

# GALLEGOS LAW FIRM

A Professional Corporation

460 St. Michael's Drive  
Building 300  
Santa Fe, New Mexico 87505  
Telephone No. 505-983-6686  
Telefax No. 505-986-1367  
Telefax No. 505-986-0741

October 14, 1999  
(Our File No. 99-1.80)

J.E. GALLEGOS \*

## VIA HAND-DELIVERY

Lori Wrotenbery, Director  
Michael Stogner, Chief Hearing Examiner  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Re: SDX's Applications for simultaneous Dedication and for Unorthodox Well Locations

Dear Ms. Wrotenbery and Mr. Stogner:

Enclosed please find protest letters from Doyle Hartman on the above referenced matter. Please notify us of an examiner hearing that will be scheduled regarding those applications.

If you have any questions, please do not hesitate to contact our office. Thank you for your cooperation.

Sincerely,

GALLEGOS LAW FIRM, P.C.

By

  
J. E. GALLEGOS

JEG:sa  
Enclosures  
fx: Doyle Hartman

99 OCT 14 PM 10:22  
OIL CONSERVATION DIV.

**DOYLE HARTMAN**

*Oil Operator*

500 NORTH MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

(915) 682-7616 FAX

Via FedEx and Facsimile (505) 827-8177

October 13, 1999

Lori Wrotenbery, Director  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

Re: SDX's Package of Four Applications for Simultaneous Dedication and for  
Unorthodox Well Locations, Where Applicable  
Langlie Jal Unit Area  
Jalmat Gas Pool  
T-24-S and T-25-S, R-37-E  
Lea County, New Mexico

Dear Ms. Wrotenbery:

Reference is made to SDX Resources Inc.'s (SDX's) single package containing four Jalmat gas pool infill drilling applications dated September 8, 1999, September 9, 1999, September 16, 1999, and September 17, 1999, covering five wells, which was received by us, by certified mail, on October 12, 1999. The five new Jalmat wells being proposed by SDX, in its four applications, offset the five following Hartman-operated Jalmat Gas Pool leases situated within the boundaries of the 3748.06-acre Langlie Jal Unit (LJU), T-24-S and T-25-S, R-37-E, Lea County, New Mexico.

Martin "B" No. 1  
F-31-24S-37E  
NW/4 Section 31, T-24-S, R-37-E  
Lea County, New Mexico  
160-acres

J.W. Sherrell No. 9  
J-31-24S-R-37-E  
SE/4 Section 31, T-24-S, R-37-E  
Lea County, New Mexico  
160-acres

OIL CONSERVATION DIV.  
99 OCT 13 PM 10:25

Skelly M State No. 4  
L-32-24S-37-E  
SW/4 Section 32, T-24-S, R-37-E  
Lea County, New Mexico  
160-acres

J.W. Sherrell No. 10  
C-6-25S-37E  
E/2SW/4 Section 31, T-24-S, R-37-E  
NW/4NE/4 and NE/4NW/4 Section 6  
T-25-S, R-37-E  
Lea County, New Mexico  
160-acres

F.M. Burleson No. 2  
F-8-25S-37E  
NW/4 Section 8, T-25-S, R-37-E  
160-acres

SDX is apparently justifying the drilling of its five newly proposed wells on the grounds that the wells are necessary in order to adequately drain its Jalmat acreage. These wells are as follows:

E.J. Well No. 25  
K-5-25S-37E

Wells Federal No. 22  
C-5-25S-37E

Wells Federal No. 23  
E-5-25S-37E

Jalmat Federal Com. No. 2  
L-31-24S-37E

State "A-32" No. 6  
E-32-25S-37E

In addition to the above-listed newly proposed wells, SDX recently drilled and completed the six following Jalmat wells, also situated within the 3748.06-acre unitized area for the Langlie Jal Unit, around and near the same above-described Hartman leases:

Enco State No. 1  
A-32-24S-37E

State "A-32" No. 5  
D-32-24S-37E

El Paso Wells Federal No. 2  
C-04-25S-37E

Wells Federal No. 21  
O-05-25S-37E

Langlie Jal Federal No. 2  
G-08-25S-37E

Langlie "A" Federal No. 2  
O-17-25S-37E

In regard to SDX's inferred inability to adequately drain its acreage, without dense infill drilling, please find enclosed recent pressure build-up plots for the Hartman-operated J.W. Sherrell No. 10 (C-6-25S-37E) and Skelly M State No. 4 (L-32-24S-37E). In recognition of the fact that the 1927 Jalmat Pool discovery pressure was 1400 psi (Rhodes "A" Federal No. 1 well, in C-22-26S-37E), and notwithstanding the level of depletion presently found in our Skelly M State No. 4 and J.W. Sherrell No. 10 wells, we find it alarming, that SDX, in the later stages of the producing life of the Jalmat pool, has uniquely concluded that there is such poor inter-well pressure communication between Jalmat wells, that one well per 40 acres is necessary in order to adequately drain its Jalmat acreage.

Consequently, please be advised that Doyle Hartman is opposed to any SDX applications that will result in the placement of multiple recent and/or newly proposed wells on a previously existing non-standard Jalmat Gas Proration Unit, since SDX has not established that such concentrated new drilling is necessary in order to efficiently and effectively drain its existing LJU-area Jalmat acreage. Based on our Jalmat Pool experience, the concentrated level of infill drilling being proposed by SDX amounts to unnecessary economic waste and places offset operators in the impossible position of either having to forfeit their correlative rights or, conversely, having to drill a group of defensive wells, that in the aggregate, have no reasonable chance of resulting in an adequate financial return.

As to our Skelly M State No. 4 and J.W. Sherrell No. 10 Jalmat Gas Pool wells, after recently performing CO<sub>2</sub> foam-frac stimulation treatments, we are still in the process of cleaning up both wells in order to meet the more-stringent CO<sub>2</sub> standards that have been imposed by Sid Richardson Carbon and Gasoline Co., for wells near the inlet to its Jal Plant No. 3 (Units E and L, T-24-S, R-37-E), and have not yet been allowed by Sid Richardson to turn our two wells back into Sid Richardson's pipeline. The frac job for our Skelly M State No. 4 was performed on September 20, 1999, and the frac job for our J.W. Sherrell No. 10 was performed on September 30, 1999, at substantial expense and after considerable soul searching, because of the extremely low Jalmat reservoir pressure in the LJU area.

New Mexico Oil Conservation Division

October 13, 1999

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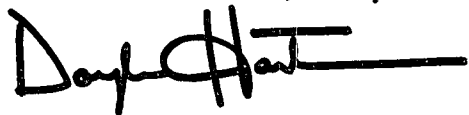
Moreover, we are also puzzled as to how SDX plans, in a timely manner, to get its newly proposed wells into Sid Richardson's LJU area gathering system near Jal Plant No. 3, when our long-time Jalmat producers (Skelly M State No. 4 and J.W. Sherrell No. 10) are still being denied access back into the pipeline because of Sid Richardson's more-stringent CO<sub>2</sub> requirements for wells situated in the LJU area. In addition, we also do not want our leases being affected by SDX, while SDX cleans up any unnecessarily-drilled wells, to the CO<sub>2</sub> levels that have been imposed by Sid Richardson near the inlet to its Jal Plant No. 3.

Therefore, we hereby request that SDX be required to come forward, at a hearing, and (1) provide its estimate of the reserves that it projects will be recovered from each of its five proposed high-density Jalmat infill wells, (2) provide and/or substantiate the reserve parameters (porosity - feet of pay, pressure, drainage area, P/Z data, etc.) that it has relied upon in computing the reserve values for its newly proposed wells within the 3748.06-acre LJU area, (3) provide the economic evaluations and recovery projections that it has performed for internal purposes, promotional packages, investors, bankers, Securities Exchange Commission, etc., and (4) show why one Jalmat well cannot drain significantly more than 40 acres.

Finally, as to SDX's proposed State "A-32" No. 6 well depth of 3500', we are also concerned that SDX may not be aware of NMOCD Order R-4929, dated December 3, 1974 (copy enclosed), that contracted the vertical limits of the Jalmat Gas Pool interval, within the LJU Unitized Area, and that SDX, with its proposed 3500' well depth, may presently have plans to complete its State "A-32" No. 6 well within the vertical limits of the Seven Rivers formation (now Langlie-Mattix Pool), which could potentially result in large volumes of LJU Seven Rivers injection water cross-flowing into the very low pressure Yates formation, thus further negatively impacting our offset Jalmat gas rights and causing further waste.

Very truly yours,

DOYLE HARTMAN, Oil Operator



Doyle Hartman

enclosures

rcs

wp7corresp.dh/nmoed-sdx-offset wells

New Mexico Oil Conservation Division  
October 13, 1999  
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cc: Michael Stogner, Chief Hearing Officer  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

Commissioner of Public Lands  
State of New Mexico  
P.O. Box 1148  
Santa Fe, NM 87504

Chuck Morgan, Petroleum Engineer  
SDX Resources, Inc.  
511 W. Ohio Ave, Suite 601 (79701)  
P.O. Box 5061  
Midland, Texas 79704

ARCO Permian  
P.O. Box 1610  
Midland, TX 79702-1610  
Attn: T.L. Holland, VP Land  
Lee M. Scarborough, Senior Landman

ARCO  
P.O. Box 1089  
Eunice, NM 88231-1089

Zeno Ferris  
Gruy Petroleum Management Company  
600 E. Las Colinas Blvd., Suite 1200 (75039)  
P.O. Box 140907  
Irving, TX 75014-0907

Richard R. Frazier, President & Chief Operating Officer  
Gruy Petroleum Management Company  
600 E. Las Colinas Blvd., Suite 1200 (75039)  
P.O. Box 140907  
Irving, TX 75014-0907

New Mexico Oil Conservation Division  
October 13, 1999  
Page 6

Steve Burleson  
Lewis B. Burleson, Inc.  
200 N. Lorraine (79701)  
P.O. Box 2479  
Midland, TX 79702

Saga Petroleum Ltd. Liability Co.  
415 W. Wall, Suite 835  
Midland, TX 79701

Permian Resources  
P.O. Box 590  
Midland, TX 79702

Seay Exploration  
407 N. Big Spring, Suite 200  
Midland, TX 79701

Phillips Petroleum Company  
4001 Penbrook  
Odessa, TX 79762

Charles Drimal, Jr., President, COO and CEO  
Prime Energy Corporation  
One Landmark Sq., Suite 1100  
Stamford, CT 06901-2601

Midland Operating  
3300 N. A St., Bldg. 2, Suite 104  
Midland, TX 79705

Bruce Williams, Manager of Gas Contracts  
Sid Richardson Carbon & Gasoline Co.  
201 Main Street  
Ft. Worth, TX 76102-3131

**OWNERSHIP PLAT**  
T-24 & 25-S, R-37-E.  
LEA CO., NEW MEXICO  
SCALE: "1" = 2000'

**DOYLE HARTMAN**  
MARTIN "B" NO. 1  
F-31-24S-37E

**SDX RESOURCES, INC.**  
STATE "A-32" NO. 6  
E-32-24S-37E  
(PROPOSED WELL)

**SDX RESOURCES, INC.**  
STATE "A-32" NO. 5  
D-32-24S-37E  
(NEW WELL)

**SDX RESOURCES, INC.**  
ENCO STATE NO. 1  
A-32-24S-37E  
(NEW WELL)

**DOYLE HARTMAN**  
SKELLY "M" NO. 4  
L-32-24S-37E

**SDX RESOURCES, INC.**  
STATE "A-32" NO. 4  
F-32-24S-37E  
(ORIGINAL WELL)

**DOYLE HARTMAN**  
SHERRELL NO. 9  
J-31-24S-37E

**SDX RESOURCES, INC.**  
WELLS FEDERAL NO. 22  
C-05-25S-37E  
(PROPOSED WELL)

**SDX RESOURCES, INC.**  
WELLS FEDERAL NO. 4  
F-05-25S-37E  
(ORIGINAL WELL)

**DOYLE HARTMAN**  
SHERRELL NO. 10  
C-06-25S-37E

**SDX RESOURCES, INC.**  
WELLS FEDERAL NO. 15  
D-05-25S-37E  
(ORIGINAL WELL)  
WELLS FEDERAL NO. 23  
E-05-25S-37E  
(PROPOSED WELL)

**SDX RESOURCES, INC.**  
E. J. WELLS NO. 25  
K-05-25S-37E  
(PROPOSED WELL)

**SDX RESOURCES, INC.**  
E. J. WELLS NO. 16  
L-05-25S-37E  
E. J. WELLS NO. 13  
L-05-25S-37E  
(ORIGINAL WELL)

**SDX RESOURCES, INC.**  
WELLS FEDERAL NO. 1  
I-05-25S-37E  
(ORIGINAL WELL)

**SDX RESOURCES, INC.**  
WELLS FEDERAL NO. 21  
O-05-25S-37E  
(NEW WELL)

**SDX RESOURCES, INC.**  
WELLS FEDERAL NO. 17  
J-05-25S-37E  
(ORIGINAL WELL)

**SDX RESOURCES, INC.**  
LANGLIE JAL FED. NO. 1  
A-08-25S-37E  
(ORIGINAL WELL)

**DOYLE HARTMAN**  
BURLESON NO. 3  
E-05-25S-37E

**DOYLE HARTMAN**  
BURLESON NO. 2  
F-05-25S-37E

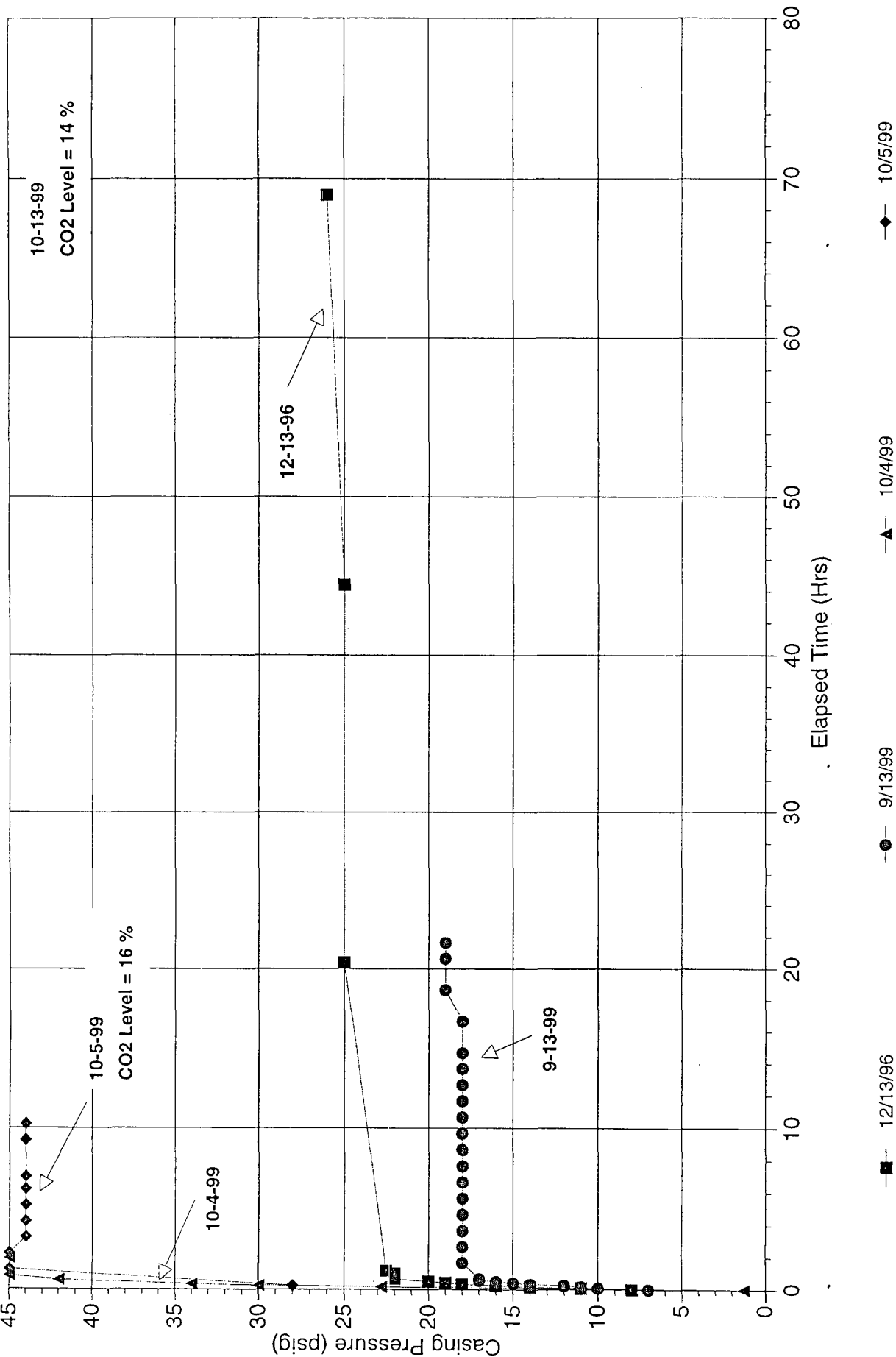
**SDX RESOURCES, INC.**  
LANGLIE JAL FED. NO. 2  
G-08-25S-37E



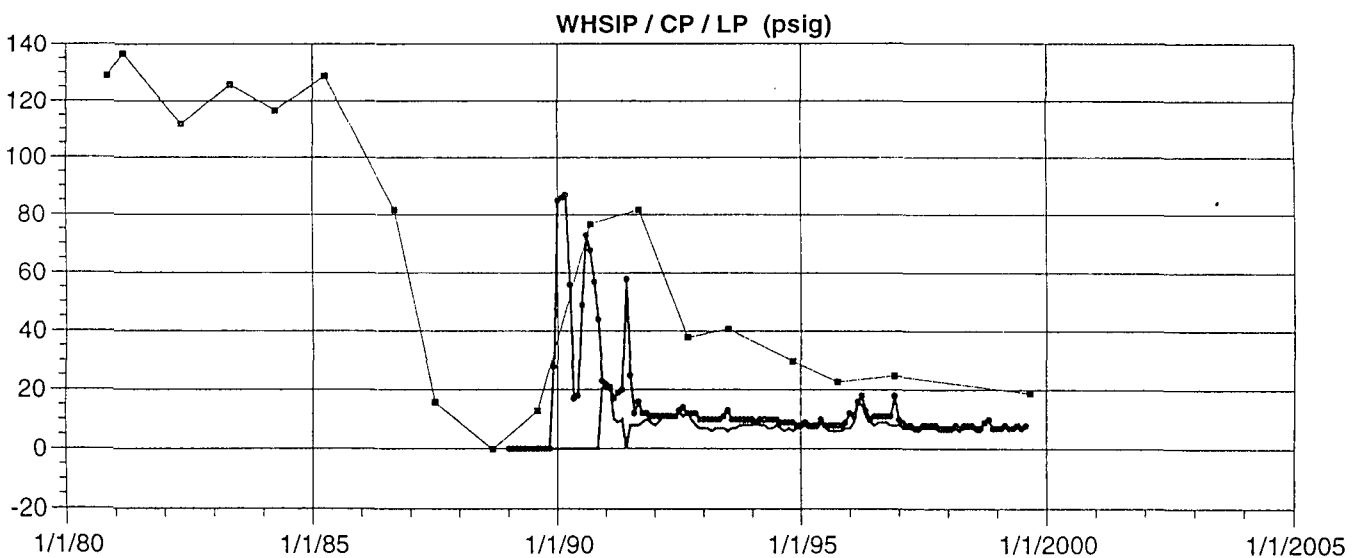
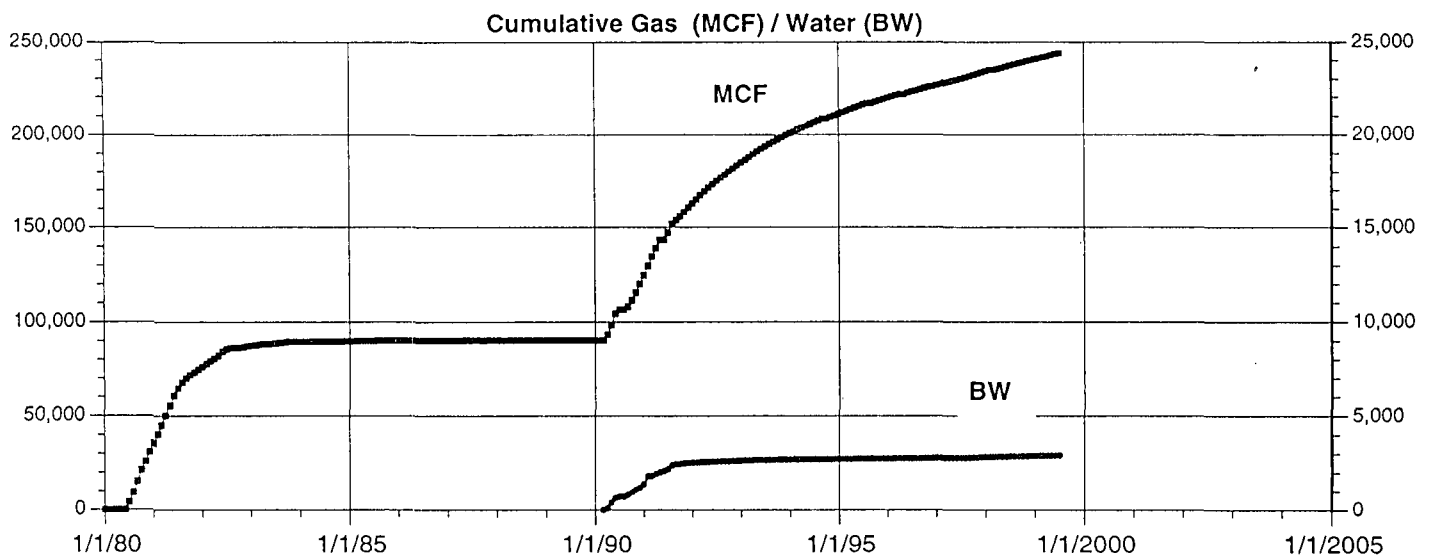
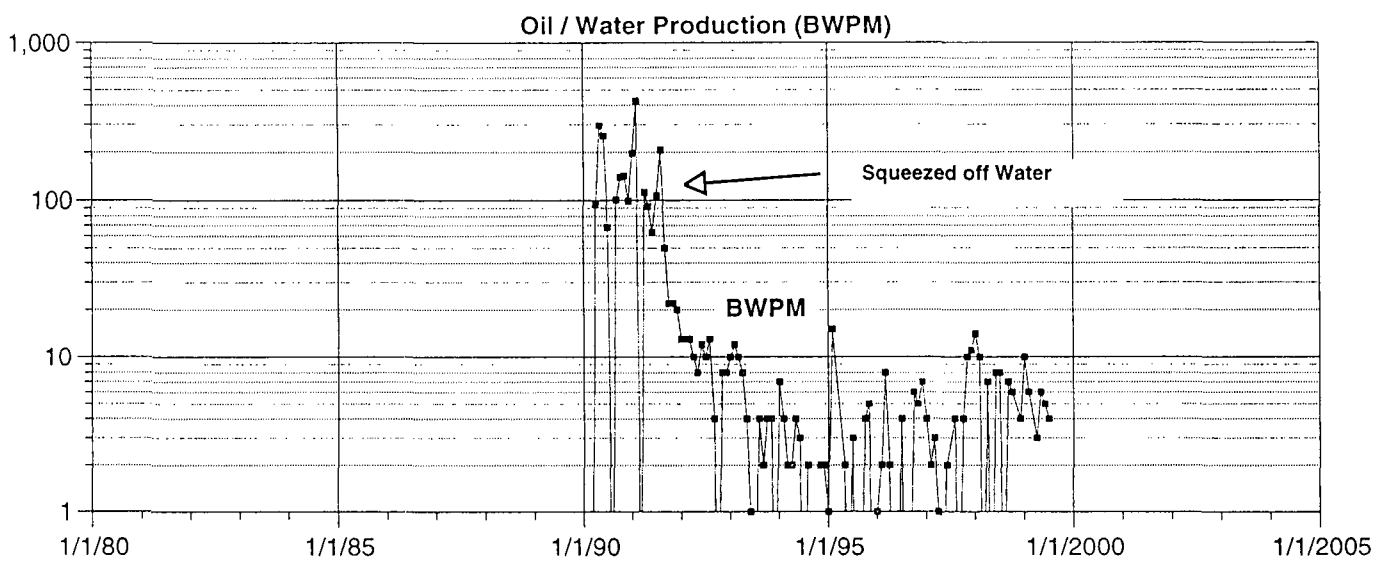
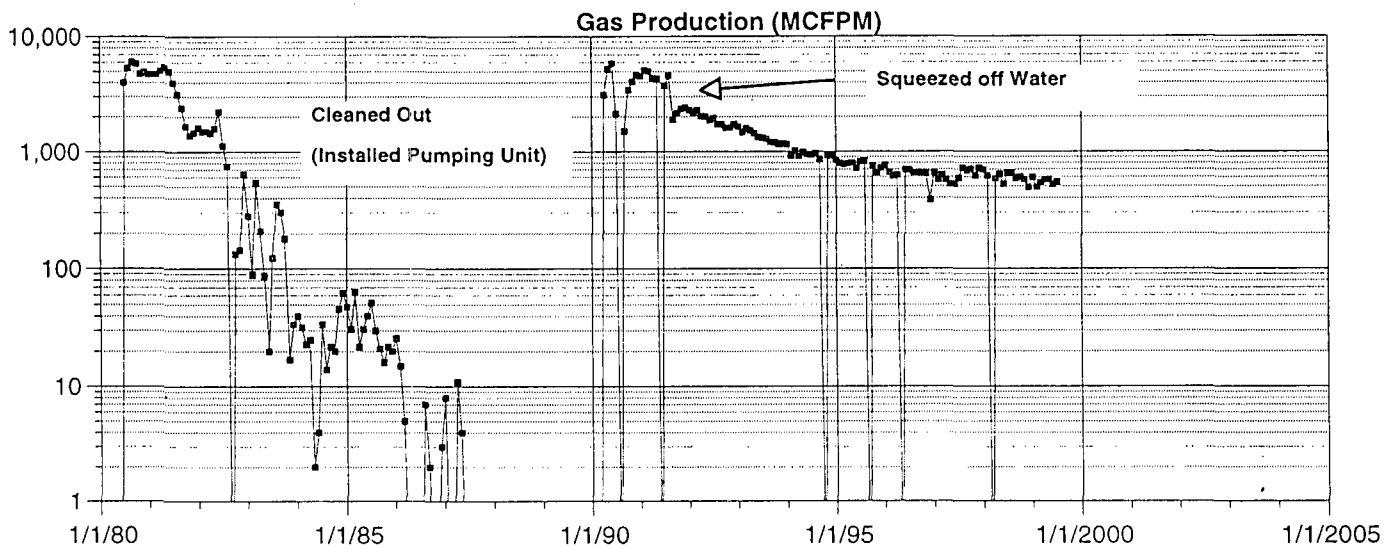


J. W. SHERRELL # 10  
JALMAT GAS POOL  
C - 6 T-25S R-37E

DOYLE HARTMAN OIL OPERATOR

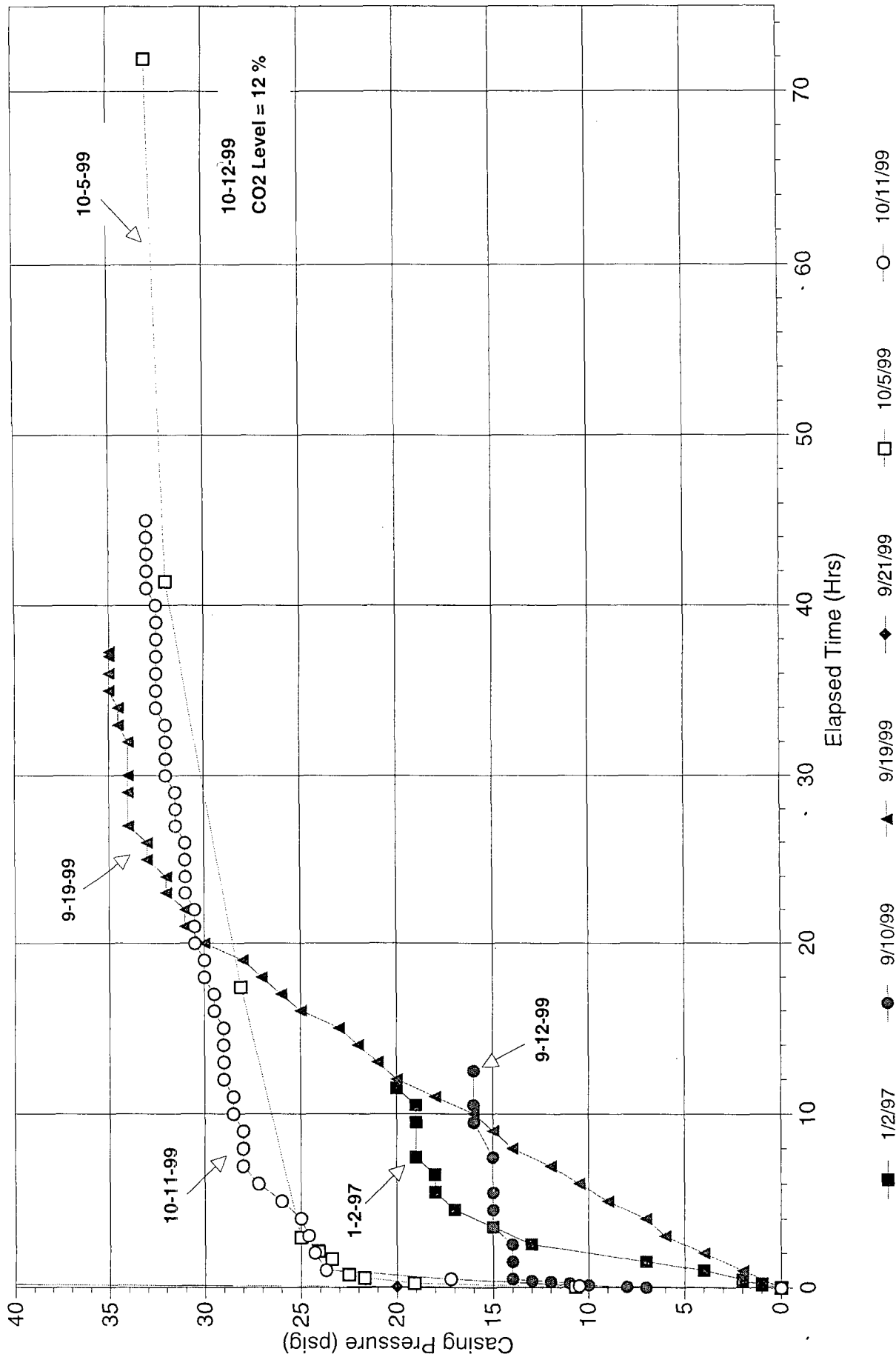


J W SHERRELL # 10 - DWIGHTS + (RPT-3)  
JALMAT (TANSILL YATES SEVEN RIVERS) YS  
C-6 T-25S R-37E  
DOYLE HARTMAN OIL OPERATOR

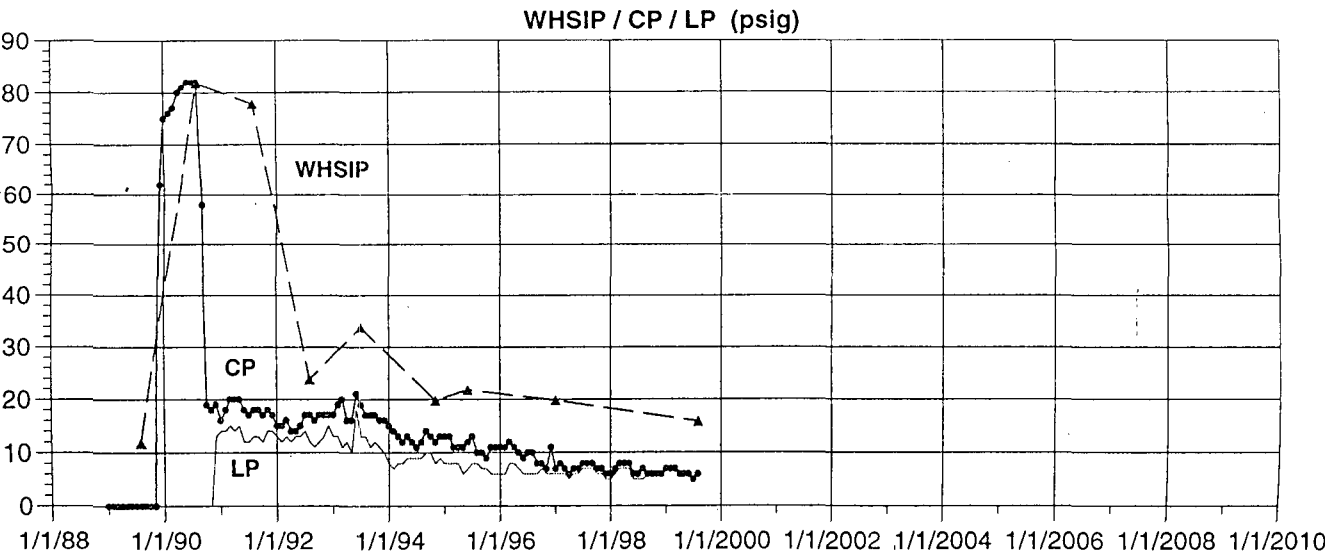
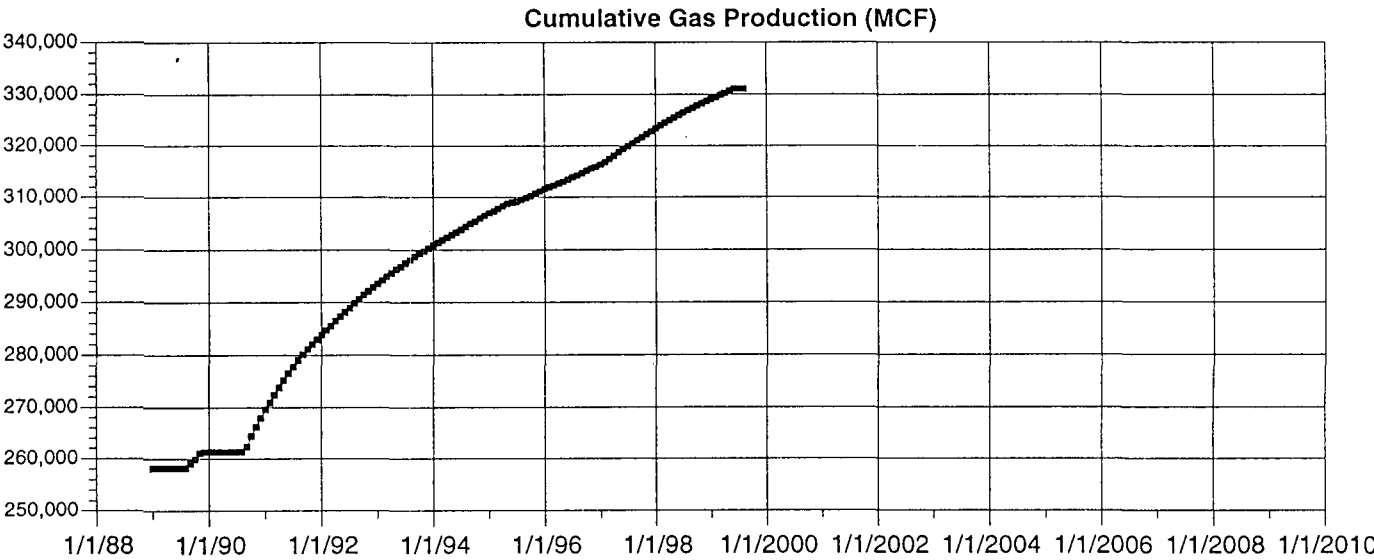
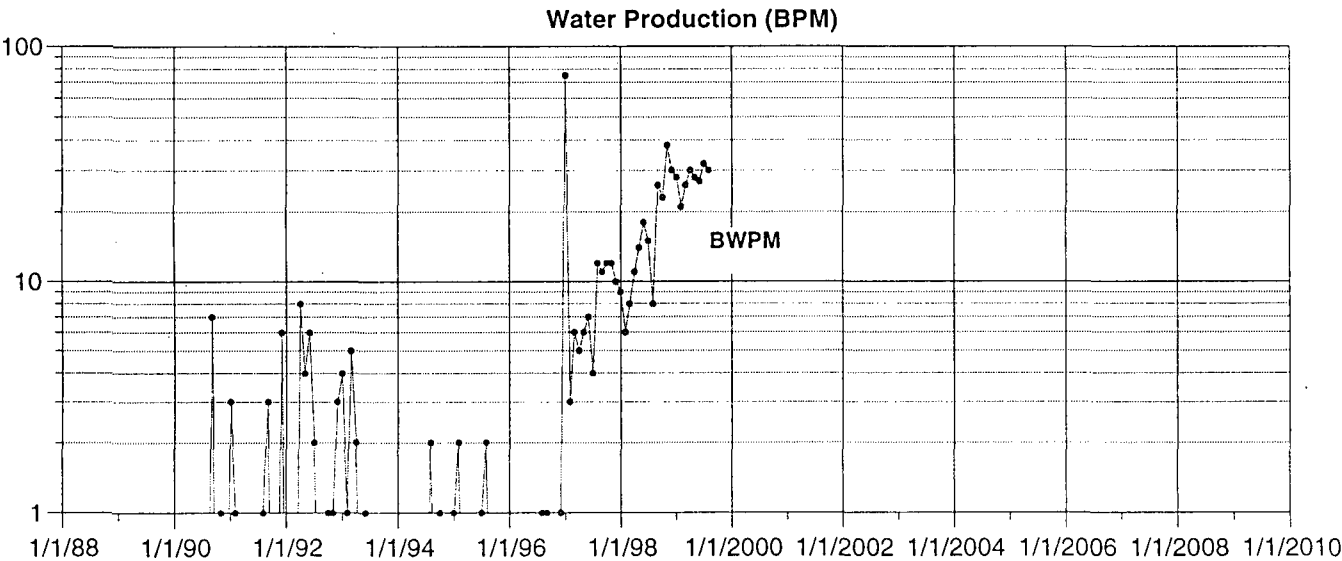
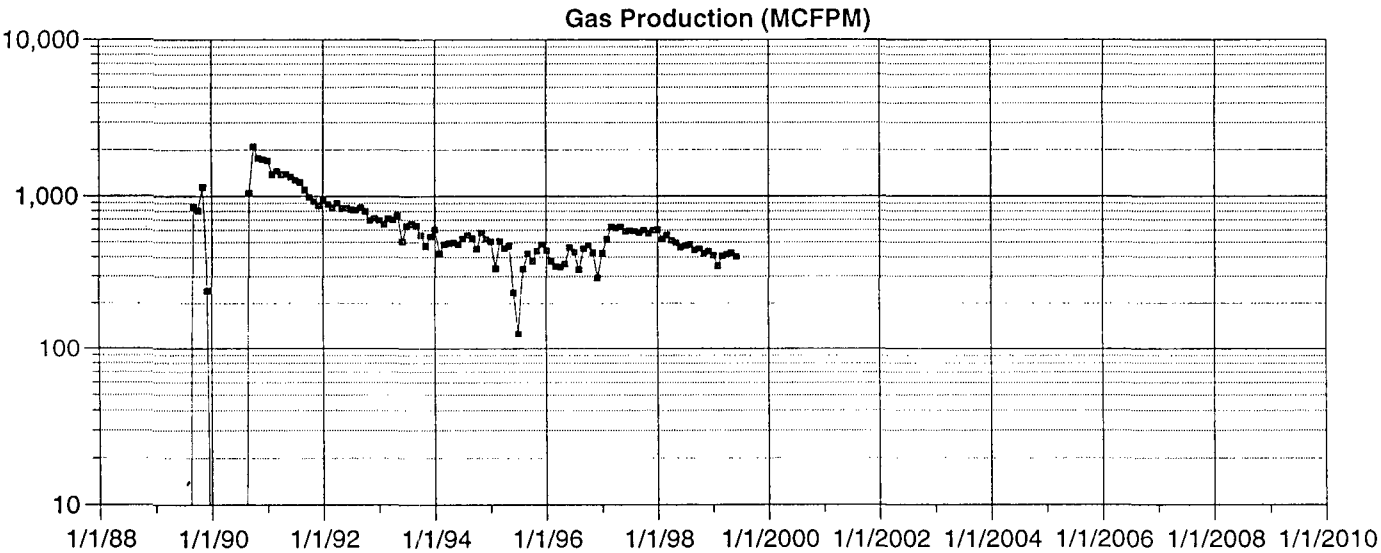


SKELLY M STATE #4  
JALMAT GAS POOL  
L - 32 T-24S R-37E

DOYLE HARTMAN OIL OPERATOR

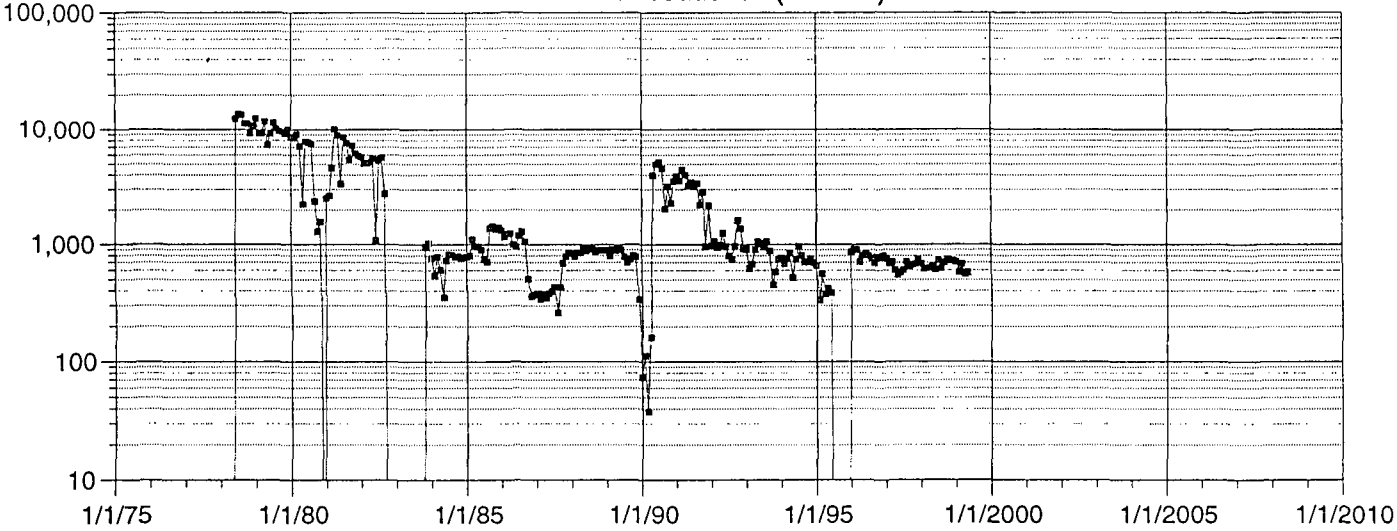


SKELLY M STATE # 4  
JALMAT (TANSILL YATES SEVEN RIVERS) YS  
L - 32 T-24S R-37E  
DOYLE HARTMAN OIL OPERATOR

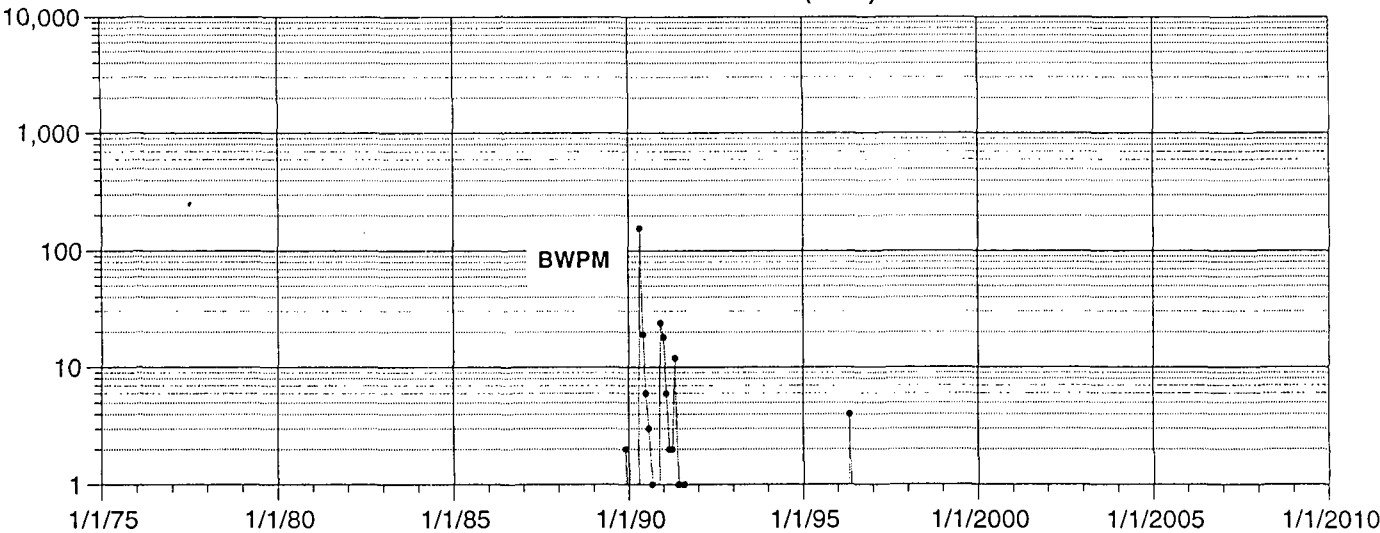


STATE A 32 # 4  
JALMAT (TANSILL YATES SEVEN RIVERS) YS  
F - 32 T-24S R-37E  
SDX RESOURCES, INC.

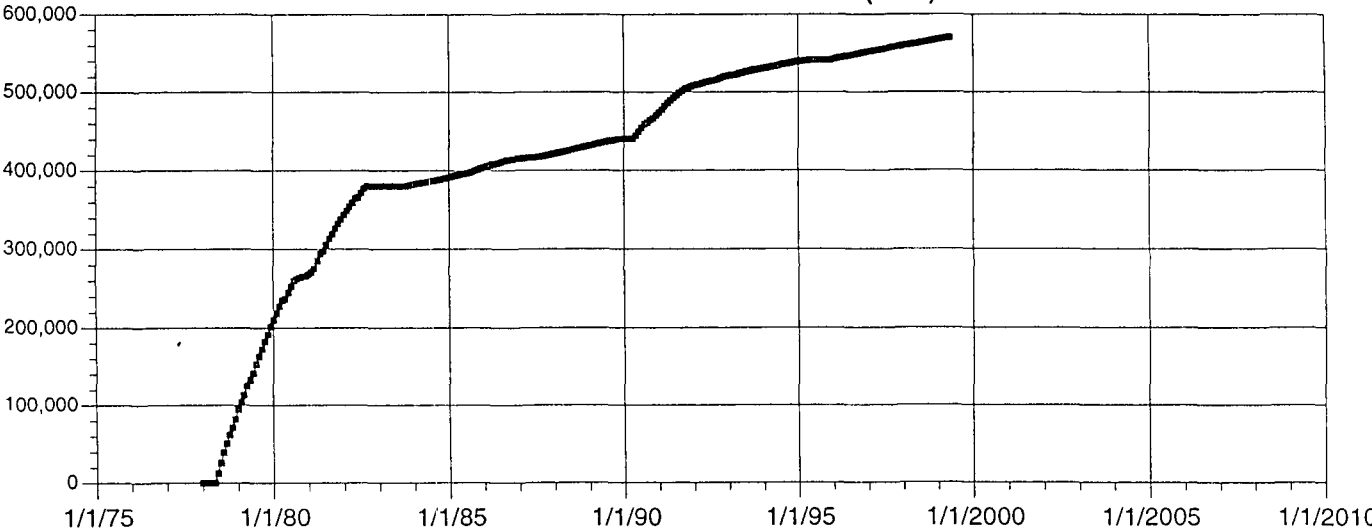
Gas Production (MCFPM)



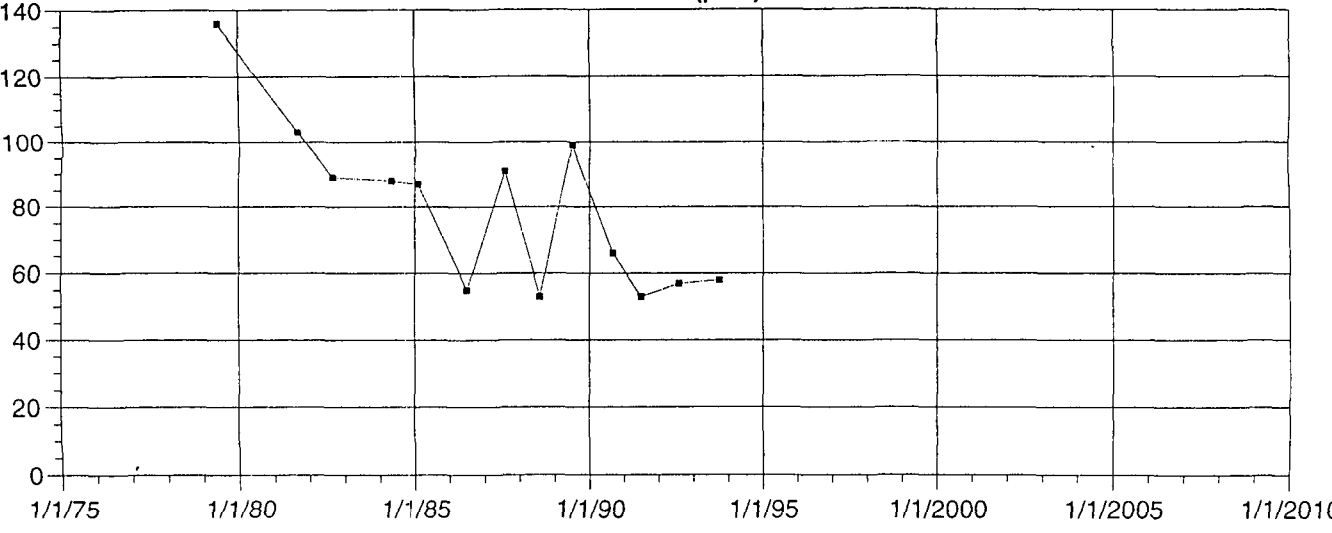
Water Production (BPM)



Cumulative Gas Production (MCF)



WHSIP (psia)

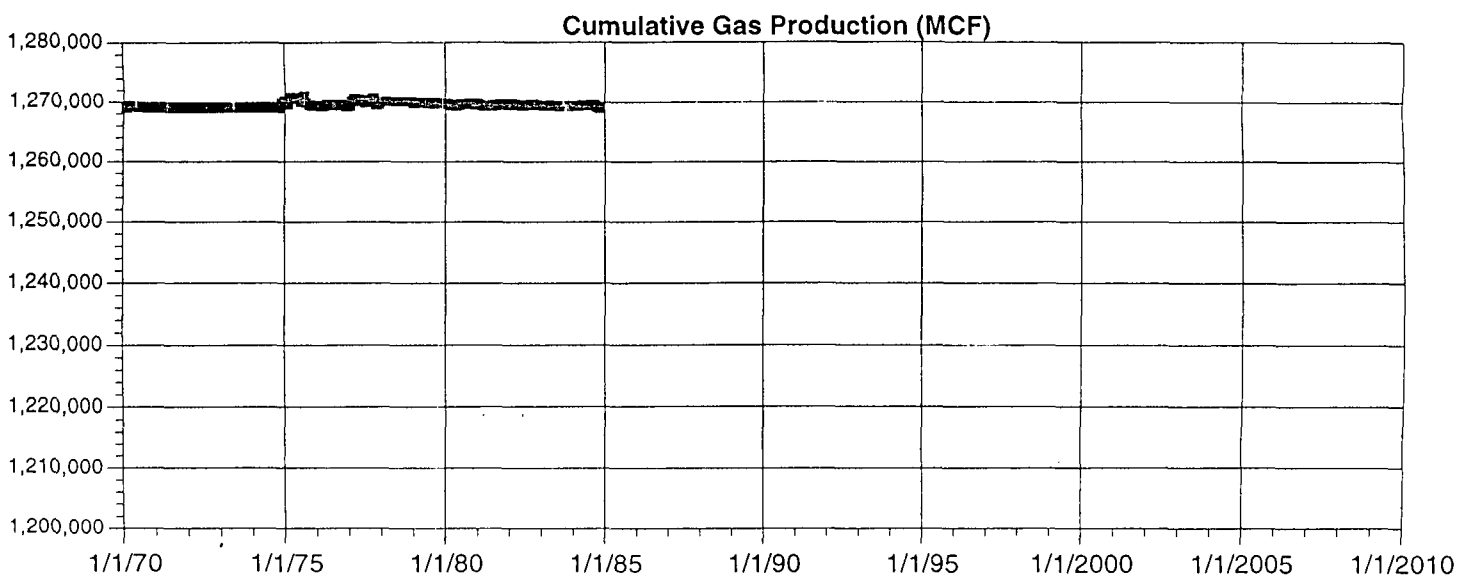
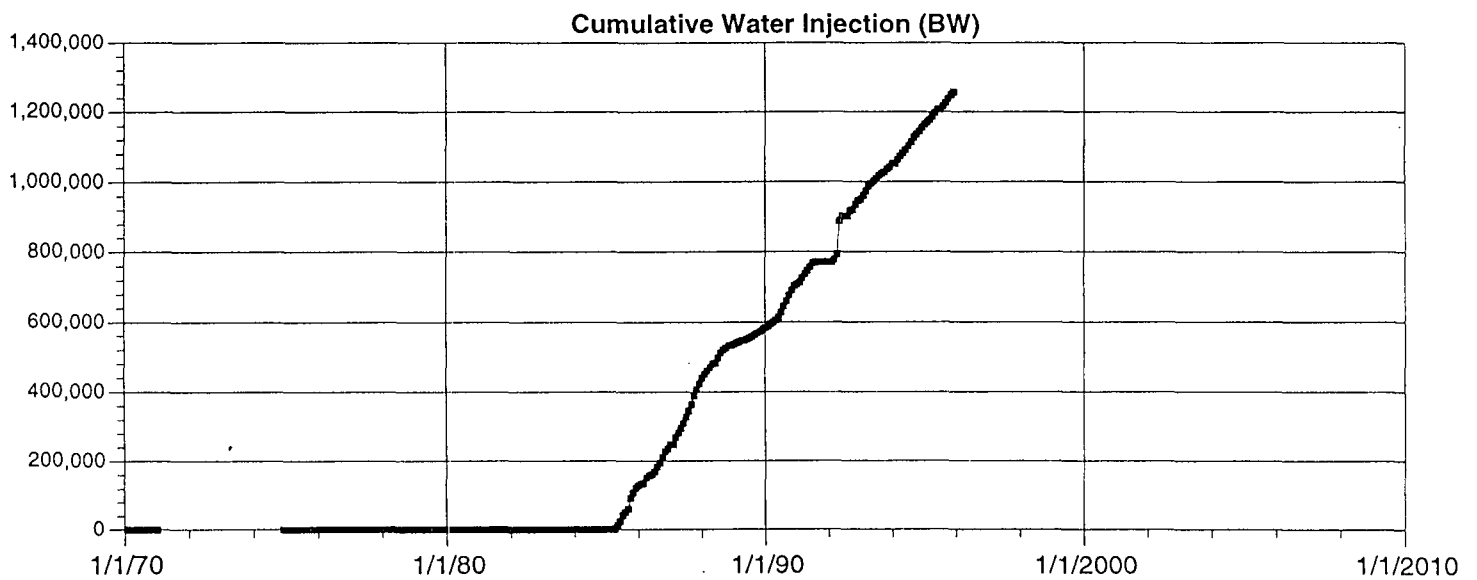
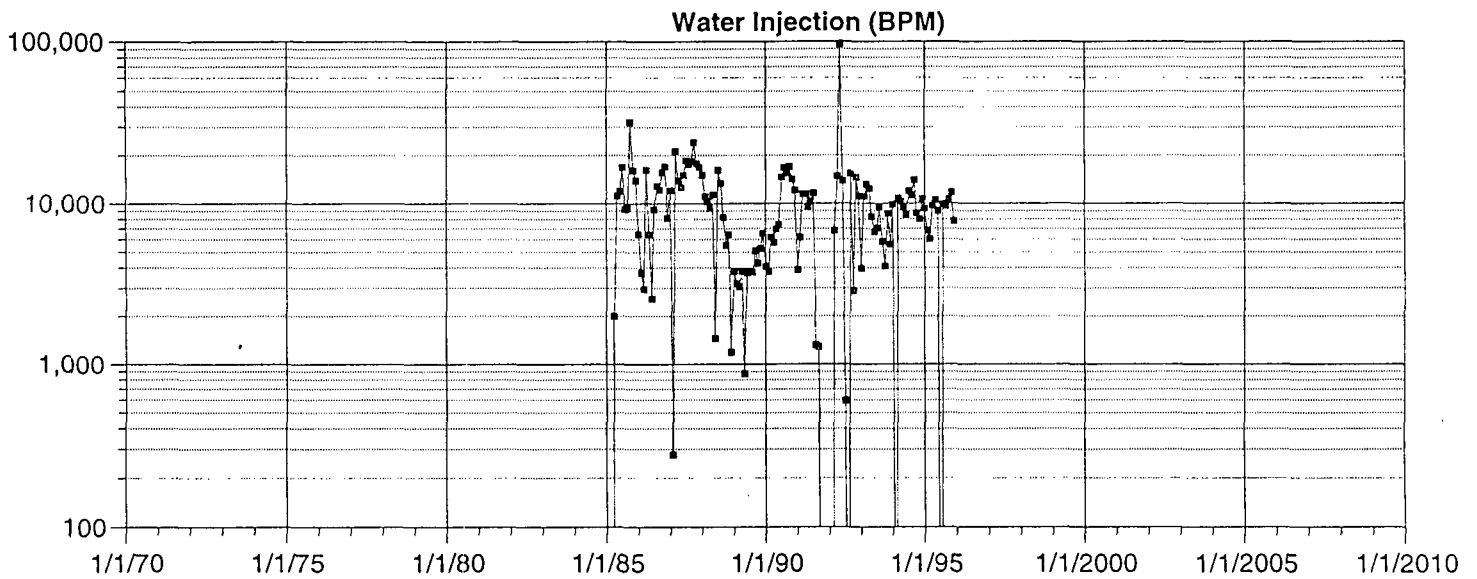
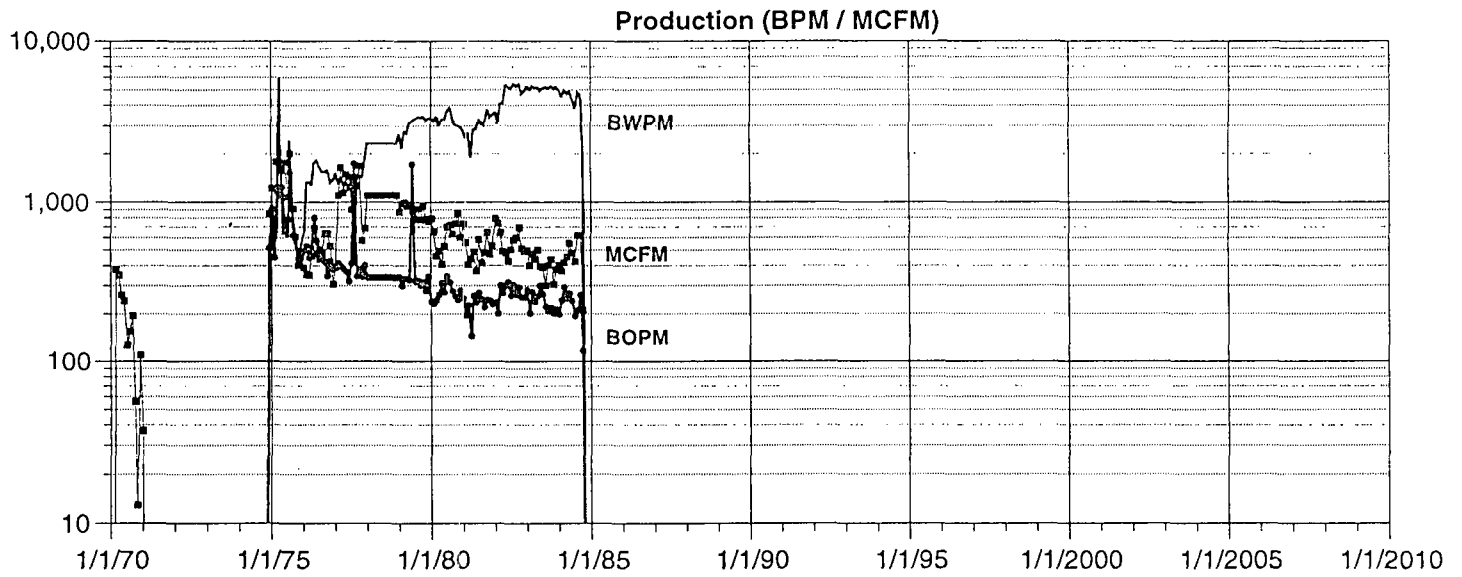


LANGLIE JAL UNIT # 10 (INJECTION WELL)

LANGLIE MATTIX (7 RVS QN GRB)

E-32 T-24S R-37E

GP II ENERGY



DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

## OIL CONSERVATION DIVISION

2040 Pacheco St.  
Santa Fe, NM 87505

WELL API NO.

30-025-26704

Indicate Type of Lease

STATE ☐

FEE ☒

State Oil & Gas Lease No.

**SUNDRY NOTICES AND REPORTS ON WELLS**  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"  
(FORM C-101) FOR SUCH PROPOSALS.)

Lease Name or Unit Agreement Name

J.W. Sherrell

Type of Well:

OIL  
WELL ☒

GAS  
WELL ☐

OTHER

Well No.

10

Pool name or Wildcat

Jalmat

Name of Operator

Doyle Hartman

Address of Operator

500 N. Main Street, Midland, Texas 79701

Well Location

Unit Letter C : 660 Feet From The North Line and 2000 Feet From The West Line

Section 6 Township 25-S Range 37-E NMPM Lea County

Elevation (Show whether DF, RKB, RT, GR, etc.)

3236 G.L. (3247' RKB)

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Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

### NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: ☐

### SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐

PLUG AND ANBANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: Perform CO2 foam frac. ☒

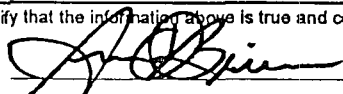
Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

On 9-23-99, tested well as follows: Gas = 19 MCFPD  
Fluid = 2 BWPD  
CP = 7 psig  
SIWHP = 18 psig (9-15-99)

Rigged up Halliburton. Fraced well with 167,325 gal of gelled water and 359 tons (6184 MCF) of CO2. Presently cleaning up well waiting for gas stream to reach MORE STRINGENT CO2 level imposed by Sid Richardson Gasoline company for its gathering system in the LJU area near the inlet for its Jal Plant No. 3.

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

SIGNATURE



TITLE Executive Assistant

DATE 10-12-99

TYPE OR PRINT NAME Ann O'Brien

TELEPHONE NO. 915/684-4011

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:



Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

## OIL CONSERVATION DIVISION

2040 Pacheco St.  
Santa Fe, NM 87505

WELL API NO. 30-025-25974
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No. B-1327
Lease Name or Unit Agreement Name Skelly M State
Well No. 4
Pool name or Wildcat Jalmat

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	
Name of Operator Doyle Hartman	
Address of Operator 500 N. Main Street, Midland, Texas 79701	
Well Location Unit Letter <u>L</u> : <u>1650</u> Feet From The <u>South</u> Line and <u>660</u> Feet From The <u>West</u> Line Section <u>32</u> Township <u>24-S</u> Range <u>37-E</u> NMPM <u>Lea</u> County	
Elevation (Show whether DF, RKB, RT, GR, etc.) 3239 G.L. (3249' RKB)	

11

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

### NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐  
OTHER: ☐

### SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ANBANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐  
OTHER: Perform CO2 foam frac. ☒

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

On September 10, 1999, gas rate = 15 MCFPD. Shut in well and performed pressure buildup. SIP = 16 psig (9-12-99).

On September 20, 1999, rigged up Halliburton and fraced well with 166,000 gal of gelled water and 348 tons (5964 MCF) of CO2. Recovered an estimated 200 bbls of load water. Presently cycling well between flaring and shutting in until CO2 level reaches MORE STRINGENT CO2 limits imposed by Sid Richardson Gasoline Company for its gathering system in the LJU area near the inlet for its Jal Plant No. 3.

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

SIGNATURE Ann O'Brien TITLE Executive Assistant DATE 10-12-99

TYPE OR PRINT NAME Ann O'Brien TELEPHONE NO. 915/684-4011

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

CASE NO. 5368  
Order No. R-4929

IN THE MATTER OF THE HEARING CALLED BY THE  
OIL CONSERVATION COMMISSION ON ITS OWN MOTION  
TO CONSIDER THE CONTRACTION OF THE VERTICAL  
LIMITS OF THE JALMAT GAS POOL UNDERLYING ALL  
OR PORTIONS OF SECTIONS 31 AND 32, TOWNSHIP  
24 SOUTH, RANGE 37 EAST, AND SECTIONS 4, 5,  
6, 8, 9 AND 17, TOWNSHIP 25 SOUTH, RANGE 37  
EAST, LEA COUNTY, NEW MEXICO, AND THE EXTEN-  
SION OF THE VERTICAL LIMITS OF THE LANGLEIE  
MATTIX POOL UNDERLYING THE SAME AREA.

NOMENCLATURE

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 26,  
1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 3rd day of December, 1974, the Commission,  
a quorum being present, having considered the testimony, the  
record, and the recommendations of the Examiner, 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 vertical limits of the Jalmat Gas Pool, Lea  
County, New Mexico, as previously designated and defined by the  
Commission, comprise the Tansill and Yates formations, and all  
but the lowermost 100 feet of the Seven Rivers formation.

(3) That the vertical limits of the Langlie-Mattix Oil  
Pool, as previously designated and defined by the Commission,  
comprise the lowermost 100 feet of the Seven Rivers formation  
and all of the Queen and Grayburg formations.

(4) That the unitized formations in the Langlie-Jal Unit  
Area, as approved by Commission Order No. R-4036, comprise the  
Seven Rivers and Queen formations.

(5) That the horizontal limits of said Langlie-Jal Unit  
Area comprise the following described lands:

LEA COUNTY, NEW MEXICO  
TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM  
Section 31: Lots 2, 3, and 4 and SE/4 NW/4,  
E/2 SW/4 and E/2

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM

Section 4: Lots 2, 3, and 4 and S/2 NW/4,  
SW/4 NE/4, and W/2 SW/4

Section 5: All

Section 6: All

Section 8: E/2 and NW/4

Section 9: W/2 W/2

Section 17: E/2

(6) That the Seven Rivers formation underlying said unit area is for the most part oil-saturated, and there are recoverable oil reserves in said interval and area.

(7) That secondary recovery operations are currently being conducted in the Seven Rivers formation and in the Queen formation underlying the Langlie-Jal Unit Area pursuant to authority of Order No. R-4051.

(8) That to increase the efficiency of said secondary recovery operations, the Seven Rivers formation and the Queen formation should be treated as a common producing interval.

(9) That the contraction of the vertical limits of the Jalmat Gas Pool to exclude all of the Seven Rivers formation therefrom, and the concurrent extension of the vertical limits of the Langlie Mattix Oil Pool to include all of the Seven Rivers formation therein, within the horizontal limits of the Langlie-Jal Unit Area as set forth in Finding No. (5) above, will permit the more efficient operation of the aforesaid secondary recovery projects, will prevent waste, will not violate correlative rights, and should be approved.

(10) That there are at least two gas wells completed in the Yates formation of the Jalmat Gas Pool which have perforated or open-hole intervals extending into the uppermost portion of the Seven Rivers formation, these wells being the Reserve Oil and Gas Company Martin B Well No. 1, located in Unit F of Section 31, Township 24 South, Range 37 East, the open-hole producing interval being from 2852 feet to 3187 feet, the lowermost 42 feet of which is in the Seven Rivers formation, and the El Paso Natural Gas Company Wells Federal Well No. 1, located in Unit I of Section 5, Township 25 South, Range 37 East, the perforated interval being from 3100 feet to 3195 feet, the lowermost 30 feet of which is in the Seven Rivers formation.

(11) That an exception to the vertical limits of the Jalmat Gas Pool as amended in the subject area by this order should be given to the wells described in Finding No. (10) above for the producing intervals as described.

(12) That the Secretary-Director of the Commission should have authority to grant administrative exception to the vertical limits of the Jalmat Gas Pool as amended in the subject area by this order, should it be found that there are other Jalmat Gas wells the producing interval of which similarly extend into the Seven Rivers formation.

IT IS THEREFORE ORDERED:

(1) That this order shall apply only to the following described area:

LEA COUNTY, NEW MEXICO  
TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM  
Section 31: Lots 2, 3, and 4 and SE/4 NW/4,  
E/2 SW/4, and E/2

Section 32: All

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM  
Section 4: Lots 2, 3, and 4 and S/2 NW/4,  
SW/4 NE/4, and W/2 SW/4

Section 5: All

Section 6: All

Section 8: E/2 and NW/4

Section 9: W/2 W/2

Section 17: E/2

(2) That the vertical limits of the Jalmat Gas Pool in the above-described area are hereby defined as comprising the Tansill and Yates formations.

(3) That the vertical limits of the Langlie Mattix Oil Pool in the above-described area are hereby defined as comprising the Seven Rivers, Queen, and Grayburg formations.

(4) That the Reserve Oil and Gas Company Martin B Well No. 1, located in Unit F of Section 31, Township 24 South, Range 37 East, the open-hole interval of which is 2852 feet to 3187 feet, and the El Paso Natural Gas Company Wells Federal Well No. 1, located in Unit I of Section 5, Township 25 South, Range 37 East, the perforated interval of which is 3100 feet to 3195 feet, both of which are classified as Jalmat Gas Wells, are each hereby granted an exception to the vertical limits of the Jalmat Gas Pool for that portion of the producing interval which is currently open in the Seven Rivers formation.

(5) That the Secretary-Director of the Commission is hereby authorized to approve an exception to the vertical limits of the Jalmat Gas Pool for any other well classified as a Jalmat Gas Well which may prove to have, on the effective date of this order, a portion of its producing interval open to the Seven Rivers formation.

-4-

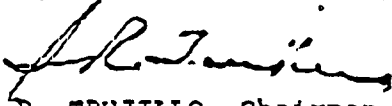
CASE NO. 5368

Order No. R-4929

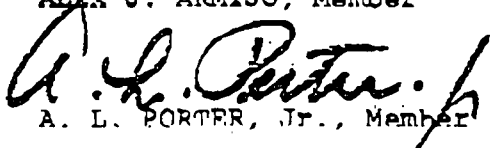
(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

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

S E A L

jr/

DOYLE HARTMAN  
Oil Operator  
500 N. Main  
P.O. Box 10426  
MIDLAND, TEXAS 79702  
(915) 684-4011 Office / 682-7616 Fax

## FAX COVER SHEET

**To:**

NAME <i>Lori Wrotenberg</i>	DATE AND TIME OF TRANSMISSION <i>10-13-99</i>
COMPANY <i>NMOCD</i>	FAX NUMBER <i>505/827-8177</i>

**From:**

NAME <i>Doyle Hartman</i>
------------------------------

**Reference:**

SUBJECT <i>SDX Package of 4 applications for Simultaneous</i>
--

*Dedications at North-dol Locations T245 & T255, R37E Lea Co., NM*

The information contained in this facsimile message is confidential and intended solely for the use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any dissemination, distribution, copying, or unauthorized use of this communication is strictly prohibited. If you have received this facsimile in error, please notify the sender immediately by telephone, and return the facsimile to the sender at the above address via the United States Postal Service.

**Message:**

*Letter dated October 13, 1999 w/enclosures.*  
*Hard copy to follow via FedEx.*

Page: 1 of 36

**DOYLE HARTMAN**

*Oil Operator*  
500 NORTH MAIN  
P.O. BOX 10426  
MIDLAND, TEXAS 79702

(915) 684-4011  
(915) 682-7616 FAX

**Via FedEx and Facsimile (505) 827-8177**

October 13, 1999

Lori Wrotenbery, Director  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

Re: SDX's Package of Four Applications for Simultaneous Dedication and for  
Unorthodox Well Locations, Where Applicable  
Langlie Jal Unit Area  
Jalmat Gas Pool  
T-24-S and T-25-S, R-37-E  
Lea County, New Mexico

Dear Ms. Wrotenbery:

Reference is made to SDX Resources Inc.'s (SDX's) single package containing four Jalmat gas pool infill drilling applications dated September 8, 1999, September 9, 1999, September 16, 1999, and September 17, 1999, covering five wells, which was received by us, by certified mail, on October 12, 1999. The five new Jalmat wells being proposed by SDX, in its four applications, offset the five following Hartman-operated Jalmat Gas Pool leases situated within the boundaries of the 3748.06-acre Langlie Jal Unit (LJU), T-24-S and T-25-S, R-37-E, Lea County, New Mexico.

Martin "B" No. 1  
F-31-24S-37E  
NW/4 Section 31, T-24-S, R-37-E  
Lea County, New Mexico  
160-acres

J.W. Sherrell No. 9  
J-31-24S-R-37-E  
SE/4 Section 31, T-24-S, R-37-E  
Lea County, New Mexico  
160-acres

New Mexico Oil Conservation Division  
October 13, 1999  
Page 2

Skelly M State No. 4  
L-32-24S-37-E  
SW/4 Section 32, T-24-S, R-37-E  
Lea County, New Mexico  
160-acres

J.W. Sherrell No. 10  
C-6-25S-37E  
E/2SW/4 Section 31, T-24-S, R-37-E  
NW/4NE/4 and NE/4NW/4 Section 6  
T-25-S, R-37-E  
Lea County, New Mexico  
160-acres

F.M. Burleson No. 2  
F-8-25S-37E  
NW/4 Section 8, T-25-S, R-37-E  
160-acres

SDX is apparently justifying the drilling of its five newly proposed wells on the grounds that the wells are necessary in order to adequately drain its Jalmat acreage. These wells are as follows:

E.J. Well No. 25  
K-5-25S-37E

~~Wells Federal No. 22~~  
C-5-25S-37E

~~Wells Federal No. 23~~  
E-5-25S-37E

Jalmat Federal Com. No. 2  
L-31-24S-37E

State "A-32" No. 6  
E-32-25S-37E

In addition to the above-listed newly proposed wells, SDX recently drilled and completed the six following Jalmat wells, also situated within the 3748.06-acre unitized area for the Langlie Jal Unit, around and near the same above-described Hartman leases:

Enco State No. 1  
A-32-24S-37E



State "A-32" No. 5  
D-32-24S-37E

El Paso Wells Federal No. 2  
C-04-25S-37E

Wells Federal No. 21  
O-05-25S-37E

Langlie Jal Federal No. 2  
G-08-25S-37E

Langlie "A" Federal No. 2  
O-17-25S-37E

In regard to SDX's inferred inability to adequately drain its acreage, without dense infill drilling, please find enclosed recent pressure build-up plots for the Hartman-operated J.W. Sherrell No. 10 (C-6-25S-37E) and Skelly M State No. 4 (L-32-24S-37E). In recognition of the fact that the 1927 Jalmat Pool discovery pressure was 1400 psi (Rhodes "A" Federal No. 1 well, in C-22-26S-37E), and notwithstanding the level of depletion presently found in our Skelly M State No. 4 and J.W. Sherrell No. 10 wells, we find it alarming, that SDX, in the later stages of the producing life of the Jalmat pool, has uniquely concluded that there is such poor inter-well pressure communication between Jalmat wells, that one well per 40 acres is necessary in order to adequately drain its Jalmat acreage.

Consequently, please be advised that Doyle Hartman is opposed to any SDX applications that will result in the placement of multiple recent and/or newly proposed wells on a previously existing non-standard Jalmat Gas Proration Unit, since SDX has not established that such concentrated new drilling is necessary in order to efficiently and effectively drain its existing LJU-area Jalmat acreage. Based on our Jalmat Pool experience, the concentrated level of infill drilling being proposed by SDX amounts to unnecessary economic waste and places offset operators in the impossible position of either having to forfeit their correlative rights or, conversely, having to drill a group of defensive wells, that in the aggregate, have no reasonable chance of resulting in an adequate financial return.

As to our Skelly M State No. 4 and J.W. Sherrell No. 10 Jalmat Gas Pool wells, after recently performing CO<sub>2</sub> foam-frac stimulation treatments, we are still in the process of cleaning up both wells in order to meet the more-stringent CO<sub>2</sub> standards that have been imposed by Sid Richardson Carbon and Gasoline Co., for wells near the inlet to its Jal Plant No. 3 (Units E and L, T-24-S, R-37-E), and have not yet been allowed by Sid Richardson to turn our two wells back into Sid Richardson's pipeline. The frac job for our Skelly M State No. 4 was performed on September 20, 1999, and the frac job for our J.W. Sherrell No. 10 was performed on September 30, 1999, at substantial expense and after considerable soul searching, because of the extremely low Jalmat reservoir pressure in the LJU area.

New Mexico Oil Conservation Division

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Page 4


Moreover, we are also puzzled as to how SDX plans, in a timely manner, to get its newly proposed wells into Sid Richardson's LJU area gathering system near Jal Plant No. 3, when our long-time Jalmat producers (Skelly M State No. 4 and J.W. Sherrell No. 10) are still being denied access back into the pipeline because of Sid Richardson's more-stringent CO<sub>2</sub> requirements for wells situated in the LJU area. In addition, we also do not want our leases being affected by SDX, while SDX cleans up any unnecessarily-drilled wells, to the CO<sub>2</sub> levels that have been imposed by Sid Richardson near the inlet to its Jal Plant No. 3.

Therefore, we hereby request that SDX be required to come forward, at a hearing, and (1) provide its estimate of the reserves that it projects will be recovered from each of its five proposed high-density Jalmat infill wells, (2) provide and/or substantiate the reserve parameters (porosity - feet of pay, pressure, drainage area, P/Z data, etc.) that it has relied upon in computing the reserve values for its newly proposed wells within the 3748.06-acre LJU area, (3) provide the economic evaluations and recovery projections that it has performed for internal purposes, promotional packages, investors, bankers, Securities Exchange Commission, etc., and (4) show why one Jalmat well cannot drain significantly more than 40 acres.

Finally, as to SDX's proposed State "A-32" No. 6 well depth of 3500', we are also concerned that SDX may not be aware of NMOCDD Order R-4929, dated December 3, 1974 (copy enclosed), that contracted the vertical limits of the Jalmat Gas Pool interval, within the LJU Unitized Area, and that SDX, with its proposed 3500' well depth, may presently have plans to complete its State "A-32" No. 6 well within the vertical limits of the Seven-Rivers formation (now Langlie Mattix Pool), which could potentially result in large volumes of LJU Seven-Rivers injection water cross-flowing into the very low pressure Yates formation, thus further negatively impacting our offset Jalmat gas rights and causing further waste.

Very truly yours,

DOYLE HARTMAN, Oil Operator



Doyle Hartman

enclosures

rcs  
wp7\corresp.dh\nmocc-dsx-offset wells

New Mexico Oil Conservation Division

October 13, 1999

Page 5

cc: Michael Stogner, Chief Hearing Officer  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

Commissioner of Public Lands  
State of New Mexico  
P.O. Box 1148  
Santa Fe, NM 87504

Chuck Morgan, Petroleum Engineer  
SDX Resources, Inc.  
511 W. Ohio Ave, Suite 601 (79701)  
P.O. Box 5061  
Midland, Texas 79704

ARCO Permian  
P.O. Box 1610  
Midland, TX 79702-1610  
Attn: T.L. Holland, VP Land  
Lee M. Scarborough, Senior Landman

ARCO  
P.O. Box 1089  
Eunice, NM 88231-1089

Zeno Ferris  
Gruy Petroleum Management Company  
600 E. Las Colinas Blvd., Suite 1200 (75039)  
P.O. Box 140907  
Irving, TX 75014-0907

Richard R. Frazier, President & Chief Operating Officer  
Gruy Petroleum Management Company  
600 E. Las Colinas Blvd., Suite 1200 (75039)  
P.O. Box 140907  
Irving, TX 75014-0907

New Mexico Oil Conservation Division  
October 13, 1999  
Page 6

Steve Burleson  
Lewis B. Burleson, Inc.  
200 N. Loraine (79701)  
P.O. Box 2479  
Midland, TX 79702

Saga Petroleum Ltd. Liability Co.  
415 W. Wall, Suite 835  
Midland, TX 79701

Permian Resources  
P.O. Box 590  
Midland, TX 79702

Seay Exploration  
407 N. Big Spring, Suite 200  
Midland, TX 79701

Phillips Petroleum Company  
4001 Penbrook  
Odessa, TX 79762

Charles Drimal, Jr., President, COO and CEO  
Prime Energy Corporation  
One Landmark Sq., Suite 1100  
Stamford, CT 06901-2601

Midland Operating  
3300 N. A St., Bldg. 2, Suite 104  
Midland, TX 79705

Bruce Williams, Manager of Gas Contracts  
Sid Richardson Carbon & Gasoline Co.  
201 Main Street  
Ft. Worth, TX 76102-3131

New Mexico Oil Conservation Division

October 13, 1999

Page 7

Randall Dunn, Field Manager  
Sid Richardson Carbon & Gasoline Co.  
Lea County Gathering System  
610 S. Commerce  
P.O. Box 1226  
Jal, NM 88252

James A. Davidson  
214 W. Texas, Suite 710  
Midland, TX 79701

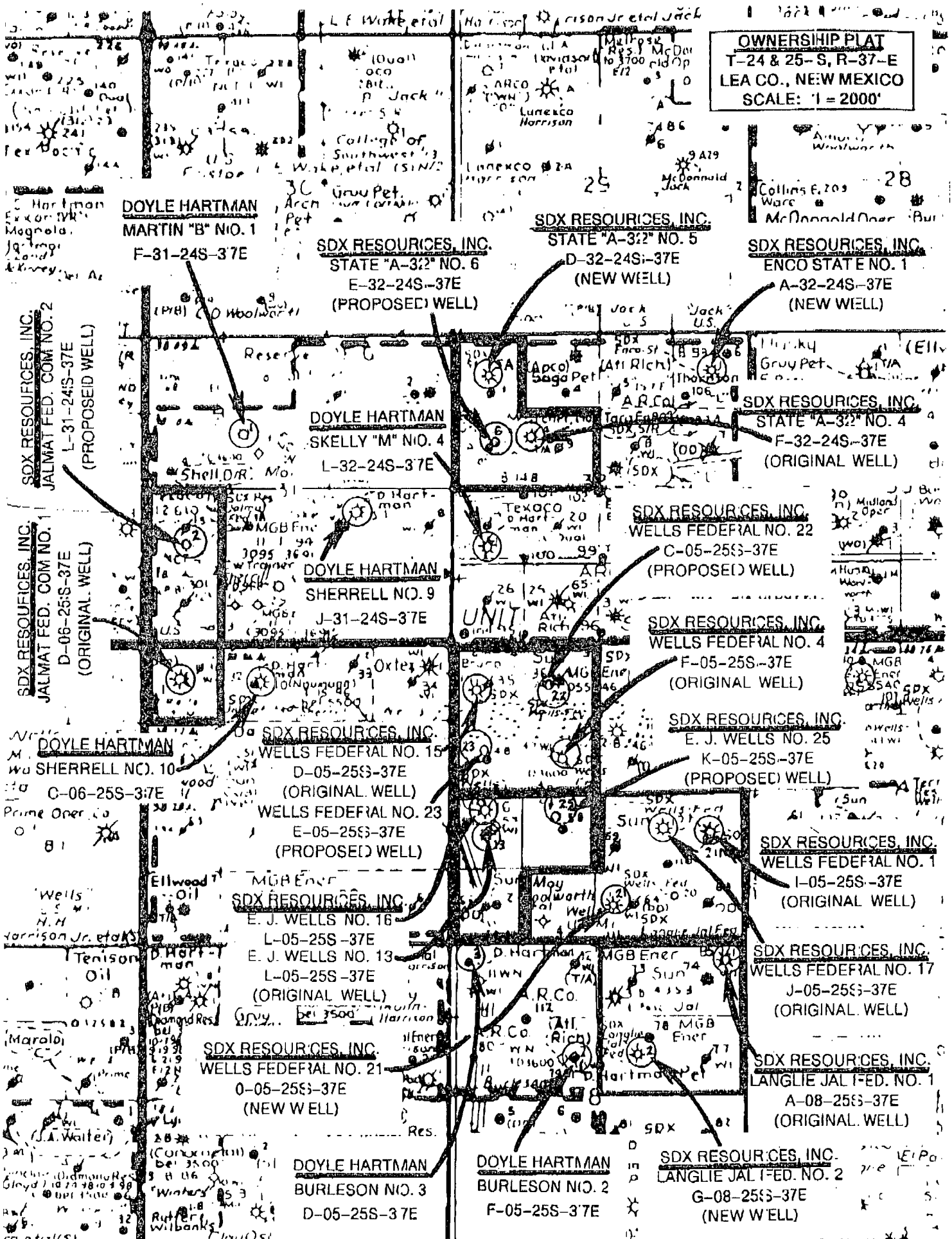
Gallegos Law Firm  
460 St. Michaels Dr., Bldg. 300  
Santa Fe, NM 87505  
Attn: J.E. Gallegos  
Michael J. Condon

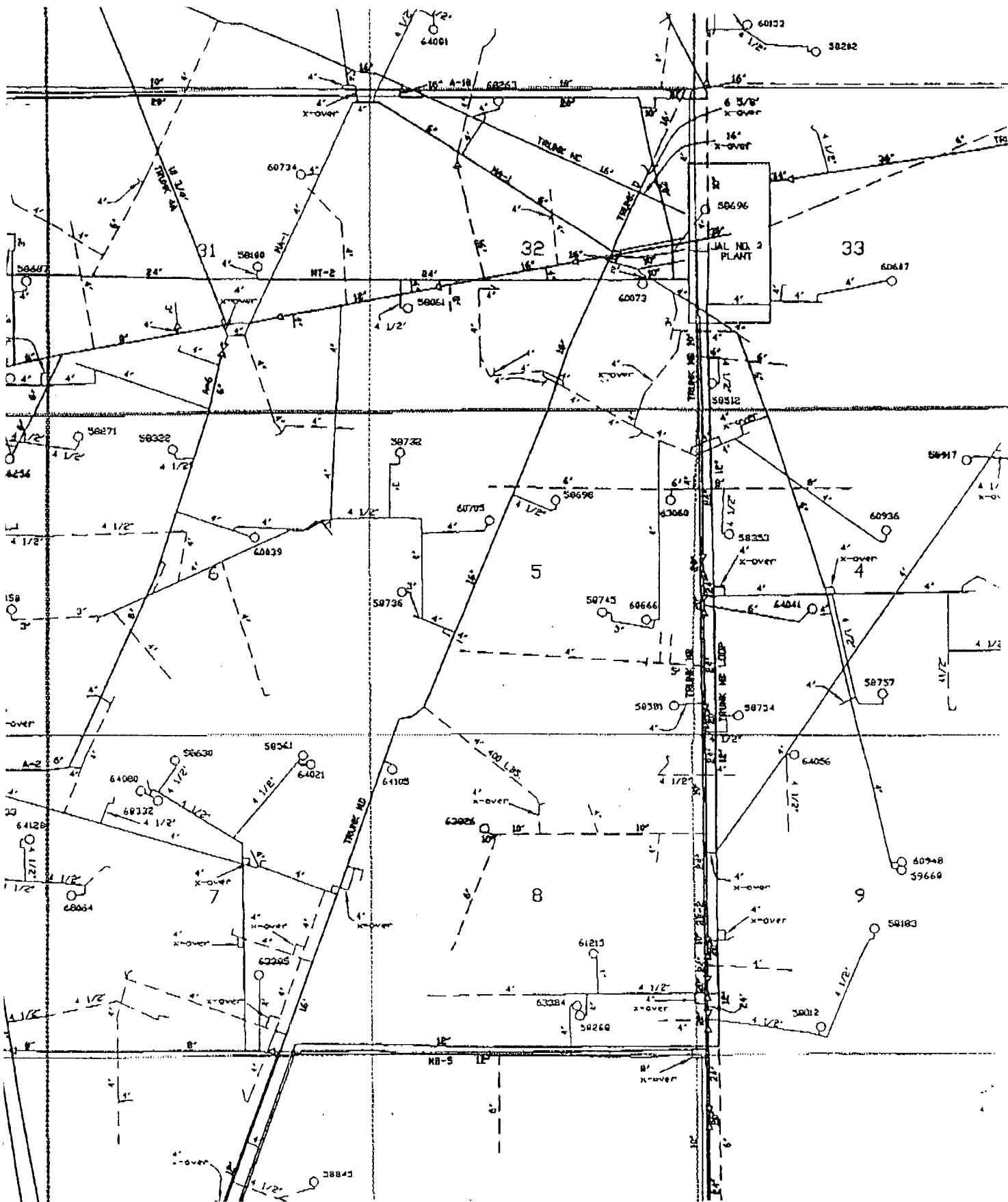
DOYLE HARTMAN Oil Operator (Dallas)

DOYLE HARTMAN Oil Operator (Jal Field Office)  
Harold Swain

DOYLE HARTMAN Oil Operator (Midland)  
Linda Land  
Don Mashburn  
Steve Hartman  
Sheila Potts

**OWNERSHIP PLAT**  
**T-24 & 25-S, R-37-E**  
**LEA CO., NEW MEXICO**  
**SCALE: 1" = 2000'**

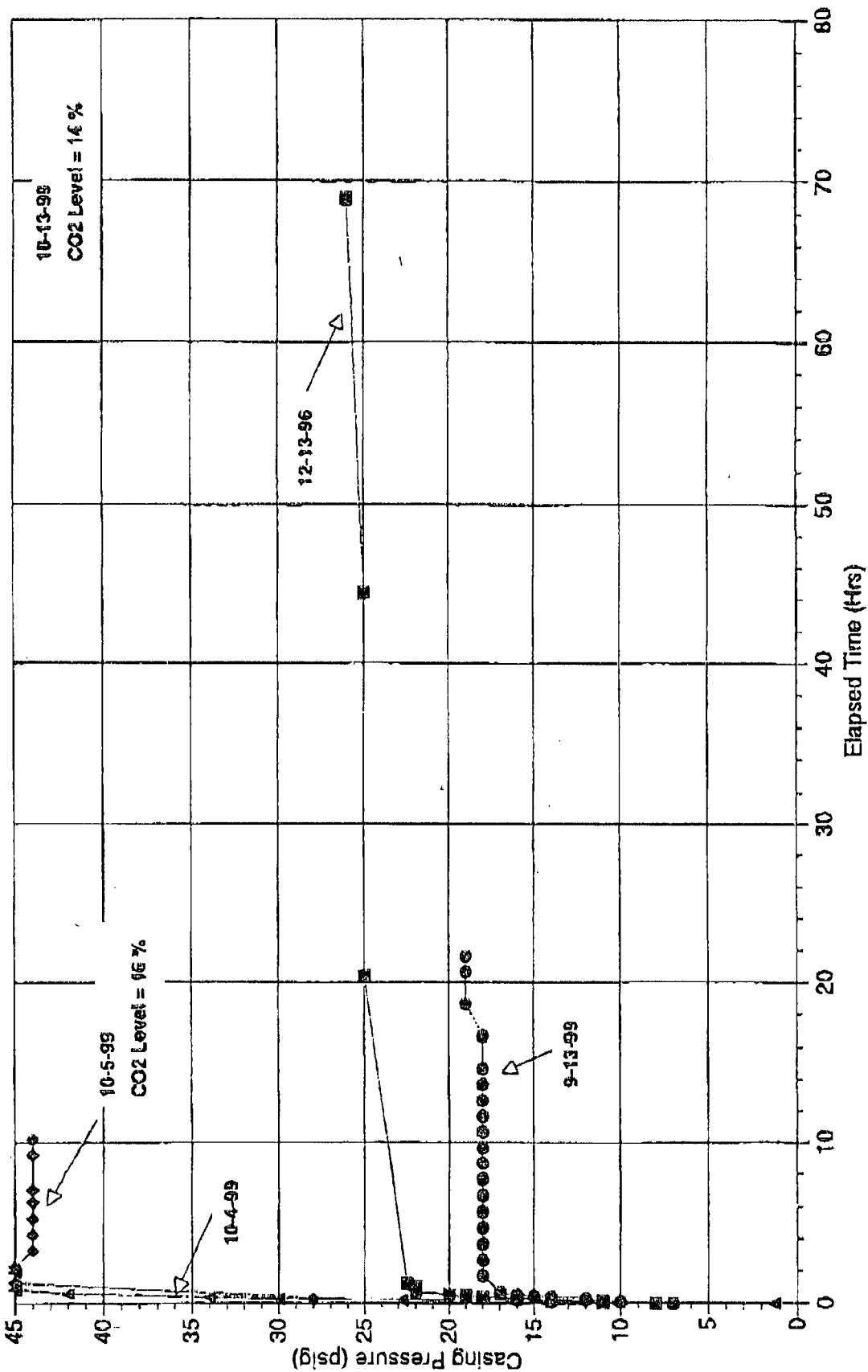




SID RICHARDSON CARBON & GASOLINE CO. PIPELINE MAP  
LJU AREA

J. W. SHERRELL # 10  
JALMAT GAS POOL  
C - 6 T-25S R-37E

DOYLE HARTMAN OIL OPERATOR



10/5/99

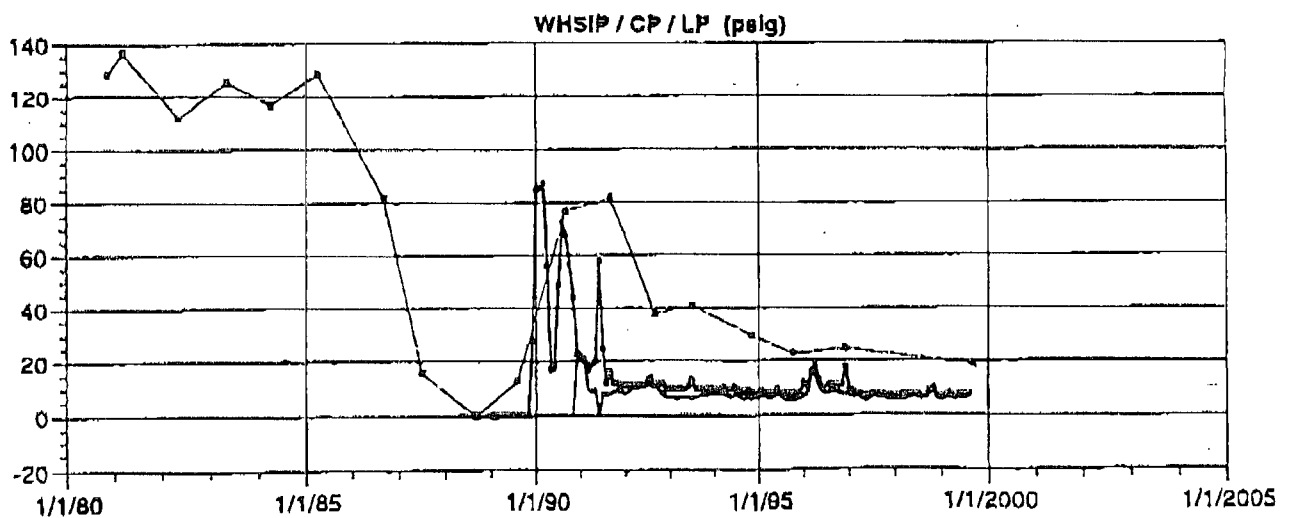
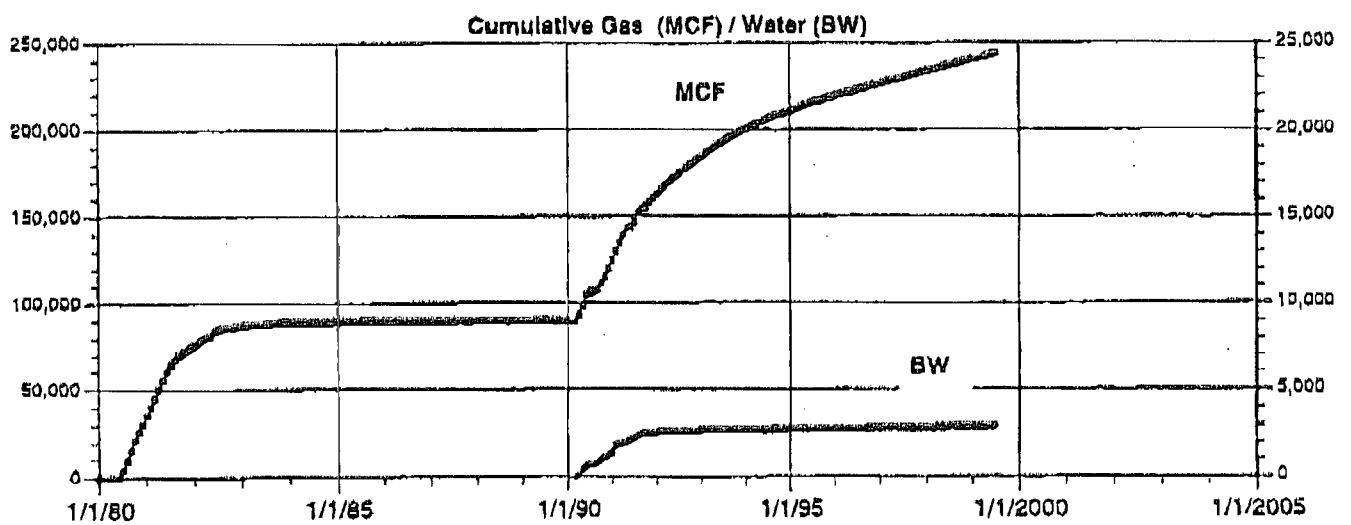
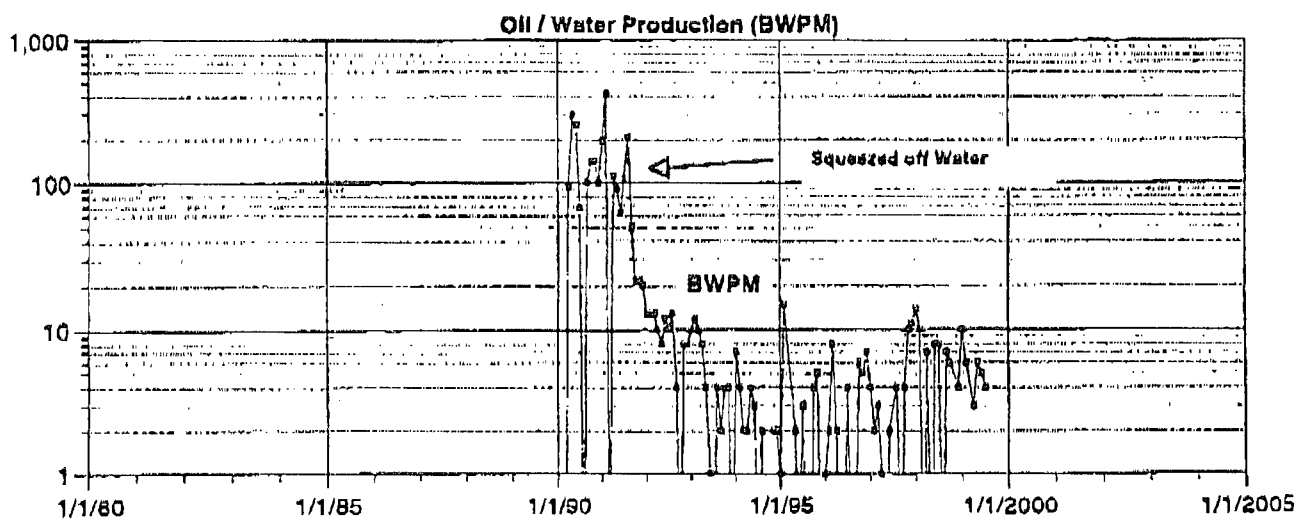
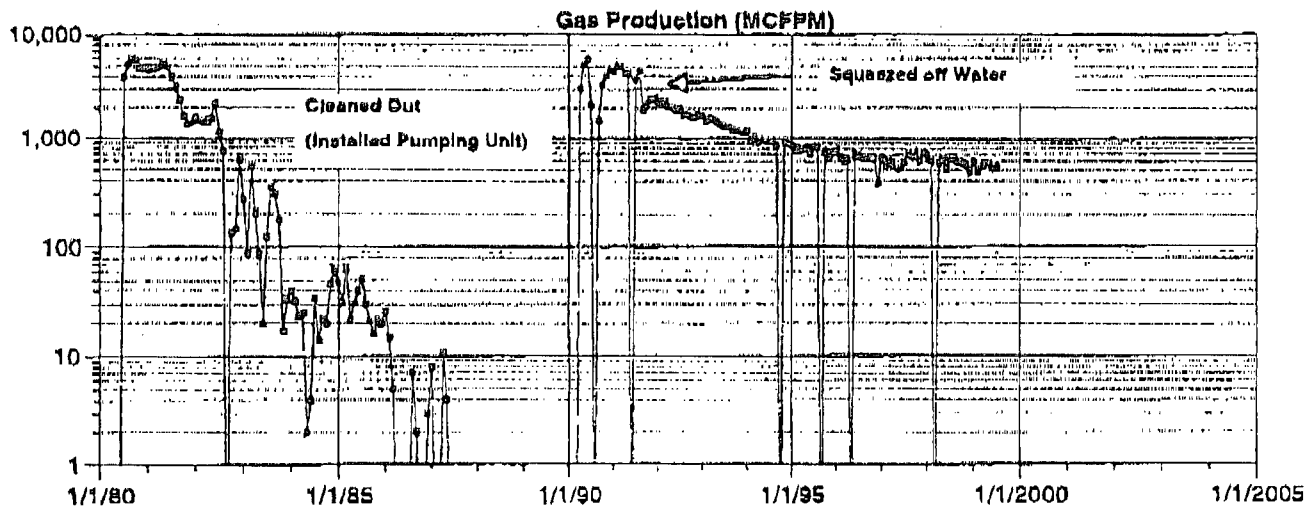
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9/13/99

12/13/96

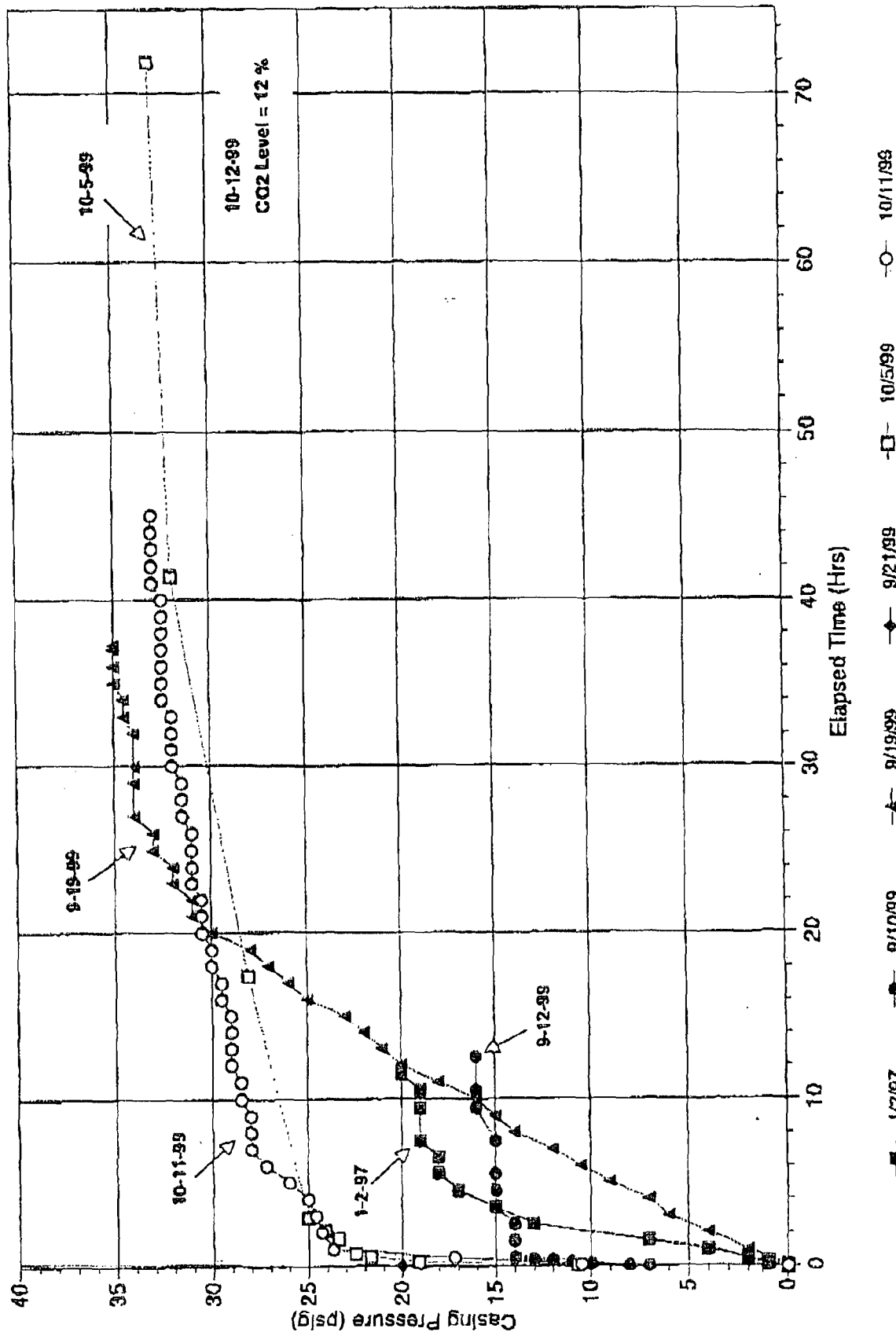


J W SHERRELL # 10 - DWIGHTS + (RPT-3)  
 JALMAT (TANSILL YATES SEVEN RIVERS) YS  
 C-6 T-25S R-37E  
 DOYLE HARTMAN OIL OPERATOR

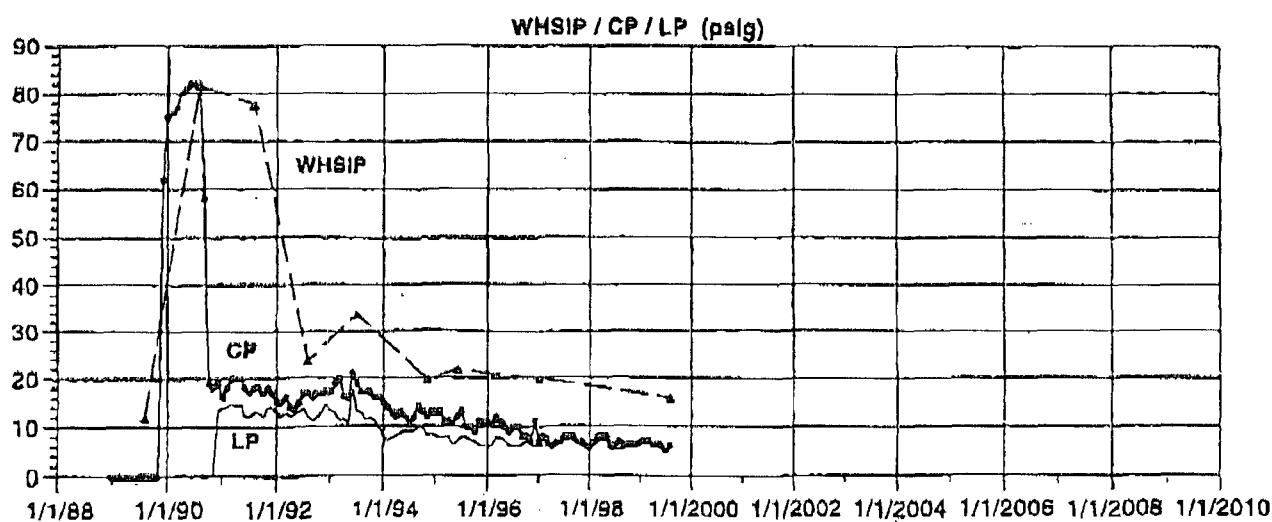
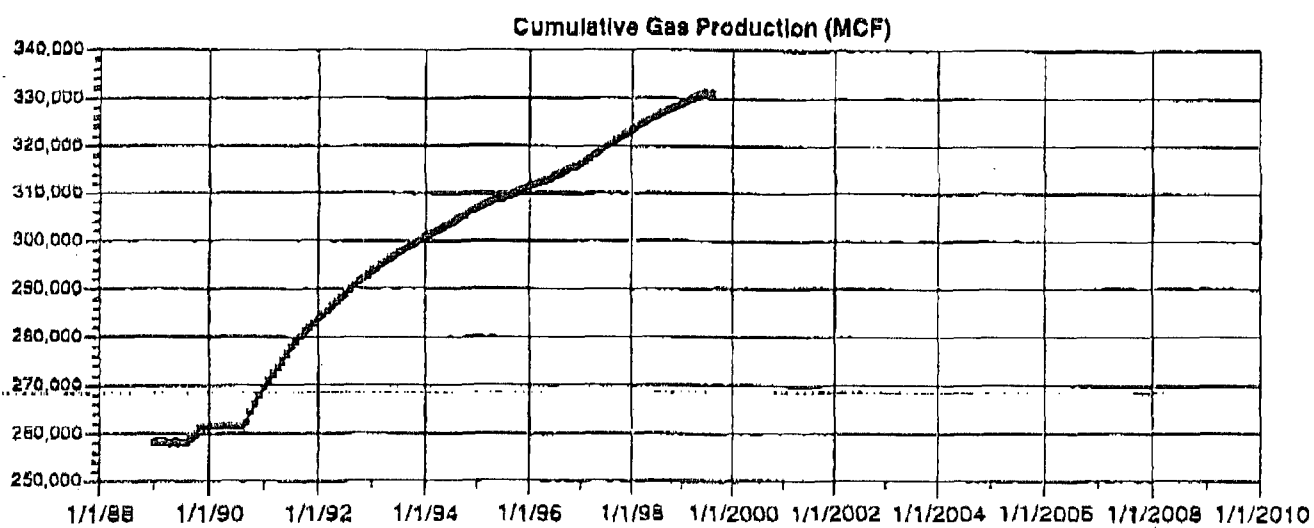
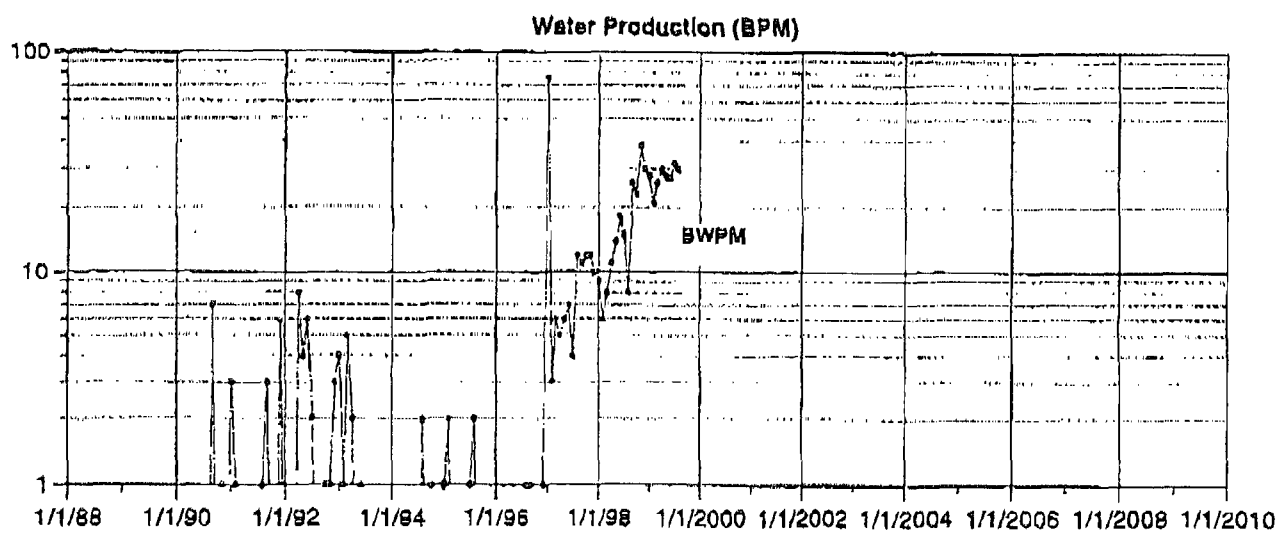
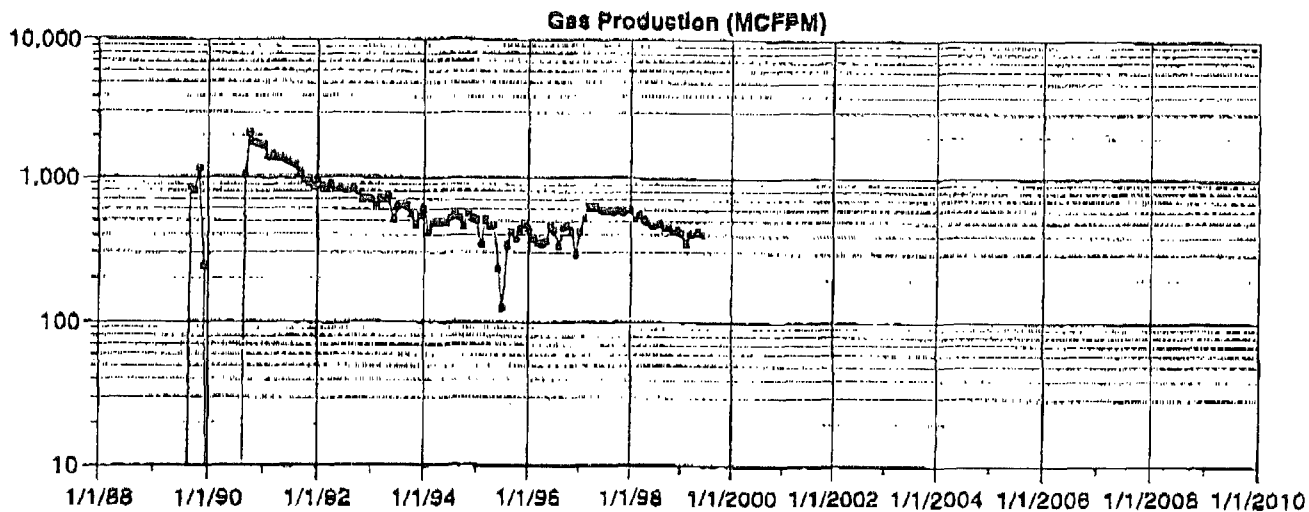


SKELLY STATE #4  
JALMAY GAS POOL  
L - 32 T-24S R-37E

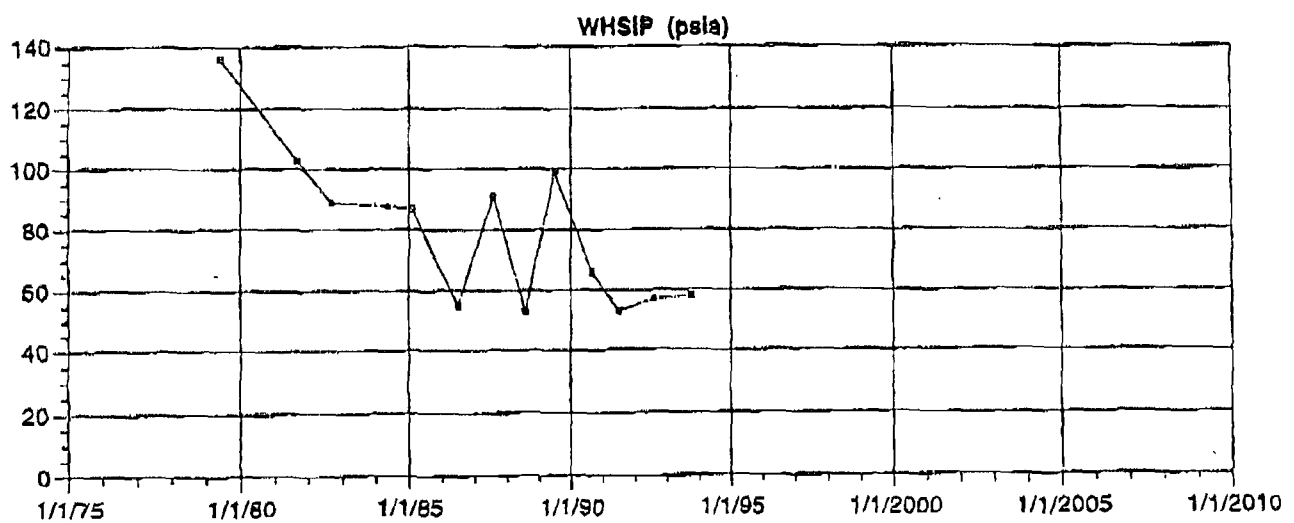
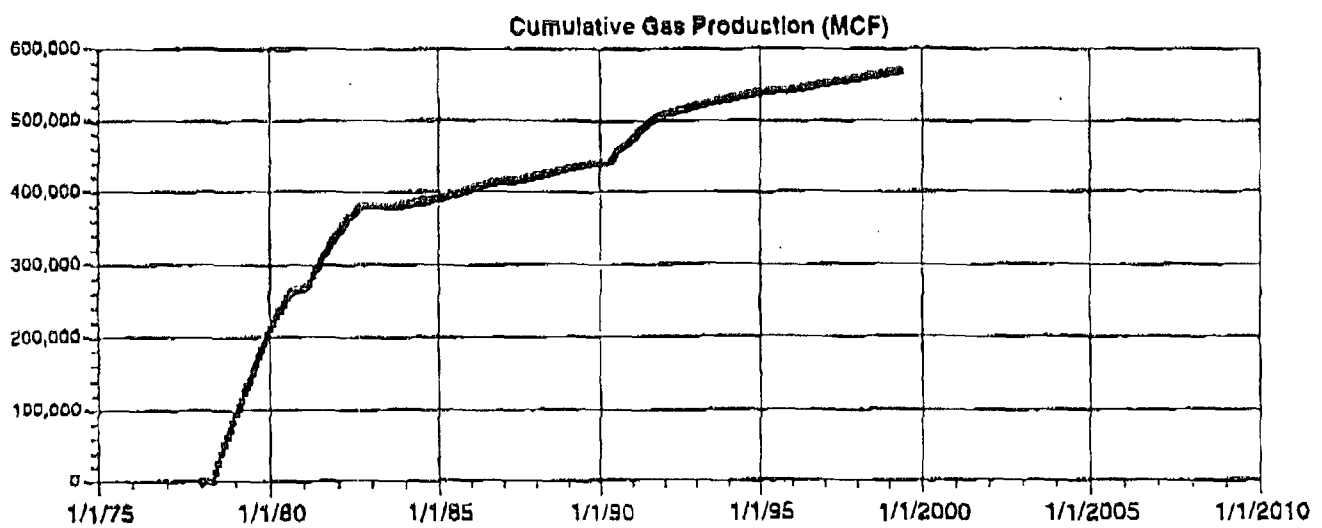
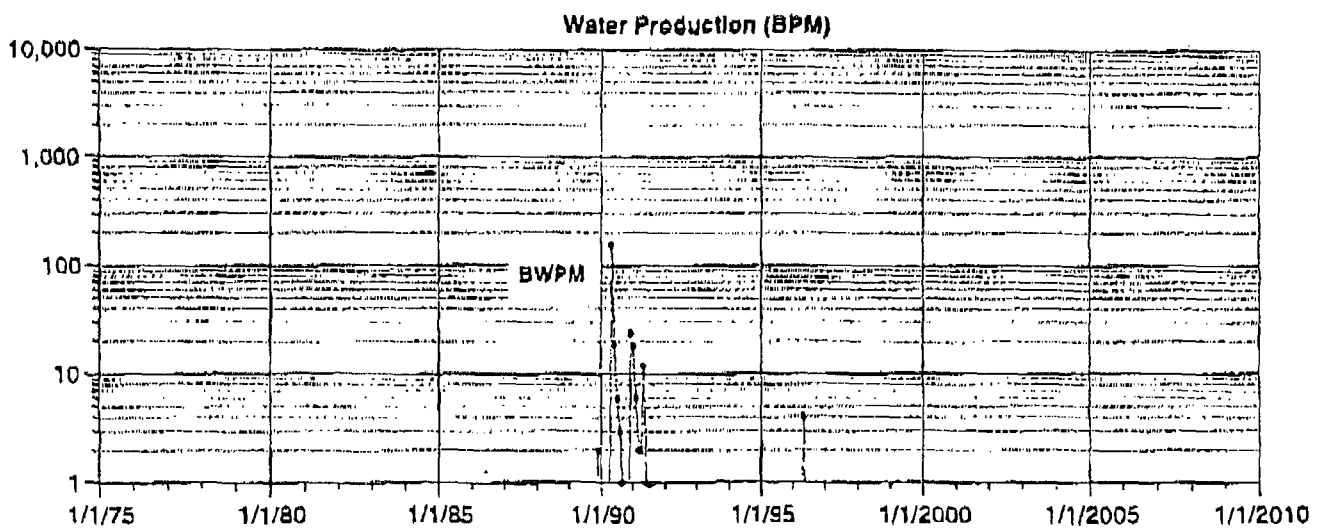
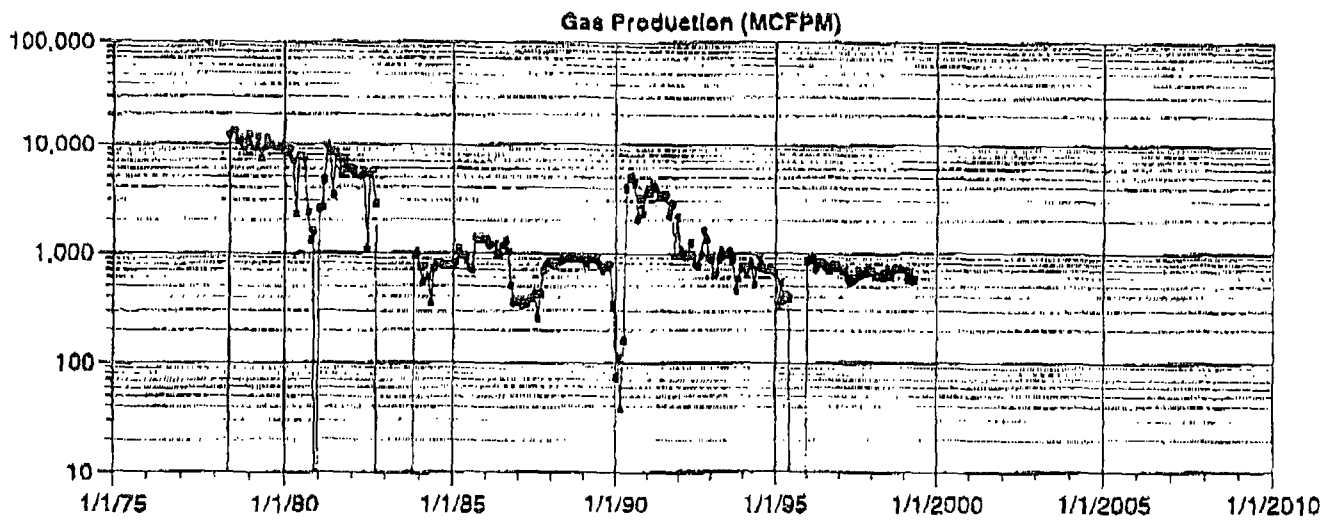
DOYLE HARTMAN OIL OPERATOR



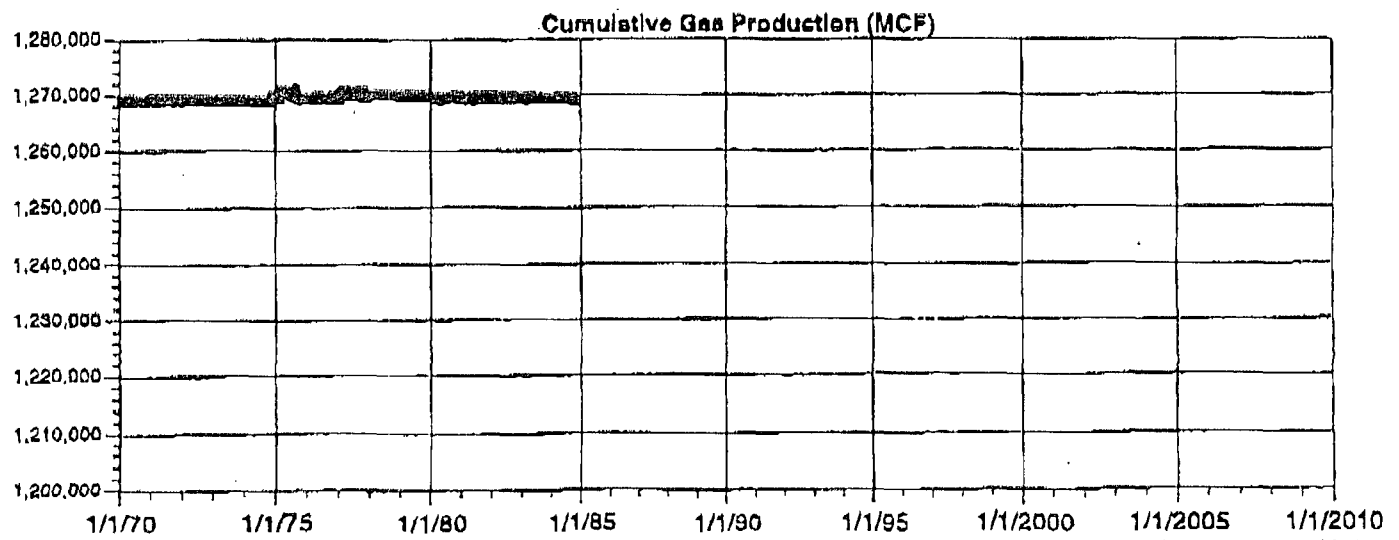
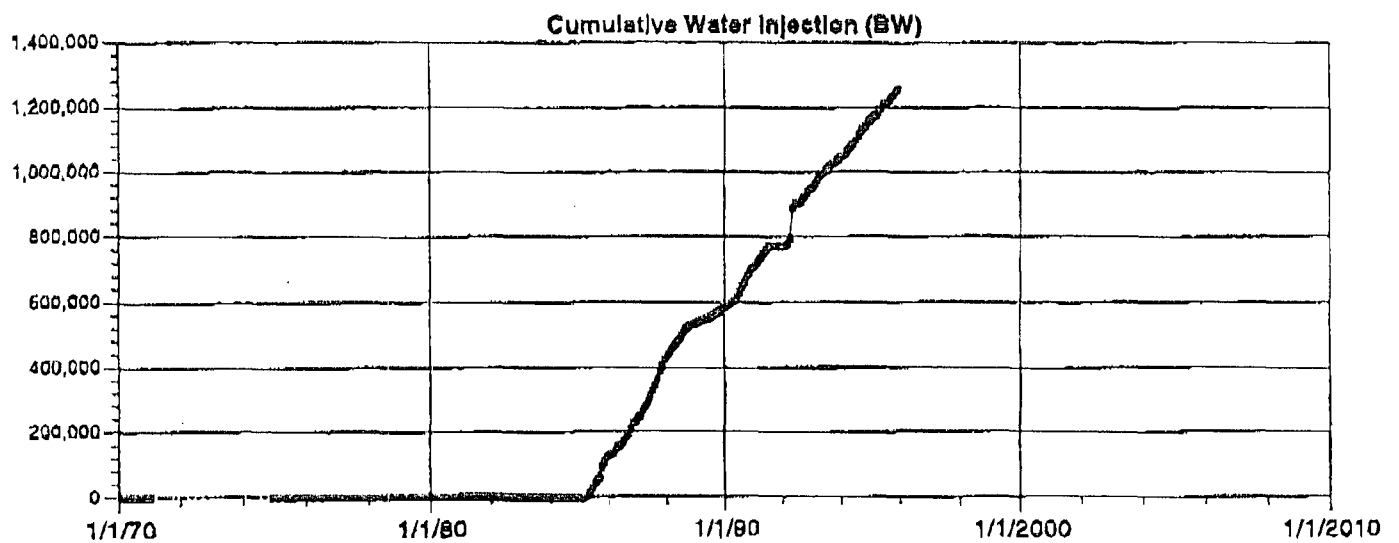
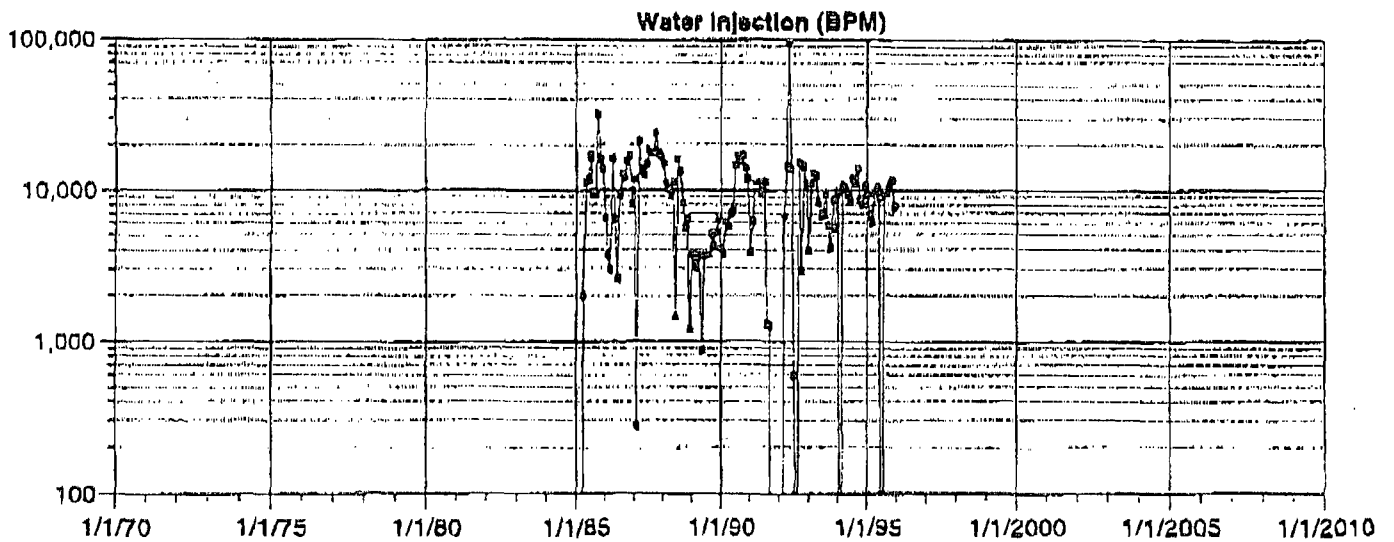
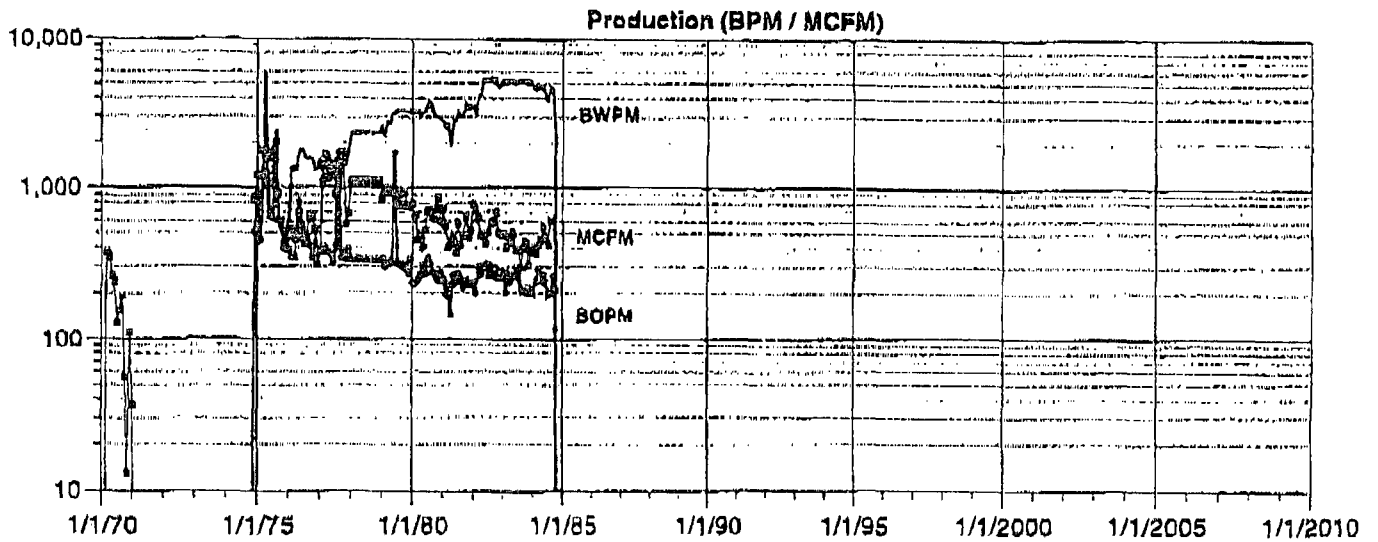
SKELLY M STATE #4  
JALMAT (TANSILL YATES SEVEN RIVERS) YS  
L-32 T-24S R-37E  
DOYLE HARTMAN OIL OPERATOR



STATE A 32 # 4  
JALMAT (TANSILL YATES SEVEN RIVERS) VS  
F - 32 T-24S R-37E  
SDX RESOURCES, INC.



LANGLIE JAL UNIT # 10 (INJECTION WELL)  
 LANGLEIE MATTIX (7 RVS QN GRB)  
 E-32 T-24S R-37E  
 GP II ENERGY



Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

2040 Pacheco St.  
Santa Fe, NM 87505

WELL API NO. 30-025-26704
Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
State Oil & Gas Lease No.
Lessee Name or Unit Agreement Name J.W. Sherrell
Well No. 10
Pool name or Wildcat Jalmat

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	
Name of Operator Doyle Hartman	
Address of Operator 500 N. Main Street, Midland, Texas 79701	
Well Location Unit Letter <u>C</u> : <u>660</u> Feet From The <u>North</u> Line and <u>2000</u> Feet From The <u>West</u> Line Section <u>6</u> Township <u>25-S</u> Range <u>37-E</u> NMPM <u>Lea</u> County	
Elevation (Show whether DF, RKB, RT, GR, etc.) 3236 G.L. (3247' RKB)	

11

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐  
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ANBANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐  
OTHER: Perform CO2 foam frac. ☒

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

On 9-23-99, tested well as follows: Gas = 19 MCFPD  
Fluid = 2 BWPD  
CP = 7 psig  
SIWHP = 18 psig (9-15-99)

Rigged up Halliburton. Fraced well with 167,325 gal of gelled water and 359 tons (6184 MCF) of CO2. Presently cleaning up well waiting for gas stream to reach MORE STRINGENT CO2 level imposed by Sid Richardson Gasoline company for its gathering system in the LJO area near the inlet for its Jal Plant No. 3.

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

SIGNATURE Ann O'Brien TITLE Executive Assistant DATE 10-12-99

TYPE OR PRINT NAME Ann O'Brien TELEPHONE NO. 915/684-4011

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

## OIL CONSERVATION DIVISION

2040 Pacheco St.  
Santa Fe, NM 87505

WELL API NO. 30-025-25974
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No. B-1327
Lease Name or Unit Agreement Name Skelly M State
Well No. 4
Pool name or Wildcat Jalmat

**SUNDRY NOTICES AND REPORTS ON WELLS**  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

Type of Well:  
OIL WELL ☐ GAS WELL ☒ OTHER

Name of Operator  
Doyle Hartman

Address of Operator  
500 N. Main Street, Midland, Texas 79701

Well Location  
Unit Letter L : 1650 Feet From The South Line and 660 Feet From The West Line

Section 32 Township 24-S Range 37-E NMPM Lea County

Elevation (Show whether DP, RKB, RT, GR, etc.)  
3239 G.L. (3249' RKB)

11

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

### NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: ☐

### SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐

PLUG AND ANBANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: Perform CO2 foam frac. ☒

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

On September 10, 1999, gas rate = 15 MCFPD. Shut in well and performed pressure buildup. SIP = 16 psig (9-12-99).

On September 20, 1999, rigged up Halliburton and fraced well with 166,000 gal of gelled water and 348 tons (5964 MCF) of CO2. Recovered an estimated 200 bbls of load water. Presently cycling well between flaring and shutting in until CO2 level reaches MORE STRINGENT CO2 limits imposed by Sid Richardson Gasoline Company for its gathering system in the LJU area near the Inlet for its Jal Plant No. 3.

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

SIGNATURE Ann O'Brien TITLE Executive Assistant DATE 10-12-99

TYPE OR PRINT NAME Ann O'Brien TELEPHONE NO. 915/684-4011

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

CASE NO. 5368  
Order No. R-4929

IN THE MATTER OF THE HEARING CALLED BY THE  
OIL CONSERVATION COMMISSION ON ITS OWN MOTION  
TO CONSIDER THE CONTRACTION OF THE VERTICAL  
LIMITS OF THE JALMAT GAS POOL UNDERLYING ALL  
OR PORTIONS OF SECTIONS 31 AND 32, TOWNSHIP  
24 SOUTH, RANGE 37 EAST, AND SECTIONS 4, 5,  
6, 8, 9 AND 17, TOWNSHIP 25 SOUTH, RANGE 37  
EAST, LEA COUNTY, NEW MEXICO, AND THE EXTEN-  
SION OF THE VERTICAL LIMITS OF THE LANGLEIE  
MATTIX POOL UNDERLYING THE SAME AREA.

NOMENCLATURE

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 26,  
1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 3rd day of December, 1974, the Commission,  
a quorum being present, having considered the testimony, the  
record, and the recommendations of the Examiner, 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 vertical limits of the Jalmat Gas Pool, Lea  
County, New Mexico, as previously designated and defined by the  
Commission, comprise the Tansill and Yates formations, and all  
but the lowermost 100 feet of the Seven Rivers formation.

(3) That the vertical limits of the Langlie-Mattix Oil  
Pool, as previously designated and defined by the Commission,  
comprise the lowermost 100 feet of the Seven Rivers formation  
and all of the Queen and Grayburg formations.

(4) That the unitized formations in the Langlie-Jal Unit  
Area, as approved by Commission Order No. R-4036, comprise the  
Seven Rivers and Queen formations.

(5) That the horizontal limits of said Langlie-Jal Unit  
Area comprise the following described lands:

LEA COUNTY, NEW MEXICO  
TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM  
Section 31: Lots 2, 3, and 4 and SE/4 NW/4,  
E/2 SW/4 and E/2



-2-

CASE NO. 5368

Order No. R-4929

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM

Section 4: Lots 2, 3, and 4 and S/2 NW/4,  
SW/4 NE/4, and W/2 SW/4

Section 5: All

Section 6: All

Section 8: E/2 and NW/4

Section 9: W/2 W/2

Section 17: E/2

(6) That the Seven Rivers formation underlying said unit area is for the most part oil-saturated, and there are recoverable oil reserves in said interval and area.

(7) That secondary recovery operations are currently being conducted in the Seven Rivers formation and in the Queen formation underlying the Langlie-Jal Unit Area pursuant to authority of Order No. R-4051.

(8) That to increase the efficiency of said secondary recovery operations, the Seven Rivers formation and the Queen formation should be treated as a common producing interval.

(9) That the contraction of the vertical limits of the Jalmat Gas Pool to exclude all of the Seven Rivers formation therefrom, and the concurrent extension of the vertical limits of the Langlie Mattix Oil Pool to include all of the Seven Rivers formation therein, within the horizontal limits of the Langlie-Jal Unit Area as set forth in Finding No. (5) above, will permit the more efficient operation of the aforesaid secondary recovery projects, will prevent waste, will not violate correlative rights, and should be approved.

(10) That there are at least two gas wells completed in the Yates formation of the Jalmat Gas Pool which have perforated or open-hole intervals extending into the uppermost portion of the Seven Rivers formation, these wells being the Reserve Oil and Gas Company Martin B Well No. 1, located in Unit F of Section 31, Township 24 South, Range 37 East, the open-hole producing interval being from 2852 feet to 3187 feet, the lowermost 42 feet of which is in the Seven Rivers formation, and the El Paso Natural Gas Company Wells Federal Well No. 1, located in Unit I of Section 5, Township 25 South, Range 37 East, the perforated interval being from 3100 feet to 3195 feet, the lowermost 30 feet of which is in the Seven Rivers formation.

(11) That an exception to the vertical limits of the Jalmat Gas Pool as amended in the subject area by this order should be given to the wells described in Finding No. (10) above for the producing intervals as described.

(12) That the Secretary-Director of the Commission should have authority to grant administrative exception to the vertical limits of the Jalmat Gas Pool as amended in the subject area by this order, should it be found that there are other Jalmat Gas wells the producing interval of which similarly extend into the Seven Rivers formation.

IT IS THEREFORE ORDERED:

(1) That this order shall apply only to the following described area:

LEA COUNTY, NEW MEXICO  
TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM  
Section 31: Lots 2, 3, and 4 and SE/4 NW/4,  
E/2 SW/4, and E/2  
Section 32: All  
  
TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM  
Section 4: Lots 2, 3, and 4 and S/2 NW/4,  
SW/4 NE/4, and W/2 SW/4  
Section 5: All  
Section 6: All  
Section 8: E/2 and NW/4  
Section 9: W/2 W/2  
Section 17: E/2

(2) That the vertical limits of the Jalmat Gas Pool in the above-described area are hereby defined as comprising the Tansill and Yates formations.

(3) That the vertical limits of the Langlie Mattix Oil Pool in the above-described area are hereby defined as comprising the Seven Rivers, Queen, and Grayburg formations.

(4) That the Reserve Oil and Gas Company Martin B Well No. 1, located in Unit F of Section 31, Township 24 South, Range 37 East, the open-hole interval of which is 2852 feet to 3187 feet, and the El Paso Natural Gas Company Wells Federal Well No. 1, located in Unit I of Section 5, Township 25 South, Range 37 East, the perforated interval of which is 3100 feet to 3195 feet, both of which are classified as Jalmat Gas Wells, are each hereby granted an exception to the vertical limits of the Jalmat Gas Pool for that portion of the producing interval which is currently open in the Seven Rivers formation.

(5) That the Secretary-Director of the Commission is hereby authorized to approve an exception to the vertical limits of the Jalmat Gas Pool for any other well classified as a Jalmat Gas Well which may prove to have, on the effective date of this order, a portion of its producing interval open to the Seven Rivers formation.

-4-

CASE NO. 5368  
Order No. R-4929

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

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

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

S E A L

jr/

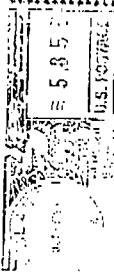
SDX Resources, Inc.  
PO Box 5061  
Midland, TX 79704

CERTIFIED

Z 206 778 317

MAIL

Doyle Hartman  
PO Box 10426  
Midland, TX 79702



OFFSET OPERATORS

WELLS FEDERAL #22

Doyle Hartman  
PO Box 10426  
Midland, TX 79702

Arco  
PO Box 1089  
Eunice, NM 88231-1089

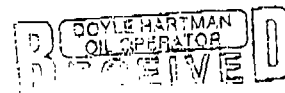
Permian Resources  
PO Box 590  
Midland, TX 79702

Seay Exploration  
407 N. Big Spring, #200  
Midland, TX 79701

Phillips  
4001 Penbrook  
Odessa, TX 79762

GP II  
713 W. Wadley  
Midland, TX 79705

Jalmat Offset Op



OCT 12 1999

SDX RESOURCES, INC.

P.O. BOX 5061  
MIDLAND, TEXAS 79704  
(915) 685-1761

Sept.08, 1999

NMOCD  
2040 South Pacheco Street  
Santa Fe, NM 87505

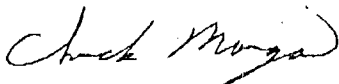
Attention: Mr. Mike Stogner

RE: Wells Fed. #23	Wells Fed. # 22
Sec. 5, T25S, R37E	Sec. 5, T25S, R37E
1886' FNL, 758' FWL	660' FNL, 1780 FWL
Lea County, New Mexico	Lea County, New Mexico

Dear Mr. Stogner,

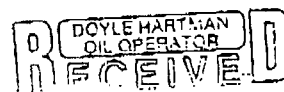
SDX Resources, Inc. is the operator of the Wells Fed. #4 and # 15 wells located in units F and D of sec. 5 T25S R37E of Lea Co., N.M.. These wells are dedicated to a 160 acre non-standard gas proration unit created by NSL-1821 (5/17/84), consisting of the NW/4 of sec. 5. SDX is planning to drill the Wells Fed. #22 & 23 wells on the same 160 acre proration unit at the above-mentioned locations. This reduced spacing is necessary to promote efficient drainage of the proration unit. The Wells # 22 & 23 will also be a non-standard locations because the locations were moved due to their proximity to existing 7-Rivers oil wells. SDX request that this letter serve as application to simultaneously dedicate this 160 acre non-standard gas proration unit to the existing Wells Fed. #4, # 15, and the proposed #22 & 23 wells, and as application for administrative approval of the non-standard locations. BLM form 3160 and OCD form C-102 for the #22 & 23 wells, an outlined lease map, and other pertinent information is attached to this application. All offset operators have been notified and proof of notification is attached. Your assistance on this is appreciated.

Sincerely,



Chuck Morgan

Enclosures



OCT 12 1999

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTSUBMIT IN THIS DATE  
(Other instructions on  
reverse side)FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. LC-055546	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR SDX Resources, Inc.			7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. PO Box 5061, Midland, TX 79704			8. FARM OR LEASE NAME, WELL NO. Wells Federal #22	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' FNL 1780' FWL, Unit C At proposed prod. zone Same			9. API WELL NO.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 2 miles NE of Jal, NM			10. FIELD AND POOL, OR WILDCAT Jalmat Gas	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest dry unit line, if any) 660'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 5, T25S, R37E	
16. NO. OF ACRES IN LEASE 918			12. COUNTY OR PARISH Lea	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160			13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1335			20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3245' GR			22. APPROX. DATE WORK WILL START 10/15/99	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	600'	350 sx
7-7/8"	4-1/2 - 5-1/2"	9.5 - 17#	3200'	400 sx Lite + 200 sx C

Plan to drill 12-1/4" hole to appx 600'. Set 8-5/8" surface csg. Circ Class C cmt. Drill 7-7/8" hole to 3200'. Set 4-1/2" or 5-1/2" csg & circ cmt. Perf Yates gas zone & stimulate as necessary for optimum production.

## Specific Program:

- Exhibit #1: BOP Diagram
- Exhibit #2: Survey Plat
- Exhibit #3: Existing & Proposed Road Map
- Exhibit #4: Producing Well Area Map
- Exhibit #5: Drill Site Layout

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24

SIGNED

TITLE Regulatory Tech.

DATE 09/22/99

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon  
CONDITIONS OF APPROVAL, IF ANY

APPROVED BY

TITLE

DATE

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TR. DATE\*  
(Other instructions on  
reverse side)

FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN				5. LEASE DESIGNATION AND SERIAL NO. LC-055546	
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>				6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR SDX Resources, Inc.				8. FARM OR LEASE NAME, WELL NO. Wells Federal #23	
3. ADDRESS AND TELEPHONE NO. PO Box 5061, Midland, TX 79704				9. API WELL NO.	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1886' FNL 758' FWL, Unit E At proposed prod. zone Same				10. FIELD AND POOL, OR WILDCAT Jalmat Gas	
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 5, T25S, R37E				12. COUNTY OR PARISH Lea	
13. STATE NM				14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 2 miles NE of Jal, NM	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drg. unit line, if any)		758'		16. NO. OF ACRES IN LEASE 918	
17. NO. OF ACRES ASSIGNED TO THIS WELL		160		18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1116'	
19. PROPOSED DEPTH 3200		20. ROTARY OR CABLE TOOLS Rotary		21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3237	
22. APPROX. DATE WORK WILL START* 10/15/99		23. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT	
12-1/4"	8-5/8"	24#	600'	350 sx	
7-7/8"	4-1/2 - 5-1/2"	9.5 - 17#	3200'	400 sx Lite + 200 sx C	

Plan to drill 12-1/4" hole to appx 600'. Set 8-5/8" surface csg. Circ Class C cmt. Drill 7-7/8" hole to 3200'. Set 4-1/2" or 5-1/2" csg & circ cmt. Perf Yates gas zone & stimulate as necessary for optimum production.

Specific Program.

- Exhibit #1: BOP Diagram
- Exhibit #2: Survey Plat
- Exhibit #3: Existing & Proposed Road Map
- Exhibit #4: Producing Well Area Map
- Exhibit #5: Drill Site Layout

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Bonnie Ottwater TITLE Regulatory Tech. DATE 09/23/99  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon  
CONDITIONS OF APPROVAL, IF ANY

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

\*See Instructions On Reverse Side

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OFFSET OPERATORS

EJ WELLS FEDERAL #25

Seay Exploration Co.  
407 N. Big Spring #200  
Midland, TX 79701

Gruy Petroleum  
ATTN: Zeno Ferris  
PO Box 140907  
Irving, TX 75014-0907

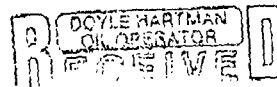
Doyle Hartman  
PO Box 10426  
Midland, TX 79702

Permian Resources  
PO Box 590  
Midland, TX 79702

GP II  
731 W. Wadley  
Midland, TX 79705

Phillips  
4001 Penbrook  
Odessa, TX 79762

Jalmat Offset Op



OCT 12 1999

SDX RESOURCES, INC.

P.O. BOX 5061  
MIDLAND, TEXAS 79704  
(915) 685-1761

Sept. 9, 1999

NMOCD  
2040 South Pacheco Street  
Santa Fe, NM 87505

Attention: Mr. Mike Stogner

RE: EJ Wells Fed. #25  
Sec. 5, T25S, R37E  
2180' FSL, 1980 FWL  
Lea County, New Mexico

Dear Mr. Stogner,

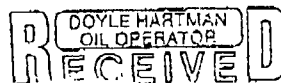
SDX Resources, Inc. is the operator of the EJ Wells Fed. #13 and #16 wells located in unit L of sec. 5 T25S R37E of Lea Co., N.M.. These wells are dedicated to a 120 acre non-standard gas proration unit created by NSL #1823 (6/22/84) and consisting of units K,L,& M of sec. 5. SDX is planning to drill the EJ Wells Fed. #25 well on the same 120 acre proration unit at the above-mentioned location. This will be a non-standard location as the location has been moved due to the wells proximity to a pipeline and an existing 7-Rivers oil well.. SDX request that this letter serve as application to simultaneously dedicate this 120 acre non-standard proration unit to the EJ Wells Fed. #13, # 16, and the #25 wells, and as application for administrative approval of the non-standard location. BLM form 3160 and OCD form C-102 for the #25 well, an outlined lease map, and other pertinent information is attached to this application. All offset operators have been notified and proof of notification is attached. Your assistance on this is appreciated.

Sincerely,



Chuck Morgan

Enclosures



OCT 12 1999

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTSUBMIT IN TRIPLICATE\*  
(Other instructions on  
reverse side)FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. LC-055546	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR SDX Resources, Inc.			7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. PO Box 5061, Midland, TX 79704			8. FARM OR LEASE NAME, WELL NO. EJ Wells Federal #25	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *) At surface 2180' FSL, 1980' FWL, Unit K At proposed prod. zone Same			9. API WELL NO.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 2.5 miles NE of Jal, NM			10. FIELD AND POOL, OR WILDCAT Jalmat Gas	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drill unit line, if any) 660			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 5, T25S, R37E	
16. NO. OF ACRES IN LEASE 918			12. COUNTY OR PARISH Lea	
17. NO. OF ACRES ASSIGNED TO THIS WELL 120			13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3200			20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether OF, RT, GR, etc.) 3217			22. APPROX. DATE WORK WILL START* 10/15/99	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	600'	350 sx
7-7/8"	4-1/2 - 5-1/2"	9.5 - 17#	3200'	400 sx Lite + 200 sx C

Plan to drill 12-1/4" hole to appx 600'. Set 8-5/8" surface csg. Circ Class C cmt. Drill 7-7/8" hole to 3200'. Set 4-1/2" or 5-1/2" csg & circ cmt. Perf Yates gas zone & stimulate as necessary for optimum production.

## Specific Program:

Exhibit #1: BOP Diagram  
Exhibit #2: Survey Plat  
Exhibit #3: Existing & Proposed Road Map  
Exhibit #4: Producing Well Area Map  
Exhibit #5: Drill Site Layout

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Bonnie Atwater TITLE Regulatory Tech. DATE 09/23/99  
(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon  
CONDITIONS OF APPROVAL, IF ANY

APPROVED BY

TITLE

DATE

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OFFSET OPERATORS

STATE A 32 #6

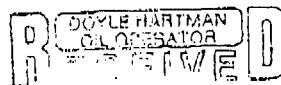
Arco  
PO Box 1089  
Eunice, NM 88231-1089

Gruy Petroleum  
ATTN: Zeno Ferris  
PO Box 140907  
Irving, TX 75014-0907

Lewis B. Burleson, Inc.  
PO Box 2479  
Midland, TX 79702

Doyle Hartman  
PO Box 10426  
Midland, TX 79702

Saga Petroleum Ltd. Liability Co  
415 W. Wall, #835  
Midland, TX 79701



OCT 12 1999

Jalmat Offset Op

SDX RESOURCES, INC.

P.O. BOX 5061  
MIDLAND, TEXAS 79704  
(915) 685-1761

Sept. 16, 1999

NMOCD  
2040 South Pacheco Street  
Santa Fe, NM 87505

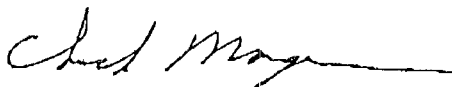
Attention: Mr. Mike Stogner

RE: State A 32 # 6  
Sec. 32, T24S, R37E  
1880 FNL, 760 FWL  
Lea County, New Mexico

Dear Mr. Stogner,

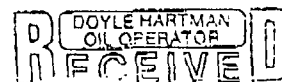
SDX Resources, Inc. is the operator of the State A 32 # 4 well located in unit F and the State A 32 # 5 well located in unit D of sec. 32 T24S R37E of Lea Co., N.M.. These wells are dedicated to a 120 acre non-standard proration unit consisting of the NW/4 NW/4 and the S/2 NW/4 of sec. 32 created by administrative order NSP-1087 and expanded by SD-99-1. Completion problems on the #5 well have prompted SDX to drill a third well. SDX is planning to drill the State A 32 # 6 well on the same 120 acre non-standard proration unit as the #4 & 5 wells. SDX request that this letter serve as application to simultaneously dedicate this 120 acre NSP unit to the State A 32 # 4, 5, and #6 wells. Information detailing NSP-1087, SD-99-1, a C-101 & 102 for the #6 well, an outlined lease map, and other pertinent information is attached to this application. All offset operators have been notified and proof of notification is attached. Your assistance on this is appreciated.

Sincerely,



Chuck Morgan

Enclosures



OCT 12 1999

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-101  
Revised October 18, 1994  
Instructions on back  
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

Operator Name and Address SDX Resources, Inc. PO Box 5061 Midland, TX 79704 915/685-1761		OGRID Number 020451
		API Number 30 - 0
Property Code 23976	Property Name State A 32	Well No. 6

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
E	32	24S	37E		1880	North	760	West	Lea

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
Proposed Pool 1					Proposed Pool 2				
Jalmat, T-Y-7R									

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3242
Multiple No	Proposed Depth 3500	Formation Yates	Contractor Capstar	Spud Date 10-15-99

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#	500	450 sx	Surface
7-7/8"	4-1/2"	9.5#	3500	700 sx	Surface

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.

Drill 12-1/4" hole to 500'. Set 8-5/8" csg & cmt to surface. RU BOP. Drill 7-7/8" hole to 3500'. Set 4-1/2" csg & cmt to surface.  
RD rotary & BOP. Perf Yates & fracture stimulate & place Yates on test.

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

Signature: *Bonnie Atwater*

Printed name: Bonnie Atwater

Title: Regulatory Tech. 9/23/99

OIL CONSERVATION DIVISION

Approved By:

Title:

Approval Date:

Expiration Date:

OFFSET OPERATORS

JALMAT FEDERAL COM. #2

Doyle Hartman  
PO Box 10426  
Midland, TX 79702

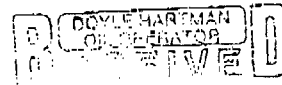
Phillips  
4001 Penbrook  
Odessa, TX 79762

Prime Operating  
2900 Wilcrest Dr, #475  
Houston, TX 77042

Midland Operating  
3300 North "A" St, Ste 2-104  
Midland, TX 79705

Gruy Petroleum  
ATTN: Zeno Ferris  
PO Box 140907  
Irving, TX 75014-0907

Jalmat Offset Op



011 12 1999

SDX RESOURCES, INC.

P.O. BOX 5061  
MIDLAND, TEXAS 79704  
(915) 685-1761

Sept. 17, 1999

NMOCD  
2040 South Pacheco Street  
Santa Fe, NM 87505

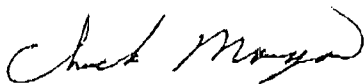
Attention: Mr. Mike Stogner

RE: Jalmat Federal Com # 2  
Sec. 31, T24S, R37E  
1650' FSL, 760 FWL  
Lea County, New Mexico

Dear Mr. Stogner,

SDX Resources, Inc. is the operator of the Federal Jalmat Com # 1 well located in unit D of sec. 6 T25S R37E of Lea Co., N.M.. The well is dedicated to a 120 acre non-standard gas proration unit SCR 434 and consist of the NW/4 NW/4 Sec. 6 T25S R37 E, W/2 SW/4 Sec. 31 T24S R37E. SDX is planning to drill the Jalmat Federal Com # 2 well on the same 120 acre proration unit at the above-mentioned location. This will be a non-standard location as the location has been moved due to the wells proximity to a pipeline. SDX request that this letter serve as application to simultaneously dedicate this 120 acre non-standard proration unit to the Jalmat Federal Com # 1, and # 2 wells, and as application for administrative approval of the non-standard location. BLM form 3160 and OCD form C-102 for the #2 well, an outlined lease map, and other pertinent information is attached to this application. All offset operators have been notified and proof of notification is attached. Your assistance on this is appreciated.

Sincerely,



Chuck Morgan

Enclosures



OCT 12 1999



cm

Form 3160-3  
(July 1992)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TR DATE  
(Other instructions on  
reverse side)

FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM-12610	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR SDX Resources, Inc.			7. UNIT AGREEMENT NAME SCR 434	
3. ADDRESS AND TELEPHONE NO. PO Box 5061, Midland, TX 79704			8. FARM OR LEASE NAME, WELL NO. Jalmat Federal Com #2	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *) At surface 1650' FSL 760' FWL Unit L At proposed prod. zone Same			9. API WELL NO.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 3 miles N of Jal, NM			10. FIELD AND POOL, OR WILDCAT Jalmat Gas	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 560			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 31, T24S, R37E	
16. NO. OF ACRES IN LEASE 120			12. COUNTY OR PARISH Lea	
17. NO. OF ACRES ASSIGNED TO THIS WELL 120			13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2240			19. PROPOSED DEPTH 3200	
20. ROTARY OR CABLE TOOLS Rotary			21. APPROX. DATE WORK WILL START 11/01/99	
21. ELEVATIONS (Show whether OF, RT, GR, etc.) 3241				

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	600'	350 sx
7-7/8"	4-1/2 - 5-1/2"	9.5 - 17#	3200'	400 sx Lite + 200 sx C

Plan to drill 12-1/4" hole to appx 600'. Set 8-5/8" surface csg. Circ Class C cmt. Drill 7-7/8" hole to 3200'. Set 4-1/2" or 5-1/2" csg & circ cmt. Perf Yates gas zone & stimulate as necessary for optimum production.

Specific Program

- Exhibit #1: BOP Diagram
- Exhibit #2: Survey Plat
- Exhibit #3: Existing & Proposed Road Map
- Exhibit #4: Producing Well Area Map
- Exhibit #5: Drill Site Layout

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24  
SIGNED Bonnie Atwater TITLE Regulatory Tech DATE 09/23/99  
(This space for Federal or State office use)

PERMIT NO

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon  
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

DATE

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

January 5, 2000

W. Thomas Kellahin, Esq.  
Kellahin & Kellahin  
P.O. Box 2265  
Santa Fe, NM 87504-2265

Attorneys for SDX Resources, Inc.

J.E. Gallegos, Esq.  
Michael J. Condon, Esq.  
Gallegos Law Firm  
460 St. Michael's Drive  
Santa Fe, NM 87505

Attorneys for Doyle Hartman, Oil Operator

William F. Carr, Esq.  
Campbell, Carr, Berge & Sheridan, P.A.  
P.O. Box 2208  
Santa Fe, NM 87504-2208

Attorneys for Raptor Resources, Inc.

RE: Clarification of December 22, 1999 letter from Rand Carroll

Gentlemen:

Paragraph (i) of the above-referenced letter refers to Division actions regarding SDX and Raptor wells. This letter clarifies which wells and/or applications are affected by that letter and what actions will be taken by the Division.

Cases No. 12301, 12302, 12303 and 12304 will be continued to the March 16, 2000 docket, the docket after the docket at which the Division's application to review the Jalmat Special Pool Rules will be heard.

Hartman's objections/protests to Orders No. SD 99-14 and SD 99-15 will be set for hearing as an application of Hartman for rescission of those orders. This application will also be set for hearing on March 16, 2000.

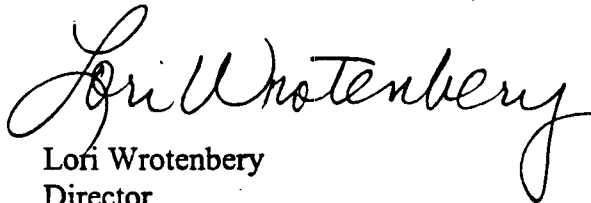
The NSL orders issued to Raptor in which notice should have been given to Hartman as an offset operator but was not are reopened pursuant to Rule 1207.D. and will also be set for hearing on March 16, 2000. Such NSL orders include Orders No. NSL 2872-C(SD), NSL 2723-D(SD), NSL 2723-E and NSL 2816-C(SD). Hartman must notify the Division of any additional NSL applications in this category.

No wells other than the wells that are the subject of the above-referenced cases and orders are affected by the December 22, 1999 letter.

Approvals for all Jalmat infill wells on a density of less than 160 acres per well have been held since December 23, 1999 and will continue to be held pending the March 2, 2000 hearing.

The Division trusts that the parties will actively participate at the Jalmat Pool operators meeting on January 25, 2000 at the OCD District Office in Hobbs and that an agreeable solution can be worked out regarding further development of the Jalmat Pool.

Sincerely,



Lori Wrotenbery  
Director

c: Don Kane, Esq., Gorsuch & Kirgis LLP  
Rand Carroll, OCD Legal Counsel  
Michael E. Stogner, OCD Hearing Examiner  
David Catanach, OCD Hearing Examiner  
Mark Ashley, OCD Hearing Examiner  
Chris Williams, OCD Hobbs District Supervisor



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

December 22, 1999

W. Thomas Kellahin, Esq.  
Kellahin & Kellahin  
P.O. Box 2265  
Santa Fe, NM 87504-2265

Attorneys for SDX Resources, Inc.

J.E. Gallegos, Esq.  
Michael J. Condon, Esq.  
Gallegos Law Firm  
460 St. Michael's Drive  
Santa Fe, NM 87505

Attorneys for Doyle Hartman, Oil Operator

William F. Carr, Esq.  
Campbell, Carr, Berge & Sheridan, P.A.  
P.O. Box 2208  
Santa Fe, NM 87504-2208

Attorneys for Raptor Resources, Inc.

RE: Cases No. 12301 and 12302 ---Applications of SDX Resources, Inc. for  
unorthodox infill gas well locations in the Jalmat Gas Pool  
Cases No. 12303 and 12304---Applications of Raptor Resources, Inc. for  
unorthodox infill gas well locations in the Jalmat Gas Pool

Gentlemen:

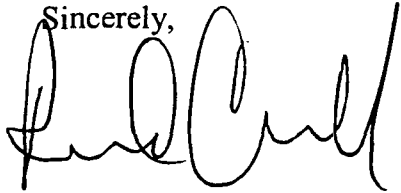
At the prehearing conference held on Tuesday, December 21, the Division took the following actions:

- (i) the APDs and other approvals for the SDX and Raptor wells complained of by Hartman were rescinded with the applications to be stayed pending the March 2, 2000, hearing on the Jalmat Special Pool Rules;
- (ii) a new case will be docketed by the Division for March 2, 2000, to review the Jalmat Special Pool Rules;

- (iii) a Jalmat Pool operators meeting will be held on Tuesday, January 25 at the OCD Hobbs District Office to review the Jalmat Special Pool Rules with SDX, Raptor and Hartman to attend, with the possibility of a second operators meeting to be held prior to the March 2, 2000, hearing;
- (iv) a notice will be issued to all Jalmat Pool operators placing a moratorium on all new Jalmat infill wells on a greater density than 160 acres pending the March 2 hearing; and
- (v) the above-referenced applications as well as the Motions to Quash will be stayed pending the March 2 hearing.

If you have any questions, please feel free to call me at 827-8156. I will be out of the office until January 4, 2000.

Sincerely,

A handwritten signature in black ink, appearing to read "Rand Carroll", written over a horizontal line.

Rand Carroll

c: Lori Wrotenbery, OCD Director  
Michael E. Stogner, OCD Hearing Examiner  
David Catanach, OCD Hearing Examiner  
Mark Ashley, OCD Hearing Examiner  
Chris Williams, OCD Hobbs District Supervisor

# GALLEGOS LAW FIRM

A Professional Corporation

460 St. Michael's Drive  
Building 300  
Santa Fe, New Mexico 87505  
Telephone No. 505-983-6686  
Telefax No. 505-986-1367  
Telefax No. 505-986-0741

OIL CONSERVATION DIV.

99 NOV -9 PM 3: 32



J.E. GALLEGOS \*

November 9, 1999  
(Our File No. 99-1.80)

## VIA HAND-DELIVERY

Lori Wrotenbery, Director  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Re: Applications of SDX Resources, Inc. for Simultaneous Dedication of  
Multiple Infill Wells; Administrative Orders **SD-99-14** and **SD-99-15**

Dear Ms. Wrotenbery:

On behalf of Doyle Hartman, we have been provided this date with your Administrative Orders SD-99-14 and SD-99-15 in which the Division has authorized SDX Resources to drill one addition well and produce three Jalmat gas wells on a 120-acre non-standard proration unit in one case and to drill two additional wells and produce four Jalmat gas wells on a 159.95 acre non-standard proration unit in the other. Doyle Hartman, as an offsetting operator of Jalmat gas wells, had filed protests to these applications.

Both Orders rest on the reference that the Jalmat is a prorated gas pool and "the rules currently governing this pool do not contain provisions restricting the number of producing gas wells within a spacing and proration unit;"

The absence of a controlling and waste preventive standard in the pool rules does not open the doors to the rampant and unbridled dense infill drilling underway by SDX Resources. Rules for the prorated gas pools address such subjects as standard GPUs sizes, well locations and the proration procedures (See Order No. R-8170 and amendments). The law provides the test and the standard for whether additional wells may or not be drilled on a proration unit. NMSA 1978 Section 70-2-17 provides in pertinent part as follows:

- A. The rules, regulations or orders of the division shall, so far as it is practicable to do so, afford to the owner of each property in a pool the opportunity to produce his just and equitable share of the oil or gas, or both, in the pool, being an amount, so far as can be

practically determined, and so far as such can be practicably obtained without waste, substantially in the proration that the quantity of the recoverable oil or gas, or both, under such property bears to the total recoverable oil or gas, or both, in the pool, and for this purpose to use his just and equitable share of the reservoir energy.

- B. The division may establish a proration unit for each pool, such being the area that can be efficiently and economically drained and developed by one well such being the area that can be efficiently and economically drained and developed by one well, and in so doing the division shall consider the economic loss caused by the drilling of unnecessary wells, the protection of correlative rights, including those of royalty owners, the prevention of waste, the avoidance of the augmentation of risks arising from the drilling of an excessive number of wells, and the prevention of reduced recovery which might result from the drilling of too few wells. (Emphasis added).

The practice has been in the past, obviously in recognition of the legislative mandate in the Oil & Gas Act, that where an administrative application for an infill well is the subject of protest by an interested party, the applicant must establish at a hearing that the proration unit cannot be efficiently and economically drained by the existing well or wells and that correlative rights of others are protected while waste is prevented.

The reasoning of the Division underlying these two Orders invites a ruinous "Spindle top" drilling stampede. Hartman has operated in the Jalmat gas pool for twenty-five years (not six months like SDX or Raptor Resources) and his studies and those of an independent expert demonstrate that the subject proration units are being drained efficiently and economically by the existing wells. Of course, the technical data and study means something only if the Division takes into account the requirements of Section 70-2-17, supra. If the silence of the pool rules control over the law, then why have an application for simultaneous dedication? Why have notice to offset operators? Why spend the time and money to issue Administrative Orders? The Division has declared that any operator can *de facto* down-space any prorated pool by completing and producing as many wells on a proration unit as it pleases.

Indeed, it appears that some operators, such as SDX, already understand that a request for simultaneous dedication is a mere formality. The Hobbs District weekly activity report (a copy of the page dated November 5, 1999 is attached) show that the drilling of the Wells Federal No. 22 and 23 were approved October 27, 1999, even

Lori Wrotenbery, Director  
November 9, 1999  
Page 3

though the application was not filed at the Division until October 12<sup>th</sup> and the approval Order SD-99-15 issued yesterday, November 8<sup>th</sup>.

We urgently request that the Division reconsider the subject Orders; that upon doing so, it vacate the Orders and set the SDX applications for appropriate public hearing. We will appreciate a most prompt reply.

Sincerely,

GALLEGOS LAW FIRM, P.C.

By   
J.E. GALLEGOS

JEG:sa

cc: Rand Carroll, Legal Counsel, NMOCD  
Larry Kehoe, Assistant Commissioner, State Land Office  
Chuck Morgan, SDX Resources, Inc.  
Doyle Hartman



Linda  
to DH  
faxed 9-99  
11-9-99

OPERATOR NAME PROPERTY NAME	API NUMBER	WELL DESCRIPTION			L A N D S	T A N T S	U N I T S	M / C O S	P O O L - F O R M A T I O N	C O U N T Y	DATE APPROVED MO/DY/YR
		WELL #	FOOTAGE N-S E-W	LOCATION UL-S-T-R							
THBR/SHARP DRILLING INC STOKES	30-025-21827	1	660 FS 1980 FE	0-23-16S-35E	P	E	GD	S	TOWNSEND, MORROW (GAS)	LE	08/10/1999
CONCHO RESOURCES, INC. SOUTH SHOEBAR 10 STATE COM	30-025-34747	2	1650 FS 1650 FE	J-10-17S-35E	S	N	GV	S	VACUUM; ATOKA-MORROW, NORTH (GAS)	LE	11/01/1999
C F QUALIA OPERATING INC STATE	30-025-34746	1	1675 FS 660 FM	L- 1-18S-36E	S	N	GV	S	ARKANSAS JUNCTION, QUEEN (GAS)	LE	10/29/1999
MATADOR OPERATING CO LAGUNA DEEP FEDERAL UNIT	30-025-34749	5	1980 FM 660 FM	E-35-19S-33E	F	N	GV	S	GEN; MORROW, EAST (GAS)	LE	11/01/1999
ENRON OIL & GAS CO OCHOA 15 FEDERAL	30-025-34751	2	1700 FM 1760 FM	F-15-25S-33E	F	N	GV	S	DRAPER HILL, WOLF CAMP (GAS)	LE	11/01/1999
ENRON OIL & GAS CO VACA DRAW 20 FEDERAL	30-025-34750	1	1650 FM 1650 FE	G-20-25S-33E	F	N	GV	S	DRAPER HILL, WOLF CAMP (GAS)	LE	11/01/1999
SDX RESOURCES INC WELLS FEDERAL	30-025-34743	22	660 FM 1780 FM	C- 5-25S-37E	F	N	GV	S	JALMAI; TAN-YATES-7 RWRS (PRO GAS)	LE	10/27/1999
SDX RESOURCES INC WELLS FEDERAL	30-025-34744	23	1886 FM 758 FM	E- 5-25S-37E	F	N	GV	S	JALMAI; TAN-YATES-7 RWRS (PRO GAS)	LE	10/27/1999

LAND  
S = STATE  
F = FEDERAL  
P = PRIVATE, PATENT, OR FEE  
N-J-U = INDIAN

STATUS  
N = NEW LOCATION  
D = DEEPEN  
E = RE-ENTRY OF P&A WELL

<u>W</u> /TYPE	
O = OIL WELL	I = INJECTION WELL
G = GAS WELL	L = LPG STORAGE
S = SMD WELL	M = GAS STORAGE
W = WATER SUPPLY	
V = VERTICAL WELLBORE	
D = DIRECTIONAL DRILLED	
H = HORIZONTAL WELLBORE	

S/M COMPLETION  
S = SINGLE COMPLETION  
M = MULTIPLE COMPLETION

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

March 8, 2000

Ms. Lori Wrotenbery, Director  
Oil Conservation Division  
2030 South Pacheco  
Santa Fe, New Mexico 87505

Re: NMOCD Cases 12301 and 12302--Applications of SDX Resources, Inc. for unorthodox infill gas well locations, Jalmat Gas Pool, Lea County, New Mexico.

Re: NMOCD Cases 12361 and 12362 Objections of Doyle Hartman to Division Administrative Orders SD 99-14 and SD-99-15 (SDX Resources, Inc.)

Dear Ms. Wrotenbery:

The reference cases now pending hearing before the Division involve various applications by SDX Resources, Inc. for the following five (5) proposed wells in the Jalmat Gas Pool:

(a) OCD Case 12361: SDX's State A-32 Well No. 6, to be drilled at a standard location in Unit E, Section 32, T24S, R37E which was approved by the Division on November 8, 1999 by Administrative Order SD-99-14;

(b) OCD Case 12362: SDX's Wells Federal Well No. 22 and Well No. 23, both to be drilled at standard locations in Unit C and E, respectively, Section 5, T25S, R37E which were approved by the Division on November 8, 1999 by Administrative Order SD-99-15;

(c) OCD Case 12301: SDX's E. J. Wells No 25, in Unit K of Section 5, T25S, R37E to be drilled at an unorthodox location but not encroaching towards Hartman's GPU; and

Ms. Lori Wrotenbery, Director

March 8, 2000

-Page 2-

(d) OCD Case 12302: SDX's Jalmat Federal Com Well No. 2, in Unit L of Section 31, T25S, R37E to be drilled at an unorthodox location encroaching some 62 feet towards Hartman's GPU.

On behalf of SDX Resources, Inc. I wish to inform you that SDX Resources, Inc. does not intend to pursue the drilling of these wells at this time. Accordingly, please vacate Administrative Orders SD-99-14 and 99-15 and dismiss cases 12301 and 12302.

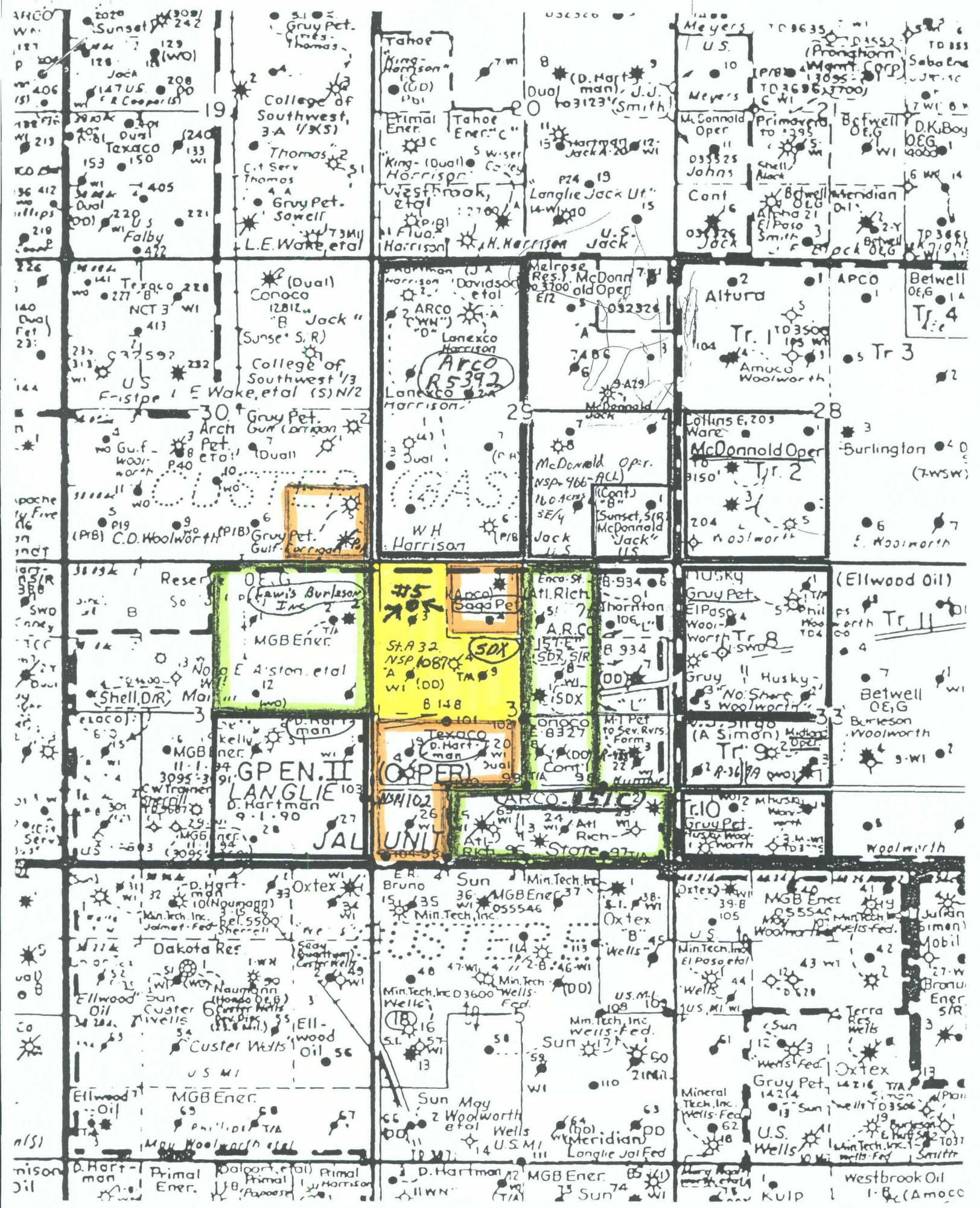
Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', with a stylized, flowing script.

W. Thomas Kellahin

cc: David R. Catanach,  
Division Examiner  
Lyn Hebert, Esq.  
Attorney for the Division  
J. E. Gallegos, Esq.  
Attorney for Doyle Hartman  
William F. Carr, Esq.  
Attorney for Raptor Resources Inc.  
SDX Resources Inc.  
Attn: Steve Sell





District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

cm

Form C-101

Revised October 18, 1994

Instructions on back

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

<sup>1</sup> Operator Name and Address SDX Resources, Inc. PO Box 5061 Midland, TX 79704 915/685-1761		<sup>2</sup> OGRID Number 020451
		<sup>3</sup> API Number 30 - 0
<sup>4</sup> Property Code 23976	<sup>5</sup> Property Name State A 32	<sup>6</sup> Well No. 6

<sup>7</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
E	32	24S	37E		1880	North	760	West	Lea

<sup>8</sup>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
<sup>9</sup> Proposed Pool 1 Jalmat, T-Y-7R					<sup>10</sup> Proposed Pool 2				

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3242
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 3500	<sup>18</sup> Formation Yates	<sup>19</sup> Contractor Capstar	<sup>20</sup> Spud Date 10-15-99

<sup>21</sup>Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#	500	450 sx	Surface
7-7/8"	4-1/2"	9.5#	3500	700 sx	Surface

<sup>22</sup> 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.

Drill 12-1/4" hole to 500'. Set 8-5/8" csg & cmt to surface. RU BOP. Drill 7-7/8" hole to 3500'. Set 4-1/2" csg & cmt to surface.

RD rotary & BOP. Perf Yates & fracture stimulate & place Yates on test.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Bonnie Atwater</i> Printed name: Bonnie Atwater Title: Regulatory Tech. 9/23/99	OIL CONSERVATION DIVISION	
	Approved By:	
	Title:	
	Approval Date:	Expiration Date:

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural ResourcesOIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

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Free Lease - 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>5</sup> Property Name			<sup>6</sup> Well Number
STATE - A - 32					6
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name			<sup>9</sup> Elevation
SDX RESOURCES, INC.					3242.

<sup>10</sup> Surface Location

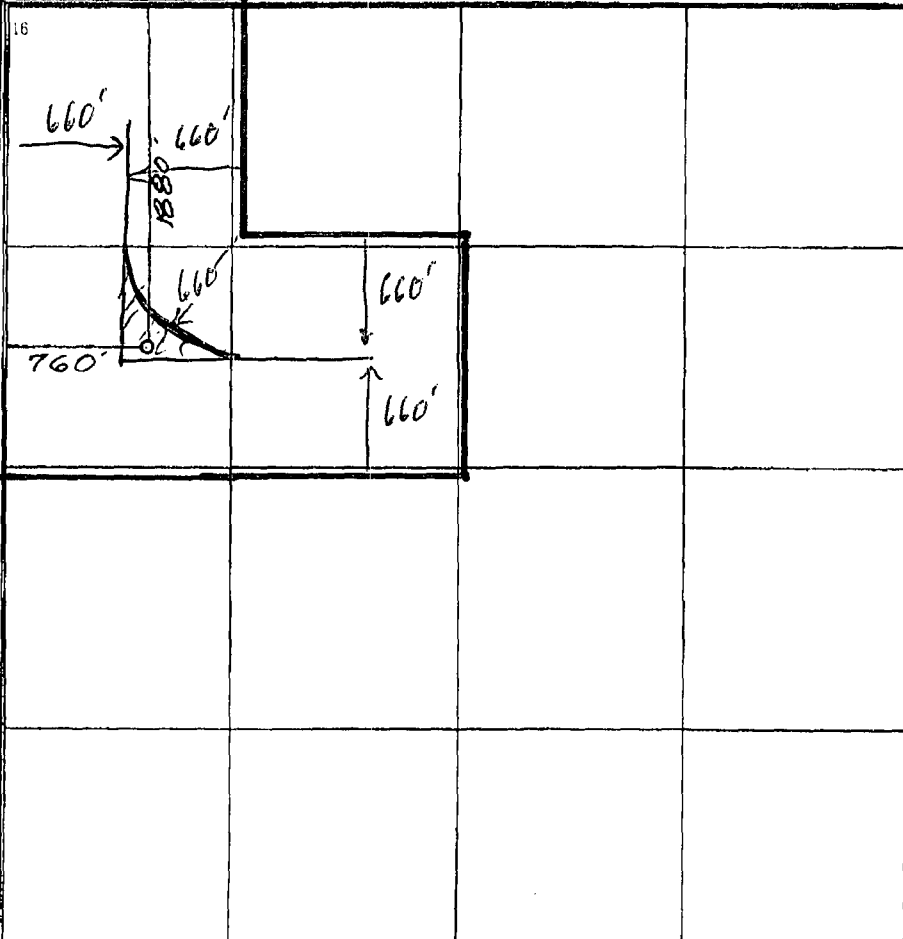
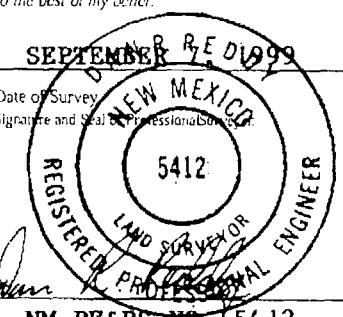
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	32	24-S	37-E		1880	NORTH	760	WEST	LEA

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
	Signature _____	
	Printed Name _____	
	Title _____	
	Date _____	
	<sup>18</sup> 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 Engineer _____	
		
	NM PE&PS NO. 5412	

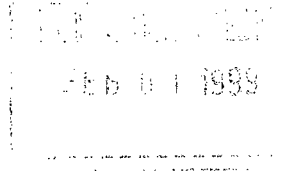




NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

January 26, 1999



**SDX Resources, Inc.**  
**P. O. Box 5061**  
**Midland, Texas 79704**  
**Attention: Chuck Morgan**

~~Administrative Order SD-99-1~~

Dear Mr. Morgan:

Reference is made to your application dated January 14, 1999. SDX Resources, Inc. ("SDX") is hereby authorized to simultaneously dedicate Jalmat Gas Pool production to the previously approved non-standard 120-acre gas spacing and proration unit ("GPU") comprising the NW/4 NW/4 and S/2 NW/4 of Section 32, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico (approved by Division Administrative Order NSP-1087, dated March 13, 1978) from the: (i) existing State "A-32" Well No. 4 (**API No. 30-025-25845**) located at an unorthodox gas well location (also approved by Division Administrative Order NSP-1087) 1780 feet from the North line and 1400 feet from the West lines (Unit F) of Section 32; and (ii) proposed State "A-32" Well No. 5 (**API No. 30-025-34555**) to be drilled at a standard gas well location 710 feet from the North line and 660 feet from the West line (Unit D) of Section 32.

SDX is permitted to produce the allowable assigned this existing non-standard 120-acre GPU from both wells in any proportion.

Sincerely,

Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe  
File: NSP-1087

RECEIVED

DEC 16 1998

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

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 REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		33820	Jalmat, T-Y-7R
Property Code	Property Name		Well Number
	STATE A 32		5
OGRIID No. 920451	Operator Name		Elevation
	SDX RESOURCES, INC.		3243.

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
D	32	24-S	37-E		710	NORTH	660	WEST	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 120		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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

	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Bonnie Atwater</i> Signature Bonnie Atwater Printed Name Regulatory Tech. Title December 23, 1998 Date</p>
	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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.</p> <p>DECEMBER 8, 1998 Date of Survey R. REDDY Signature and Seal of Professional Surveyor:  </p>





DIRECTOR  
JOE D. RAMEY

# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501

LAND COMMISSIONER  
PHIL R. LUCERO



STATE GEOLOGIST  
EMERY C. ARNOLD

March 13, 1978

Allied Chemical  
Union Texas Petroleum Division  
1300 Wilco Building  
Midland, Texas 79701

Re: Administrative Order NSP-1087

Gentlemen:

Reference is made to your application for approval of a 120-acre non-standard gas proration unit consisting of the following acreage in the Jalmat Gas Pool:

LEA COUNTY, NEW MEXICO  
TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM  
Section 32: NW/4 NW/4 and S/2 NW/4

It is my understanding that this unit is to be dedicated to your State "A-32" Well No. 4 to be located at an unorthodox location 1780 feet from the North line and 1400 feet from the West line of said Section 32.

By authority granted me under Rule 5(c)3 of Order No. R-1670, the above-described acreage is hereby authorized as a non-standard unit.

Very truly yours,

  
JOE D. RAMEY,  
Secretary-Director

JDR/LT/dr

cc: Oil Conservation Commission - Hobbs  
Oil & Gas Engineering Committee - Hobbs  
Central Leasing - State Land Office - Santa Fe

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form No. 1  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

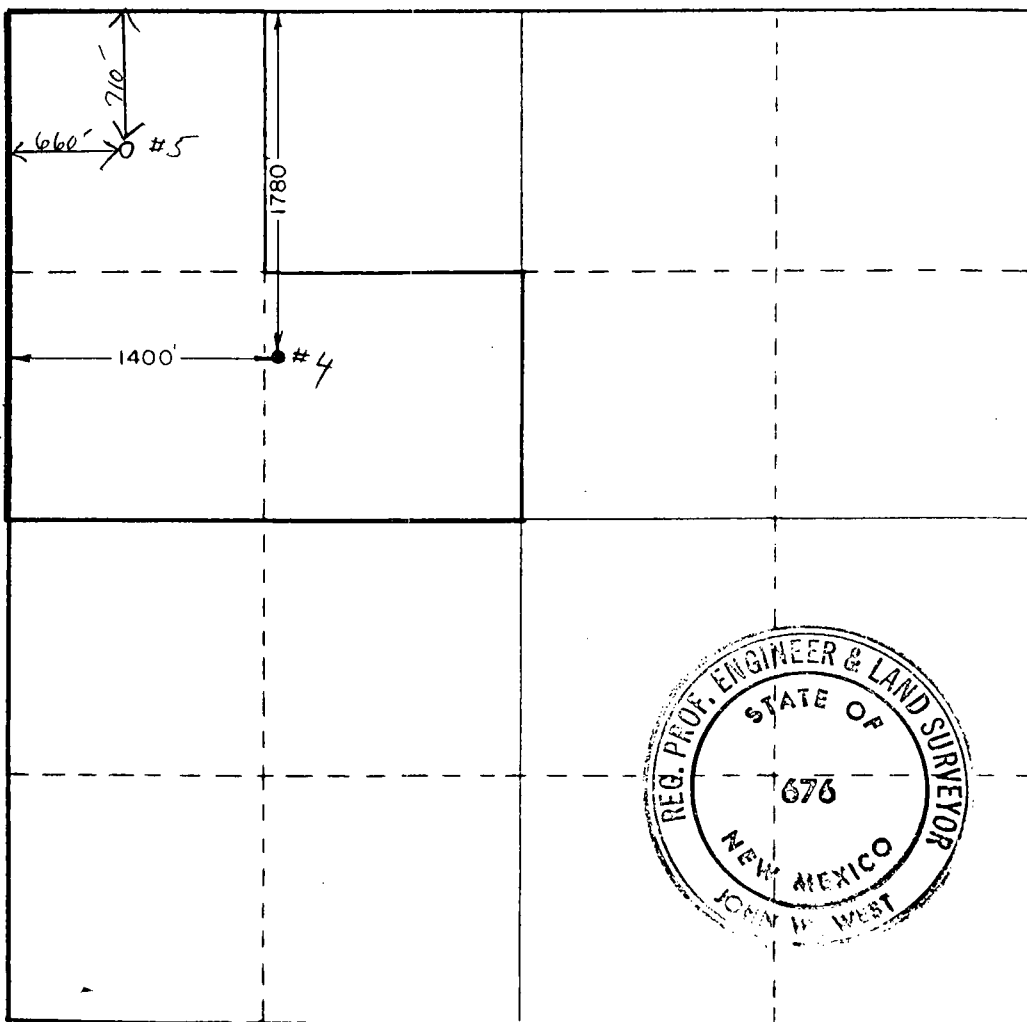
Operator <b>Union Texas Petroleum Corp.</b>		Lease <b>State "A" -32</b>		Well No. <b>4</b>
Unit Letter <b>F</b>	Section <b>32</b>	Township <b>24 South</b>	Range <b>37 East</b>	County <b>Lea</b>
Actual Footage Location of Well: <b>1780</b> feet from the <b>North</b> line and <b>1400</b> feet from the <b>West</b> line				
Ground Level Elev. <b>3241.4</b>	Producing Formation		Estimated Acreage Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

*Stanley A. Post*  
Name

Stanley A. Post

Position  
Sr. Prod. Analyst

Employer  
UNION TEXAS PETROLEUM CORP.

Date  
February 15, 1978

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 knowledge and belief.

Date Surveyed  
Jan. 28, 1978

Registered Professional Engineer  
and/or Land Surveyor

*John W. West*  
Certificate No. John W. West

NEW MEXICO  
OIL CONSERVATION COMMISSION

Gas Well Plat

*Now Louis Burleson*

Date Dec. 28, 1953



SOUTHERN CALIFORNIA PETROLEUM CORP. Martin  
Operator Lease

2  
Well No.

Name of Producing Formation Yates Pool Langmat

No. Acres Dedicated to the Well 160

SECTION 31 TOWNSHIP 24S RANGE 37E

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

Name A. Mann  
Position Petroleum Engineer  
Representing SO. CAL. PET. CORP.  
Address Box 1071, Midland, Texas

(over)

Submit 5 Copies  
Appropriate District Office  
DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240  
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

# OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Form C-104  
Revised 1-1-89  
See Instructions  
at Bottom of Page

## REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I.

Operator <b>Lewis B. Burleson, Inc.</b>	Well API No.
Address <b>P. O. Box 2479 Midland, Texas 79702</b>	
Reason(s) for Filing (Check proper box) New Well <input type="checkbox"/> Change in Transporter of: Recompletion <input type="checkbox"/> Oil <input type="checkbox"/> Dry Gas <input checked="" type="checkbox"/> Change in Operator <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> Other (Please explain) To be effective <b>11/1/91</b>	
If change of operator give name and address of previous operator	

## II. DESCRIPTION OF WELL AND LEASE

Lease Name <b>Martin A</b>	Well No. <b>2</b>	Pool Name, including Formation <b>Talmt Gas T-Y-SR</b>	Kind of Lease State, Federal or <u>Fee</u>	Lease No.
Location Unit Letter <b>A</b> : <b>990</b> Feet From The <b>North</b> Line and <b>330</b> Feet From The <b>East</b> Line Section <b>31</b> Township <b>24-5</b> Range <b>37-E</b> NMPM, <b>Loa</b> County				

## III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
<b>Sid Richardson Carbon &amp; Gasoline Co.</b>	<b>1st City Bank Tower 201 Main Ft Worth, TX 76102</b>					
If well produces oil or liquids, give location of tanks.	Unit	Sec.	Twp.	Rge.	Is gas actually connected?	When?
					<b>yes</b>	

If this production is commingled with that from any other lease or pool, give commingling order number.

## IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Date Spudded	Date Compl. Ready to Prod.		Total Depth			P.B.T.D.		
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay			Tubing Depth		
Perforations						Depth Casing Shoe		

## TUBING, CASING AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT

## V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

Date First New Oil Run To Tank	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF

## GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

## VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Sharon Beaver  
Printed Name **Sharon Beaver** Production Clerk  
Date **November 4, 1991** (915)-683-2422  
Telephone No.

## OIL CONSERVATION DIVISION

Date Approved **NOV 15 1991**  
By ORIGINAL SIGNED BY JERRY SEXTON  
DISTRICT I SUPERVISOR  
Title

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each well to be submitted.

# WELL LOCATION AND ACREAGE DEDICATION

Supplies C-12a  
Effective 1-1-65

*Now Doyle Hartman*

must be from the outer boundaries of the Section.

Operator <b>GETTY OIL COMPANY</b>		Lease <b>J.W. Sherrell</b>		Well No. <b>5</b>
Section <b>J</b>	Section <b>31</b>	Township <b>24S.</b>	Range <b>37E.</b>	County <b>Ida</b>
Well Postage Location of Well:				
<b>2250</b>	feet from the <b>South</b>	line and	<b>1650</b>	feet from the <b>East</b>
Well Level Elev. <b>3224</b>	Producing Formation <b>Yates</b>	Pool <b>Jalmat Yates (Gas)</b>	Dedicated Acreage: <b>160</b> Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

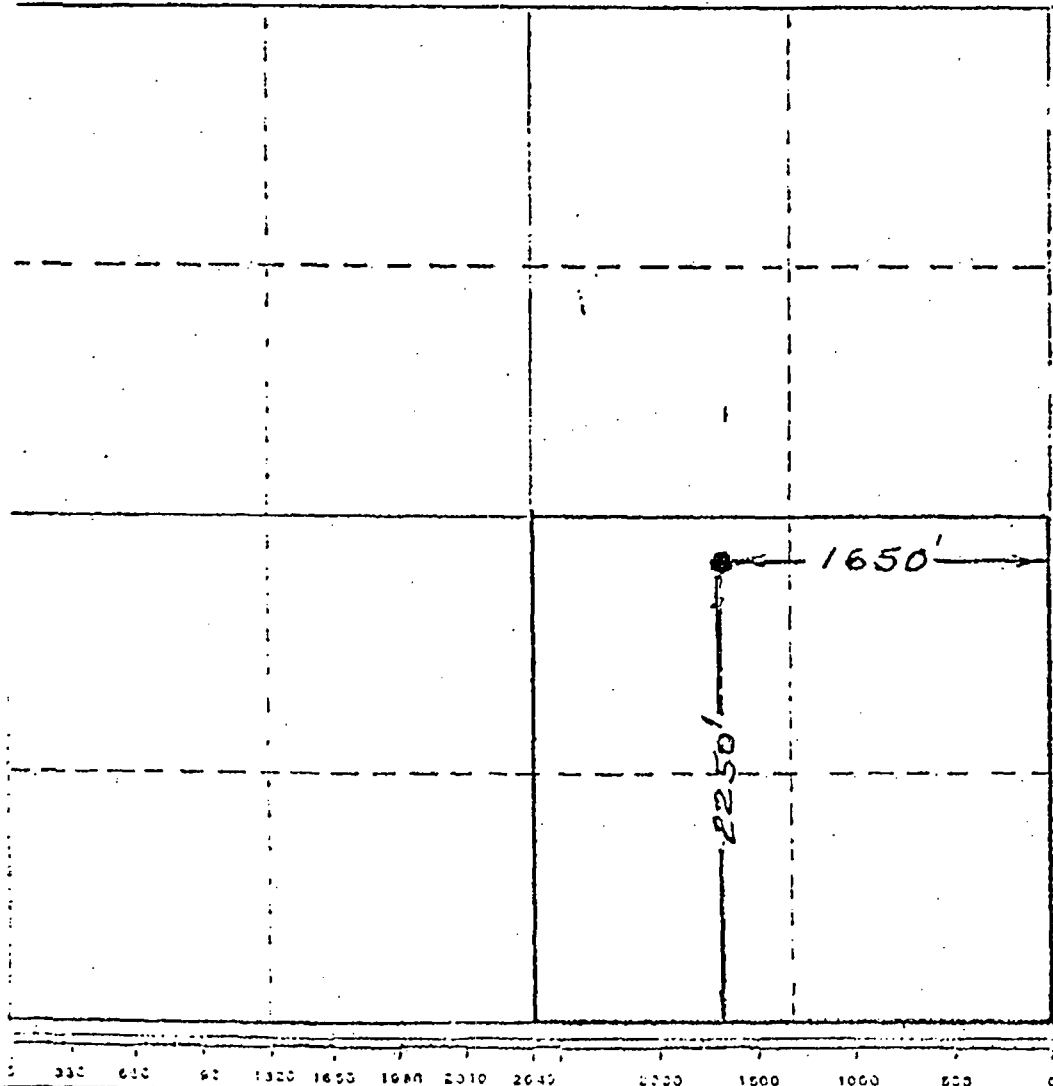
## CERTIFICATION

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

Name  
*Doyle Hartman*  
Position  
**Area Superintendent**  
Company  
**Getty Oil Company**  
Date  
**1-24-79**

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 knowledge and belief.

Date Survey  
**2250-1978**  
Registered Professional Engineer  
and/or Land Surveyor  
**JONES**  
**3640**  
Certificate  
**LAND SURVEYOR**



01/14/99

14:14

5053935388

OIL REPORTS

008

Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 5 copies

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Form C-105  
Revised 1-1-89

WELL API NO.

30-025-26070

5. Indicate Type of Lease

STATE ☐FEE ☒

6. State Oil &amp; Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:

OIL WELL ☐GAS WELL ☒DRY ☐OTHER ☐

b. Type of Completion:

NEW WELL ☐WORK OVER ☐DEEPEN ☐PLUG BACK ☐DIFF RESVR ☒OTHER ☐

Additional Perfs

7. Lease Name or Unit Agreement Name

J.W. Sherrell

2. Name of Operator

Doyle Hartman

8. Well No.

9

3. Address of Operator

P.O. Box 10426 Midland, Texas 79702

9. Pool name or Wildcat

Jalmat (Tansil-Yates-7R)

4. Well Location

Unit Letter J : 2250 Feet From The South Line and 1650 Feet From The East Line

Section 31 Township 24-S Range 37-E NMPM Lea County

10. Date Spudded

6-29-78 orig

11-5-89 recompl

11. Date T.D. Reached

9-9-78 orig

9-16-78 recompl

12. Date Compl. (Ready to Prod.)

9-16-78 orig

11-15-89 recompl

13. Elevations (DFA, RKB, RT, GR, etc.)

3224 GL

14. Elev. Casinghead

3227

15. Total Depth

3250

16. Plug Back T.D.

3219

17. If Multiple Compl. How Many Zones?

-

18. Intervals Drilled By

Rotary Tools

0-3250

Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name

Yates - 7 Rivers

20. Was Directional Survey Made

No

21. Type Electric and Other Logs Run

Original DLL, MLL, GRC, CDL, CN

22. Was Well Cored

No

CASING RECORD (Report all strings set in well) \* Same as Original

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8	23 #/ft	495	12 1/4"	400 sxs	Circ
5 1/2	15.5 #/ft	3247	7 7/8"	720 sxs	Circ

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2 3/8	3171" RKB	None

6. Perforation record (interval, size, and number) 1 SPF  
Old Perfs-2928,43,52,62,66,73,79,84,89,96  
3000,06,11,23,31,44,52,60,65,78, & 88  
21 (.42") Shots

New Perfs Added (11-13-89)-2908,38,46,53,70,74,78.5, & 3016

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
2928 - 3088	3000 gals 15% NEFE

1 SPF

PRODUCTION

1. Date First Production

11-15-89

Production Method (Flowing, gas lift, pumping - Size and type pump)

Pumping 8.5 spm x 54" strong x 1 1/4" insert pump

Well Status (Prod. or Shut-in)

Shut-in

2. Date of Test

11-16-89

Hours Tested

24

Choke Size

32/64

Prod'n For

Test Period

Oil - Bbl.

Trace

Gas - MCF

257

Water - Bbl.

29

Gas - Oil Ratio

3. Flowing Press.

CSG 36 psig

Casing Pressure

SICP 86 psig

Calculated 24-

Hour Rate

Oil - Bbl.

Trace

Gas - MCF

257

Water - Bbl.

29

Oil Gravity - API - (Corr.)

4. Disposition of Gas (Sold, used for fuel, vented, etc.)

Vented

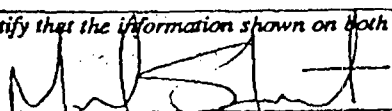
Test Witnessed By

H. Swain

5. List Attachments

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature



Printed

Name Mike Stewart

Title

Engineer

Date 12-6-89

## WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-128  
Supersedes C-128  
Effective 1-1-65

*Now Doyle Hartman*

distances must be from the outer boundaries of the Section.

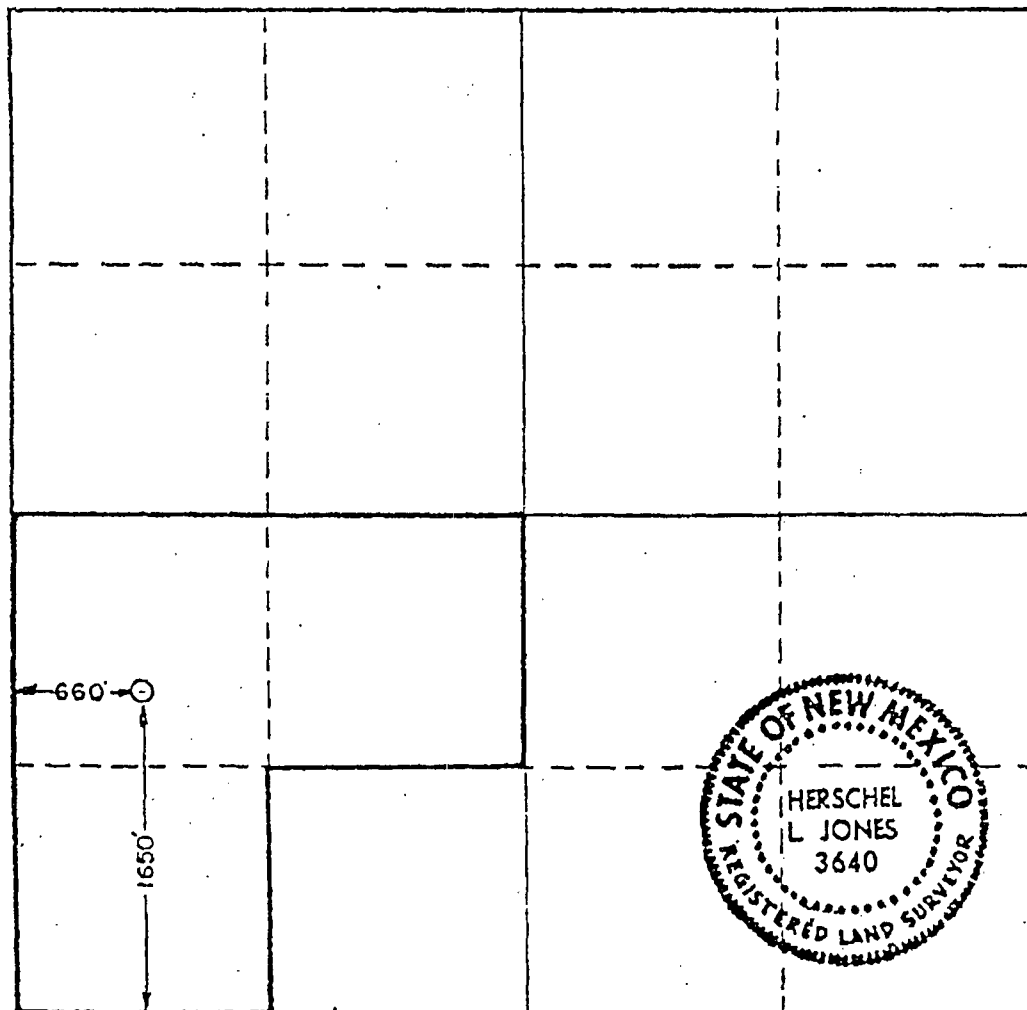
Operator <b>GETTY OIL COMPANY</b>		Lease <b>Skelly "M" State</b>		Well No. <b>4</b>	
Unit Letter <b>"L"</b>	Section <b>32</b>	Township <b>24 South</b>	Range <b>37 East</b>	County <b>Lea</b>	
Actual Footage Location of Well: <b>1650</b> feet from the <b>South</b> line and <b>660</b> feet from the <b>West</b> line					
Ground Level Elev. <b>3238.6</b>	Producing Formation <b>YATES</b>		Pool <b>JALMAT (YATES)</b>		Dedicated Acreage: <b>120</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



## CERTIFICATION

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

Name **ORIGINAL SIGNED BY  
DALE R. CROCKETT**

Position  
**AREA SUPERINTENDENT**

Company  
**GETTY OIL COMPANY**

Date  
**JUNE 19, 1978**

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 knowledge and belief.

Date Surveyed  
**June 15, 1978**

Registered Professional Engineer  
and/or Land Surveyor

Certificate No.  
**3640**

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS

58061

Operator Doyle Hartman		Well API No. 30-025-25974
Address P. O. Box 10426 Midland, Texas 79702		
Reason(s) for Filing (Check proper box) <input type="checkbox"/> Other (Please explain)		
<input type="checkbox"/> New Well	Change in Transporter of:	
<input type="checkbox"/> Recompletion	Oil <input type="checkbox"/> Dry Gas <input checked="" type="checkbox"/>	Change in Transporter effective
<input type="checkbox"/> Change in Operator	Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>	November 1, 1991
Change of operator give name and address of previous operator		

DESCRIPTION OF WELL AND LEASE

Case Name Skelly M State	Well No. 4	Pool Name, Including Formation Jalmat (T-Y-7R)	Kind of Lease State, Federal or Fee	Lease No. B-1327
Location Unit Letter L : 1650 Feet From The South Line and 660 Feet From The West Line Section 32 Township 24S Range 37E, NMPM, Lea County				

DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)	
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)	
Sid Richardson Carbon & Gasoline Company	201 Main Street, Fort Worth, Texas 76102	
Well produces oil or liquids, location of tanks.	Unit	Sec. Twp. Rge. Is gas actually connected? When?

If production is commingled with that from any other lease or pool, give commingling order number

COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Is Spudded	Date Compl. Ready to Prod.		Total Depth		P.B.T.D.			
Measurements (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay		Tubing Depth			
Formations					Depth Casing Shoe			

TUBING, CASING AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT

TEST DATA AND REQUEST FOR ALLOWABLE

WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)			
First New Oil Run To Tank	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Depth of Test	Tubing Pressure	Casing Pressure	Choke Size
Total Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF

AS WELL

Total Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Flowing Method (prior, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Patrick K. Worrell		Engineer
Printed Name	Title	
11/21/91	915-684-4011	
Date	Telephone No.	

OIL CONSERVATION DIVISION

Date Approved NOV 27 1991

By ORIGINAL SIGNED BY JERRY CEXTON  
DISTRICT I SUPERVISOR

Title

FOR RECORD ONLY MAY 11 1993

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.





STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

JL APODACA  
GOVERNOR

NICK FRANKLIN  
SECRETARY

August 16, 1978

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Getty Oil Company  
P. O. Box 730  
Hobbs, New Mexico 88240

Administrative Order NSP-1102 \*

Gentlemen:

Reference is made to your application for approval of a 120-acre non-standard gas proration unit consisting of the following acreage in the Jalmat Yates Pool:

LEA COUNTY, NEW MEXICO  
TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM  
Section 32: N/2 SW/4 and SW/4 SW/4

It is my understanding that this unit is to be dedicated to your Skelly "M" State Well No. 4 located 1650 feet from the South line and 660 feet from the West line of the above-described Section 32.

By authority granted me under the provisions of Rule 5C3 of Order No. R-1670, you are hereby authorized to operate the above-described acreage as a non-standard unit.

Very truly yours,

JOE D. RAMEY,  
Director

JDR/RLS/dr

cc: Oil Conservation Division - Hobbs  
Oil & Gas Engineering Committee - Hobbs  
Central Leasing - State Land Office - Santa Fe

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Atlantic Richfield Company			Lease <u>State 157-E</u>		Well No. <u>1</u>
At Letter <u>G</u>	Section <u>32</u>	Township <u>24S</u>	Range <u>37E</u>	County <u>Lea</u>	
Actual Footage Location of Well:					
2310 feet from the North line and		2310 feet from the East line			
Ground Level Elev. <u>3251'</u>	Producing Formation <u>Yates</u>	Pool <u>Jalmat Gas</u>	Dedicated Acreage: <u>240</u> Acres		

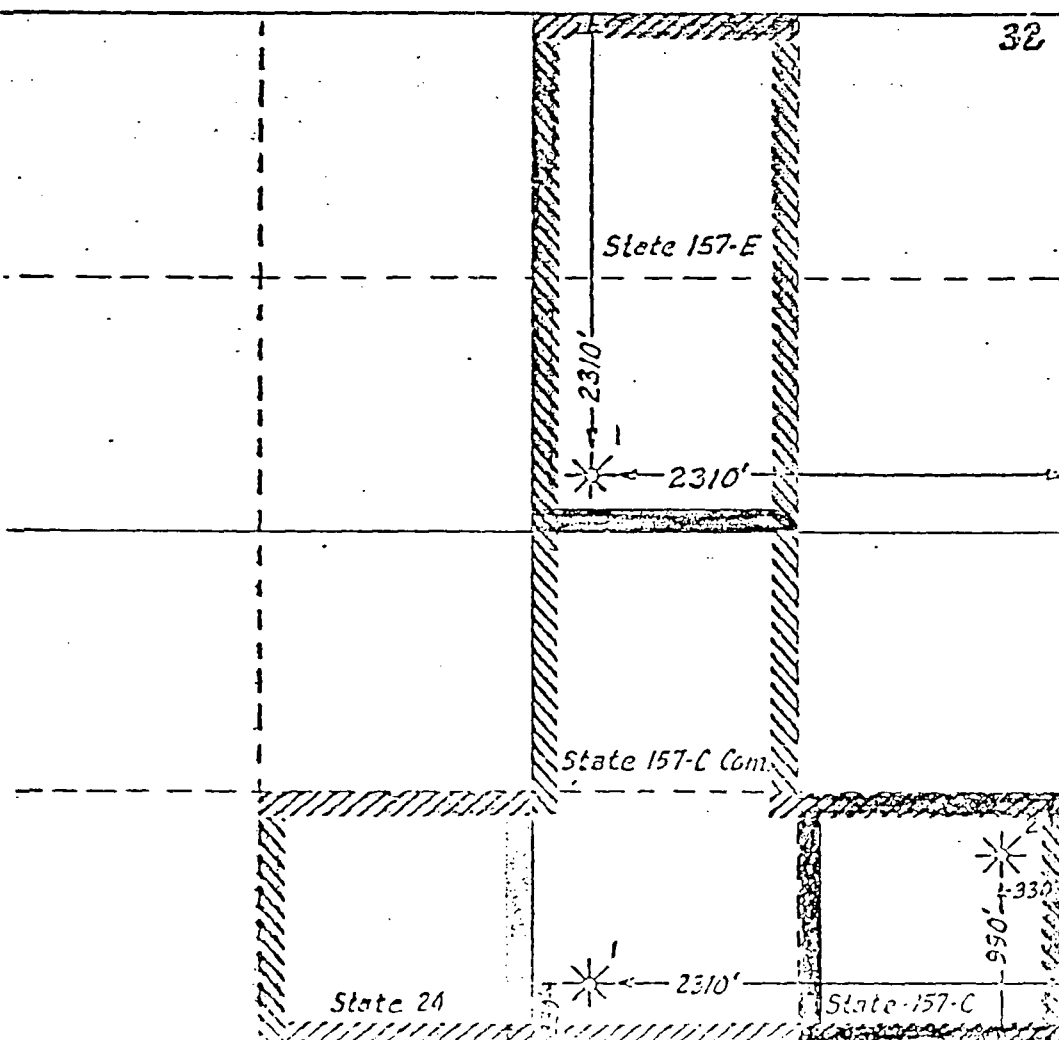
- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

R-37-E



CERTIFICATION

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

Name Louis C. Sweeney

Position  
Engineer

Company  
Atlantic Richfield Company

Date  
November 1, 1974

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 knowledge and belief.

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.

NEW MEXICO  
OIL CONSERVATION COMMISSION

Gas Well Plat

*Now Saga*

Date December 4th, 1953

Kenwood Oil Company  
Operator

State  
Lease

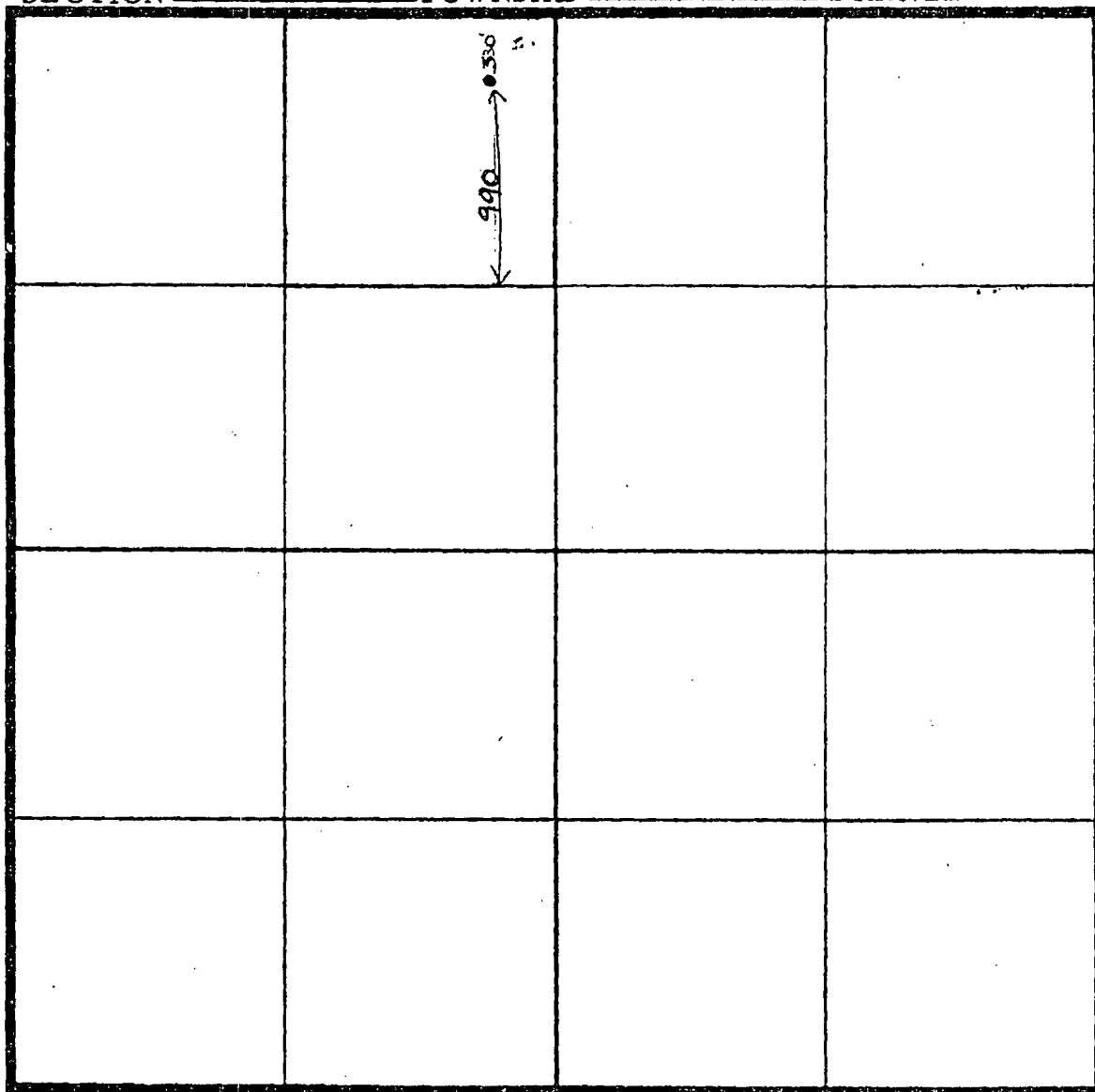
1  
Well No.

Name of Producing Formation YATES

Pool Langlie-Mattix

No. Acres Dedicated to the Well 40

SECTION 32 TOWNSHIP 24S RANGE 57E



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

Name John M. Mow  
Position Superintendent  
Representing Kenwood Oil Company  
Address P.O. Box 1027, Odessa, Texas

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-104  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
5 Copies

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address SAGA PETROLEUM Limited Liability Co. of Colorado 415 W. WALL, SUITE 835 MIDLAND, TX 79701		OGRID Number 148967
Reason for Filing Code CH, EFFECTIVE 1-1-97		
API Number 30-025-11316	Pool Name JALMAT, TAN-YATES TRACT(OIL)	Pool Code 33820
Property Code 20324	Property Name STATE	Well Number 1

II. Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
C	32	24S	37E	-	330	NORTH	2310	WEST	LEA

Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Use Code S	Producing Method Code P	Gas Connection Date	C-129 Permit Number	C-129 Effective Date	C-129 Expiration Date				

III. Oil and Gas Transporters

Transporter OGRID	Transporter Name and Address	POD	D/G	POD ULSTR Location and Description
015694	Navajo Ref. Co. Box 159 Artesia, NM 88210	2069010	O	C-32-24S-37E
020809	Sid Richardson Gasline Co. FT. WORTH, TX	2069030	G	C-32-24S-37E

V. Produced Water

POD	POD ULSTR Location and Description
2069050	

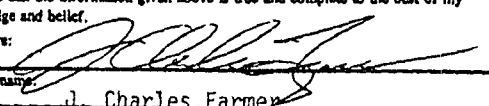
Well Completion Data

Spud Date	Ready Date	TD	PBTD	Perforations	DHC, DC, MC
Hole Size	Casing & Tubing Size	Depth Set	Sacks Cement		

Well Test Data

Date New Oil	Gas Delivery Date	Test Date	Test Length	Tbg. Pressure	Cog. Pressure
Choke Size	Oil	Water	Gas	AOF	Test Method

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature:   
Printed name: J. Charles Farmer  
Title: Manager  
Date: 2/13/97  
Phone: (915)684-4293

OIL CONSERVATION DIVISION

Approved by: ORIGINAL SIGNED BY  
GARY M. MARK

Title: FIELD REP. II

Approval Date:

MAR 07 1997

If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature

017213

Printed Name

H. Y. MERCHANT, PRESIDENT  
PENROC OIL CORPORATION

Title

Date

2/7/97

State of New Mexico  
Energy, Minerals, and Natural Resources Department

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

appropriate  
4 copies  
3 copies

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator ARCO Oil and Gas Company			Lease W.H. HARRISON D WN COM		Well No. 6
Unit Letter N	Section 29	Township 24S	Range 37E	County LEA	NMPM
Actual Footage Location of Well: 660 feet from the SOUTH line and 1980 feet from the WEST line					
Ground level Elev. 3261	Producing Formation YATES SEVEN RIVERS		Pool JALMAT GAS		Dedicated Acreage: 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☒ Yes

☐ No

If answer is "yes" type of consolidation COMMUNITIZATION

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated. (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

#2			
#1	#7		
	#6		

OPERATOR CERTIFICATION

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

Signature

Printed Name

JAMES COGBURN

Position

OPER. COORD.

Company

ARCO OIL AND GAS

Date

9/24/93

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 knowledge and belief.

Date Surveyed

Signature & Seal of  
Professional Surveyor

Certificate No.

0

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088☐ AMENDED REPORT

## I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

<sup>1</sup> Operator name and Address ARCO Permian P.O. Box 1710 Hobbs, New Mexico 88240		<sup>2</sup> OGRID Number 000990
		<sup>3</sup> Reason for Filing Code CG 07/96
<sup>4</sup> API Number 30-025-24669	<sup>5</sup> Pool Name JALMAT TANSIL YATES SRQ GAS	<sup>6</sup> Pool Code 79240
<sup>7</sup> Property Code 001490	<sup>8</sup> Property Name WILLIAM H. HARRISON D WN	<sup>9</sup> Well Number 6

## II. Surface Location

UI or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
N	29	24S	37E		660	S	1980	W	LEA

## Bottom Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
<sup>12</sup> Lse Code P	<sup>13</sup> Producing Method Code F	<sup>14</sup> Gas Connection Date 07/01/96	<sup>15</sup> C-129 Permit Number	<sup>16</sup> C-129 Effective Date	<sup>17</sup> C-129 Expiration Date				

## III. Oil and Gas Transporters

<sup>18</sup> Transporter OGRID	<sup>19</sup> Transporter Name and Address	<sup>20</sup> POD	<sup>21</sup> O/G	<sup>22</sup> POD ULSTR Location and Description
009171	GPM GAS CORPORATION 4001 PENBROOK ODESSA, TX 79762	0478330	G	N-29-24S-37E

## IV. Produced Water

<sup>23</sup> POD	<sup>24</sup> POD ULSTR Location and Description

## V. Well Completion Data

<sup>25</sup> Spud Date	<sup>26</sup> Ready Date	<sup>27</sup> TD	<sup>28</sup> PBTD	<sup>29</sup> Perforations
<sup>30</sup> Hole Size	<sup>31</sup> Casing & Tubing Size	<sup>32</sup> Depth Set	<sup>33</sup> Sacks Cement	

## VI. Well Test Data

<sup>34</sup> Date New Oil	<sup>35</sup> Gas Delivery Date	<sup>36</sup> Test Date	<sup>37</sup> Test Length	<sup>38</sup> Tbg. Pressure	<sup>39</sup> Csg. Pressure
<sup>40</sup> Choke Size	<sup>41</sup> Oil	<sup>42</sup> Water	<sup>43</sup> Gas	<sup>44</sup> AOF	<sup>45</sup> Test Method

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102  
Supersedes O-128  
Effective 1-1-65

*New Gryn Petr.*

All distances must be from the outer boundaries of the Section

Doyle Hartman

Lessee

Gulf-Eddie Corrigan

Well No.

1

P

30

24 South

37 East

Lea

990

feet from the

South

line and

330

feet from the

East

3251.1

Producing Formation

Seven Rivers - Queen

Pool

Langlie Mattix

Wellbore Diameter

40

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

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

*Doyle Hartman*

Name Doyle Hartman

Position

Operator - Part Owner

Capacity

Individual

Date

9-21-78

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 knowledge and belief

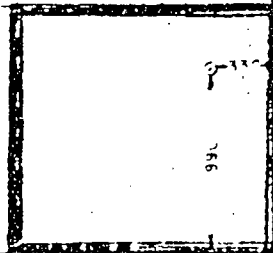
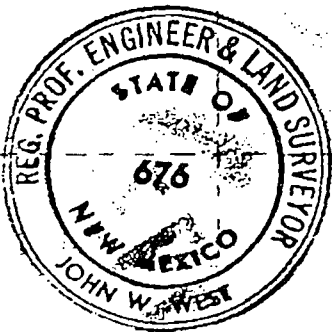
Date

September 11, 1978

Signature of Engineer & Land Surveyor

*John W. West*

Certification of John W. West



01/14/99

14:08

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OIL REPORTS

002

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LAND OFFICE	
OPERATOR	

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

Form C-105  
Revised 11-8

5a. Indicate Type of Lease  
State ☐ Fee ☒

6. State Oil & Gas Lease No.

7. Unit Agreement Name

8. Farm or Lease Name

Gulf - Eddie Corrigan

9. Well No.

1

10. Field and Pool, or Wildcat

Langlie Mattix

11. County

Lea

1a. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

DRY ☐

OTHER

b. TYPE OF COMPLETION

NEW WELL ☒

WORK OVER ☐

DEEPEN ☐

PLUG BACK ☐

DIFF. RESVR. ☐

OTHER

2. Name of Operator

Doyle Hartman

3. Address of Operator

508 C & K Petroleum Building, Midland, Texas 79701

4. Location of Well

UNIT LETTER P LOCATED 990 FEET FROM THE South LINE AND 330 FEET FROM

THE East LINE OF SEC. 30 TWP. 24S RGE. 37E NE/4

15. Date Spudded

9-29-78

16. Date T.D. Reached

10-6-78

17. Date Compl. (Ready to Prod.)

10-27-78

18. Elevations (DF, RKB, RT, GR, etc.)

3251 G. L.

19. Elev. Casinghead

3251

20. Total Depth

3750

21. Plug Back T.D.

3723

22. If Multiple Compl., How Many

---

23. Intervals Drilled By

Rotary Tools

0-3750

Cable Tools

---

24. Producing Interval(s), of this completion - Top, Bottom, Name

3364 - 3502 w/17 (Seven Rivers - Queen)

25. Was Directional Survey Made

No

26. Type Electric and Other Logs Run

CDL-Neutron-GR, Forxo-Guard, GRN-CCL

27. Was Well Cored

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB. FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8	23	611	12 1/4	350 SX	None
5 1/2	17	3748	7 7/8	700 SX	None

29. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 3/8	3530	None

31. Perforation Record (Interval, size and number)

One shot each at: 3364, 3367, 3370, 3373, 3376, 3379, 3382, 3433, 3436, 3439, 3461, 3465, 3468, 3479, 3482, 3485, 3502

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
3364 - 3502	A/4800 15% MCA
3364 - 3502	SWF/60,000 + 80,000

33. PRODUCTION

Date First Production 10-14-78		Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping/Flowing (8 1/2 x 64 x 1 1/4)				Well Status (Prod. or Shut-in) Shut-in	
Date of Test 10-27-78	Hours Tested 24	Choke Size 16/64	Prod'n. For Test Period →	Oil - Bbl. ---	Gas - MCF 254	Water - Bbl. 15	Gas - Oil Ratio Dry Gas
Flow Tubing Press. 160	Casing Pressure 160	Calculated 24-Hour Rate →	Oil - Bbl. ---	Gas - MCF 254	Water - Bbl. 15	Oil Gravity - API (Corr.) ---	

4. Disposition of Gas (Sold, used for fuel, vented, etc.)

Vented

Test Witnessed By

James Gray

5. List of Attachments

6. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED Richard M. Cerkuska TITLE Office Manager DATE 11-15-78



# REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

<sup>1</sup> Operator name and Address Gruy Petroleum Management Company P.O. Box 140907 Irving, Texas 75014		<sup>2</sup> OGRID Number 162683
<sup>4</sup> API Number 30-0 30-025-26086		<sup>5</sup> Pool Name Langlie Mattix 7Rvrs Q Grayburg
<sup>7</sup> Property Code 21764	<sup>8</sup> Property Name Gulf Eddie Corrigan	<sup>6</sup> Pool Code 37240
<sup>3</sup> Reason for Filing Code Change of Operator (5/1/97)		

## II. <sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
P	30	24S	37E		990'	South	330'	East	Lea

## <sup>11</sup> Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

<sup>12</sup> Lse Code Fee	<sup>13</sup> Producing Method Code P	<sup>14</sup> Gas Connection Date	<sup>15</sup> C-129 Permit Number	<sup>16</sup> C-129 Effective Date	<sup>17</sup> C-129 Expiration Date
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## III. Oil and Gas Transporters

<sup>18</sup> Transporter OGRID	<sup>19</sup> Transporter Name and Address	<sup>20</sup> POD	<sup>21</sup> O/G	<sup>22</sup> POD ULSTR Location and Description
12852	Keck Service	1836010	0	
7057	El Paso Natural	1836030	6	
	1836030	1836010	8	
	END ENERGY OPER LP			

## IV. Produced Water

<sup>23</sup> POD	<sup>24</sup> POD ULSTR Location and Description
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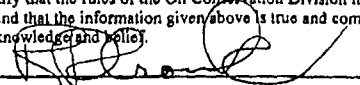
## V. Well Completion Data

<sup>25</sup> Spud Date	<sup>26</sup> Ready Date	<sup>27</sup> TD	<sup>28</sup> PSTD	<sup>29</sup> Perforations	<sup>30</sup> DHC, DC, MC
<sup>31</sup> Hole Size	<sup>32</sup> Casing & Tubing Size	<sup>33</sup> Depth Set	<sup>34</sup> Sacks Cement		

## VI. Well Test Data

<sup>35</sup> Date New Oil	<sup>36</sup> Gas Delivery Date	<sup>37</sup> Test Date	<sup>38</sup> Test Length	<sup>39</sup> Tbg. Pressure	<sup>40</sup> Csg. Pressure
<sup>41</sup> Choke Size	<sup>42</sup> Oil	<sup>43</sup> Water	<sup>44</sup> Gas	<sup>45</sup> AOF	<sup>46</sup> Test Method

<sup>47</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature:   
Printed name: R.D. Cronk  
Title: Vice President of Operations  
Date: 6/26/97  
Phone: (972) 401-3111

## OIL CONSERVATION DIVISION

Approved by: ORIGINAL SIGNED BY

Title: GARY WINK  
FIELD REP. II

Approval Date: 5/1/97

<sup>47</sup> If this is a change of operator fill in the OGRID number and name of the previous operator  
Kent Beers  
Attorney-in-Fact  
Burlington Resources Oil & Gas Company 26485  
Printed Name  
Title  
Date 5/1/97

OFFSET OPERATORS

**STATE A 32 #6**

Arco  
PO Box 1089  
Eunice, NM 88231-1089

Gruy Petroleum  
ATTN: Zeno Ferris  
PO Box 140907  
Irving, TX 75014-0907

Lewis B. Burleson, Inc.  
PO Box 2479  
Midland, TX 79702

Doyle Hartman  
PO Box 10426  
Midland, TX 79702

Saga Petroleum Ltd. Liability Co  
415 W. Wall, #835  
Midland, TX 79701

CMD :  
OG5SECTONGARD  
INQUIRE LAND BY SECTION11/03/99 17:05:05  
OGOMES -TPF  
PAGE NO: 1

Sec : 32 Twp : 24S Rng : 37E Section Type : NORMAL

D 40.00 CS B00148 0015 01/41 SUN EXPL & PROD C U A A	C 40.00 CS B00148 0017 01/41 BURLINGTON RESOUR U A A	B 40.00 CS B01506 0000 12/38 ATLANTIC RICHFIEL C U A	A 40.00 CS B00934 0031 11/38 READING & BATES F U A A A
E 40.00 CS B00148 0015 01/41 SUN EXPL & PROD C U A A	F 40.00 CS B00148 0015 01/41 SUN EXPL & PROD C U A A	G 40.00 CS B01506 0000 12/38 ATLANTIC RICHFIEL C U A A	H 40.00 CS B00934 0031 11/38 READING & BATES F U A

PF01 HELP  
PF07 BKWDPF02  
PF08 FWDPF03 EXIT  
PF09 PRINTPF04 GoTo  
PF10 SDIVPF05  
PF11PF06  
PF12

CMD :  
OG5SECTONGARD  
INQUIRE LAND BY SECTION11/03/99 17:05:54  
OGOMES -TPFC  
PAGE NO: 2

Sec : 32 Twp : 24S Rng : 37E Section Type : NORMAL

L 40.00 CS B01327 0001 11/38 TEXACO EXPLORATIO U A A A A	K 40.00 CS B01327 0001 11/38 TEXACO EXPLORATIO U A A A	J 40.00 CS E08327 0001 07/64 CONOCO INC C U A	I 40.00 CS B00934 0031 11/38 READING & BATES F U A A A
M 40.00 CS B01327 0001 11/38 TEXACO EXPLORATIO U A A A	N 40.00 CS B01888 0001 06/38 ATLANTIC RICHFIEL C U A A	O 40.00 CS B01506 0000 12/38 ATLANTIC RICHFIEL C U A A	P 40.00 CS B01506 0000 12/38 ATLANTIC RICHFIEL C U A A A

PF01 HELP  
PF07 BKWDPF02  
PF08 FWDPF03 EXIT  
PF09 PRINTPF04 GoTo  
PF10 SDIVPF05  
PF11PF06  
PF12

CMD : ONGARD 11/03/99 17:04:19  
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPFC

API Well No : 30 25 34555 Eff Date : 06-04-1999 WC Status : A  
Pool Idn : 79240 JALMAT;TAN-YATES-7 RVRS (PRO GAS)  
OGRID Idn : 20451 SDX RESOURCES INC  
Prop Idn : 23976 STATE A 32

Well No : 005  
GL Elevation: 3243

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : D	32	24S	37E	FTG	710 F N	FTG 660 F W	A

Lot Identifier:

Dedicated Acre: 120.00

Lease Type : S

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 11/03/99 17:05:15  
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPFC

API Well No : 30 25 25845 Eff Date : 12-01-1998 WC Status : A  
Pool Idn : 79240 JALMAT;TAN-YATES-7 RVRS (PRO GAS)  
OGRID Idn : 20451 SDX RESOURCES INC  
Prop Idn : 23976 STATE A 32

Well No : 004  
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
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B.H. Locn : F	32	24S	37E	FTG 1780	F N FTG 1400	F W	P

Lot Identifier:

Dedicated Acre: 120.00

Lease Type : S

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 11/03/99 17:04:50  
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPFC

OGRID Idn : 20451 API Well No: 30 25 34717 APD Status(A/C/P): A  
Opr Name, Addr: SDX RESOURCES INC Aprvl/Cncl Date : 09-28-1999  
PO BOX 5061  
MIDLAND,TX 79704

Prop Idn: 23976 STATE A 32 Well No: 6

	U/L	Sec	Township	Range	Lot Idn	North/South	East/West
Surface Locn	: E	32	24S	37E		FTG 1880 F N	FTG 760 F W
OCD U/L	: E		API County	: 25			

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F  
Lease typ(F/S/P/N/J/U/I): S Ground Level Elevation : 3242

State Lease No: Multiple Comp (Y/N) : S  
Prpsd Depth : 3500 Prpsd Frmtn : YATES

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12