM 88240

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

District III
1000 Rio Bravo Road, Aztec, NM 87410

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

WJ 5/9/05
State of New Mexico
Energy, Minerals and Natural Resources Department

PWJ 0513032862
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
X Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

SDG Resources

P. O. Box 1390

Montrose, CO 81402

Operator

Cooper Jal Unit

140

A

Address

25

24-S

37-E

Lea

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 193003 Property Code 10917 API No. 30-025-09662 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	JALMAT		LANGLIE MATTIX
Pool Code	33820 2,989'-3,269'		37240 3,420'-3,616'
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)			
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		Producing
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: 04/01/05 Rates: 7/3/133	Date: Rates:	Date: 04/01/05 Rates: 1/1/8
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 94 % 71 %	Oil Gas % %	Oil Gas 6% 29 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes X No
Yes No

Are all produced fluids from all commingled zones compatible with each other?

Yes X No

Will commingling decrease the value of production?

Yes No X

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 X

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 04/01/2005

TYPE OR PRINT NAME Domingo Carrizales TELEPHONE NO. (432) 580-8500

E-MAIL ADDRESS domingo@sdgresources.com

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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 30-025-09662	² Pool Code Oil	Jalmat: 33020	³ Pool Name JALMAT: Tansill, YATES, 7RVRS;
⁴ Property Code 10917	⁵ Property Name Cooper Jal Unit		⁶ Well Number 140
⁷ OGRID No. 193003	⁸ Operator Name SDG Resources L. P. P. O. Box 1390 Montrose, CO 81402		⁹ Elevation 3,296' K. B.

¹⁰ Surface Location


UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	25	24S	36E		990	NORTH	990	EAST	Lea

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

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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

<div style="position: relative; height: 100px;"> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; border: 1px solid black;"></div> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%);"> <div style="position: relative; width: 100px; height: 100px;"> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; border: 1px solid black;"></div> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; border: 1px solid black;"></div> </div> </div> </div>	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <div style="border: 1px solid black; padding: 5px; margin-top: 10px;">  Signature </div> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> Domingo Carrizales Printed Name </div> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> Sr. Petroleum Engineer domingo@sdgresources.com Title and E-mail Address </div> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> 05/09/05 Date </div>	
	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	

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☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number 30-025-09662	² Pool Code 37240	³ Pool Name Langlie Mattix: 7RVRS, Queen, Grayburg
⁴ Property Code 10917	⁵ Property Name Cooper Jal Unit	⁶ Well Number 140
⁷ OGRID No. 193003	⁸ Operator Name SDG Resources L. P. P. O. Box 1390	⁹ Elevation 3,296' K. B. Montrose, CO 81402

¹⁰ Surface Location


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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WELLBORE SCHEMATIC AND HISTORY

CURRENT COMPLETION SCHEMATIC

LEASE NAME

Cooper Jal Unit

WELL NO.

140

STATUS: Active

Oil

API#

30-025-09662

LOCATION: 990 FNL & 990 FEL, Sec 25, T - 24S, R - 36E; Lee County, New Mexico

SPUD DATE:

TD

3616

KB

3,296'

DF

INT. COMP. DATE:

06/10/54

PBSD

3616

GL

3,290'

GEOLOGICAL DATA

ELECTRIC LOGS:

CORES, DST'S or MUD LOGS:

GR-N (6-11-54 Schlumberger)

HYDROCARBON BEARING ZONE DEPTH TOPS:

Surface Csg

Hole Size: 11 in
Csg. Size: 8 5/8 in
Set @: 286 ft
Sxs Cmt: 150
Circ: Yes
TOC @: surf
TOC by: circ

cmt sqz csg leak
384 - 508'

TOC @ 673'

DV Tool @ 1207'

TOC @ 2380'
By Calc.

CASING PROFILE

SURF. 8 5/8" - 24#, H-40 set@ 286' Cmt'd w/150 sxs - circ cmt to surf.

PROD. 5 1/2" - 14#, J-55 set@ 3420' Cmt'd w/200 sxs - TOC @ 2380' from surf. DV tool @ 1207' - pmp 100 sxs - TOC @ 673' f/ surf by calc.

LINER None

CURRENT PERFORATION DATA

CSG. PERFS:

OPEN HOLE:

2989', 91', 93', 95', 97', 99', 3001', 03', 05', 12', 17',
25', 27', 29', 31', 40', 42', 44', 46', 53', 58', 65', 69', 72',
75', 84', 93', 3105', 08', 14', 17', 20', 26', 31', 38', 43', 48',
54', 60', 65', 70', 76', 78', 83', 3250', 58', 61', 65', & 69'
w/ 2 spf (96 holes total)

3420 - 3616'

TUBING DETAIL 5/14/2004

ROD DETAIL 5/14/04

Length (ft)	Detail
2960	94 2 7/8" 6.5#, J-55, 8rd EUE tbg.
5	1 5 1/2" x 2 7/8" TAC
556	18 2 7/8" 6.5#, J-55, 8rd EUE tbg.
1	1 2 7/8" SN
28	1 3 1/2" Mud Anchor
3550	btm

SN@ 3521' TAC@ 2960'

Length (ft)	Detail
24	1 - 24' x 1 1/2" polish rod
6	1 - 2', 1 - 4', K pony rods
1125	45 - 3/4" K rods
2200	88 - 7/8" K rods
150	6 - 1 1/2" sinker bars
16	2 1/2" x 1 1/2" X 16' RHBC
0	1 1/4" gas anchor
3521	btm

WELL HISTORY SUMMARY

10-Jun-54 Initial completion interval: 3420 - 3520' (Queen OH). Frac'd w/4,000 gals / 6,000#s sand.

IP= 82 bopd, 0 bwpd, & GOR=4291

01-Jan-56 C/O frac sand from 3503 - 3520' (17' of fill)

18-Feb-57 Deepened from 3520 - 3616'. Acidz'd OH (3420 - 3616') w/5,000 gals 15% NEFE HCL & 1500#s rock salt in 3 equal stages.

Found bad 5 1/2" casing from 384 - 508'. Sqz'd csg leak w/200 sxs @ 550 psi SIP. Drid out cmt & tst csg @ 300 psi. OK.

Frac OH (3420 - 3616') w/37,800 gals 40# X-L & 82,000#s 12/20 sand (1.5 - 7 ppg) using 1000#s rock salt diverter. AIR=24.9 bpm

PM=3460 - 2250 psi. IFIP=1150 psi, P15min=1070 psi. C/O sand from 3430 - 3616' (185'). Perf'd 2989 - 3269' w/ 2 spf (96 holes total). Set CIBP @ 3320'. Acidz'd perfs 2989 - 3269' w/ 4,500 gals 15% NEFE dropping 150 ball sealers. Very good ball action.

PM=3100 - 1300 psi. AIR=5 bpm, ISIP=450 psi, P5min=vacuum. Frac'd perfs 2989 - 3269' w/33,810 gals 40# gelled X-L wtr carrying

75,650#s 12/20 sand from 1.5ppg to 6 ppg concentration. PM=4410 - 2594 psi. AIR=18 bpm, ISIP=1272, P15min=1089 psi.

C/O frac sand. Tried to Dig CIBP. Could not. Pushed CIBP to 3615' and left. Ran production equipment & placed on production.

23-Sep-91 Replaced 1 bad jt tbg. Returned well to production.

18-Jan-96 Pulled rods & pmp. Drop standing valve & tst tbg to 500 psi. Tst OK. Change out pmp. Re-ran pmp & rods. Returned well to production.

10-Jun-96 Repaired rod part & changeout pmp. Return well to production.

15-Oct-97 C/O fill from 3592 - 3615' (23'). Ran production equipment & returned well to production.

13-May-04 POOH with rods. Couldn't fish parted pump. Tagged @ 3601', tally out of hole. Hydrotest tubing in hole to 7000#. RIH with pump & rods.

PWOP.

Production Csg.

Hole Size: 7 7/8 in
Csg. Size: 5 1/2 in
Set @: 3420 ft
Sxs Cmt: 300
Circ: No
TOC @: 673 f/ surf
TOC by: calc.

OH Interval
3420 - 3616'

PBSD: 3616 ft
TD: 3616 ft

Fill @ 3601'
CIBP Fish @ 3615'

OH ID: 4 3/4 in

PREPARED BY:

Larry S. Adams

D. Camizales

UPDATED:

21-May-04