TO

S D X RESOURCES, INC.

511 West Ohio, Suite 601 Midland, TX, 79701

Ph:915-685-1761 Fax:915-685-0533

May 11, 1994

William J. Lemay Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87504

Dear Mr. Lamay,

Attached are five C-102's for new wells to be drilled in Lea County, New Mexico. All five wells have non-standard locations. These are:

Well Name	Sec	Twn	Rge	E	roota	ıge	
Jalmat Field Yates Sd Ut Cone Jalmat Yates Pool Ut Cone Jalmat Yates Pool Ut Cone Jalmat Yates Pool Ut Cóne Jalmat Yates Pool Ut	#32 13M #33 24D #34 24P	22S 22S 22S 22S 22S 22S	35E 35E 35E	10 1310 1310	FSL FNL FSL	2630 1310 1310 1310 1650	FWL FWL FEL

We respectfully request that you give Non-Standard Approval for these wells to be drilled by signing below and returning to the above address as soon as possible.

Thank you for your help in this matter.

Sincerely, The tor b .c

Victor J. Sirgo / Consulting Engineer

APPROVED this _____ day of May, 1994 by:

William J. Lemay

TOTAL P.01

MAY-17-94 TUE 12:42

9156826710

05-17-1994	02:52PM	FROM	Victor	Sirgo	
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² Pool Code

District I PO Box 1980, Robbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd., Aztec. NM 87419 District IV PO Box 2088, Santa Fe, NM 87504-2088

API Number

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State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Form C-102 Revised February 10, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED RÉPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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⁹ Pool Name

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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AMENDED REPORT

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WELL LOCATION	I AND	ACREAGE	DEDICATION	PLAT
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1	API Numb	¢r		4 Pool Cod	¢	' Pool Name						
				33820		Jalmat Tansill Y-SR						
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APPROVED: June 28, 1963

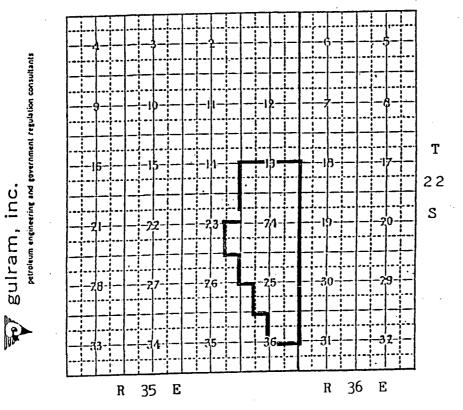
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WATERFLOOD

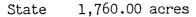
Yates Sand Formation

Lea County, New Mexico

J. R. Cone, Operator



Unit Land





BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 2802 Order No. R-2494

APPLICATION OF J. R. CONE FOR APPROVAL OF THE CONE JALMAT YATES POOL UNIT AGREEMENT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 15, 1963, at Roswell, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this <u>llth</u> day of June, 1963, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, J. R. Cone, seeks approval of the Cone Jalmat Yates Pool Unit Agreement covering 1,760 acres, more or less, of State land in Township 22 South, Range 35 East, NMPM, Lea County, New Mexico.

(3) That approval of the proposed Cone Jalmat Yates Pool Unit Agreement will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

(1) That the Cone Jalmat Yates Pool Unit Agreement is hereby approved.

(2) That the plan under which the unit area shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Cone Jalmat Yates Pool Unit Area, and such plan shall be known as the Cone Jalmat Yates Pool Unit Agreement Plan. -2-CASE No. 2802 Order No. R-2494

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(3) That the Cone Jalmat Yates Pool Unit Agreement Plan is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Oil Conservation Commission of New Mexico by law relative to the supervision and control of operations for the exploration and development of any lands committed to the Cone Jalmat Yates Pool Unit, or relative to the production of oil or gas therefrom.

(4) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

LEA COUNTY, NEW MEXICO <u>TOWNSHIP 22 SOUTH, RANGE 35 EAST</u> Section 13: S/2 Section 23: E/2 SE/4 Section 24: All Section 25: N/2, SE/4, and E/2 SW/4 Section 36: NE/4

containing 1,760 acres, more or less.

(b) That the unit area may be enlarged or contracted as provided in said plan; provided, however, that administrative approval for expansion or contraction of the unit area must also be obtained from the Secretary-Director of the Commission.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the Cone Jalmat Yates Pool Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(6) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico, and shall terminate <u>ipso facto</u> upon the termination of said unit agreement. The last unit operator shall notify the Commission immediately in writing of such termination.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-CASE No. 2802 Order No. R-2494

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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

SEAL

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BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE No. 2803 Order No. R-2495

APPLICATION OF J. R. CONE FOR A WATERFLOOD PROJECT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 15, 1963, at Roswell, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this <u>llth</u> day of June, 1963, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the Cone Jalmat Yates Pool Unit Agreement has been approved by the Commission by Order No. R-2494; that the Cone Jalmat Yates Pool Unit Area comprises 1,760 acres, more or less, of State land in Township 22 South, Range 35 East, NMPM, Lea County, New Mexico, as more fully described in said order.

(3) That the applicant, J. R. Cone, seeks permission to institute a waterflood project in the Jalmat Pool in the Cone Jalmat Yates Pool Unit Area by the injection of water into the Yates formation through four wells located within said unit area.

(4) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(5) That the proposed waterflood project is in the interest of conservation and should result in recovery of otherwise unrecoverable oil, thereby preventing waste. -2-CASE No. 2803 Order No. R-2495

(6) That the subject application should be approved and the project should be governed by the provisions of Rule 701 of the Commission Rules and Regulations.

(7) That all water injection should be through tubing under a packer; provided however, that selective water injection into more than one sand in wells which are equipped with less than 5 1/2-inch pipe may be through one string of tubing under a packer and through the casing-tubing annulus if the casing is perforated and squeeze-cemented from total depth to the surface casing shoe.

IT IS THEREFORE ORDERED:

(1) That the applicant, J. R. Cone, is hereby authorized to institute a waterflood project in the Jalmat Pool in the Cone Jalmat Yates Pool Unit Area by the injection of water into the Yates formation through the following-described four wells in Township 22 South, Range 35 East, NMPM, Lea County, New Mexico:

J. R. Cone Nix State Well No. 4, Unit J, Section 13 J. R. Cone Nix State Well No. 5, Unit L, Section 13 J. R. Cone Nix State Well No. 9, Unit N, Section 13 J. R. Cone Nix State Well No. 7, Unit D, Section 24

(2) That all water injection shall be through tubing under a packer; provided however, that selective water injection into more than one sand in wells which are equipped with less than 5 1/2-inch pipe may be through one string of tubing under a packer and through the casing-tubing annulus if the casing is perforated and squeeze-cemented from total depth to the surface casing shoe.

(3) That the subject waterflood project shall be governed by the provisions of Rule 701 of the Commission Rules and Regulations, including the allowable provisions thereof, and including the provisions with respect to expansion of the waterflood project.

(4) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1119 of the Commission Rules and Regulations.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-CASE No. 2803 Order No. R-2495

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

SEAL