

SDX RESOURCES, INC.

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

September 24, 1998

SEP 28

OCD
2040 S. Pacheco St
Santa Fe, NM 87505

Re: Chalk Bluff Draw #1
API #30-015-00789
Eddy Co., NM
Administrative Order #SWD-677

Gentlemen:

SDX Resources, Inc.'s application for SWD in its Chalk Bluff Draw #1 well granted by Administrative Order #SWD-677 will expire 10-9-98.

Due to the downturn in oil prices the scheduled work has not yet been done. We respectfully request the application be extended for one year.

Your cooperation in this matter is greatly appreciated.

Sincerely,



Bonnie Atwater
Regulatory Tech.

CM:bj



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

October 26, 1998

SDX Resources, Inc.
P.O. Box 5061
Midland, Texas 79704

Attn: Ms. Bonnie Atwater

Re: Request for Extension of Implementation Period for Division Order SWD-677.

Dear Ms. Atwater:

My staff has reviewed your request to extend the implementation period on the above referenced Division Order. Providing that all conditions contained in the order remain the same and there are no wells drilled in the area of review, the expiration date of the SWD-677 is hereby extended to September 30, 1999.

In the event any drilling activity occurs in the subject area of review, SDX Resources, Inc. will notify the supervisor of the Artesia District office and the Division office. An administrative review of the permit will be conducted, and the status of the permit will be determined.

All other provisions and conditions of SWD-677 and Division Rules 706 and 1120 shall remain in full force and effect.

Sincerely,

A handwritten signature in cursive script, reading "Lori Wrotenbery / by M.S.", written over a horizontal line.

Lori Wrotenbery
Director

LS/BES/kv

cc: Oil Conservation Division - Artesia
SWD-677

Friday, July 26, 2002

David:

SDX Resources wants to abandon the Penn and re-complete in the same formations as the West Red Lake Unit operated by Devon - directly to the South. SDX also has some producers in this zone located very close to this proposed SWD well. I talked with Chuck Morgan - he wants to have more disposal capability AND have some production response in his producers. He pays Devon to take some of his water and the rest goes into this Penn zone. His pressures are close to the limit - still at .2 psi/ft I think.

2 POOLS
(1570' - 3155')

Does this need to be permitted as a Pressure Maintenance Project? If so, how does that get permitted? Also, his proposed plug back is only one bridge plug, is this OK or should he set some plugs at regular intervals?

To save time, I wrote this amended SWD order. Chuck did not act too much in a hurry, I think this is not critical.

Will

SECTION 5 POOLS:

S_{1/2} 5 = Red Lake - GLORIETA - Yaso

all 5 = Red Lake - Penn (Gas)

all 5 = Red Lake - Queen - GRAYBURG - San Andres

Fm TOPS:

Grayburg	1042'
San Andres	1390'
GLORIETA	2085'
Yaso	2,806'
Clayfork	3,565'

Chalk Bluff Draw #1 Eddy Cty, NM

Chalk Bluff Draw #1 Eddy Cty, NM															
Well Name	API	Operator	2002												
			OIL 2002	WAT2002	GAS2001	OIL2001	WAT2001	GAS2000	OIL2000	WAT2000	POOL	PROP	WATER INJ 2002	WATER INJ 2001	WATER INJ 2000
330-015-29978 CARTER COLLIER 5 Fed #003		DEVON	423	2442	7899	2095	10209	10815	2635	13258	51300	22220	0	0	0
330-015-29994 CARTER COLLIER 5 Fed #006		DEVON	670	3899	9809	3267	16460	11485	3659	19649	51300	22220	0	0	0
330-015-00790 CARTER COLLIER Fed #001		DEVON	86	834	3256	446	4461	2069	318	3261	51300	21569	0	0	0
330-015-00782 JULIA A Fed #001		DEVON	621	1841	3404	2796	5810	2236	3506	8139	51300	21568	0	0	0
330-015-00779 JULIA A Fed #003		DEVON	227	213	1537	852	3437	2151	855	2127	51300	21568	0	0	0
330-015-30219 JULIA A Fed #004		DEVON	0	0	0	0	0	0	0	0	0	21568	0	0	0
330-015-30048 JULIA A Fed #005		DEVON	395	63566	1178	1639	236979	1275	1254	187434	51300	21568	0	0	0
330-015-29067 KITE 5 I Fed #002		DEVON	531	35422	9018	4222	52038	11299	3578	39010	51300	19136	0	0	0
330-015-00788 W RED LAKE UNIT #017		DEVON	0	0	0	0	0	0	0	0	51300	3491	73642	337933	299672
330-015-28444 W RED LAKE UNIT #044		DEVON	0	0	0	0	0	0	0	0	51300	3491	77102	321843	308636
330-015-28780 W RED LAKE UNIT #058		DEVON	300	21837	4994	1137	90912	5692	1354	70515	51300	3491	0	0	0
330-015-28750 W RED LAKE UNIT #059		DEVON	955	15047	5398	3421	34956	7281	2680	11905	51300	3491	0	0	0
330-015-28781 W RED LAKE UNIT #060		DEVON	0	0	0	0	0	0	0	0	51300	3491	38732	170312	174735
330-015-00789 CHALK BLUFF DRAW Fed #001		SDX	0	0	0	0	0	0	0	0	96113	21558	14303	44158	0
330-015-29567 CHALK Fed #001		SDX	445	1582	5883	2491	8157	7813	3748	14200	51300	20819	0	0	0
330-015-29706 CHALK Fed #002		SDX	486	3111	10323	4703	20478	233	393	2909	51300	20819	0	0	0
330-015-00787 CHALK Fed #003		SDX	0	0	0	0	0	0	0	0	0	20819	0	0	0
330-015-29707 CHALK Fed #004		SDX	0	0	0	0	0	0	0	0	0	20819	0	0	0
330-015-29650 CHALK Fed #005		SDX	933	3243	16546	11189	52709	0	0	0	51120	20819	0	0	0
330-015-31631 MALIBU Fed #001		SDX	0	0	0	0	0	0	0	0	0	27511	0	0	0
330-015-32282 MALIBU Fed #003		SDX	0	0	0	0	0	0	0	0	0	27511	0	0	0
330-015-31617 MALIBU Fed #004		SDX	0	0	0	0	0	0	0	0	0	27511	0	0	0
330-015-27521 CHOQUE AMX Fed #001		YATES	0	0	0	0	0	0	0	0	0	15917	0	0	0
330-015-00793 EVARTS Fed #001		DEVON	210	1678	959	889	8329	1344	834	5734	51300	21570	0	0	0
330-015-00791 JULIA B Fed #001		DEVON	111	218	1232	866	1975	1663	832	1474	51300	21571	0	0	0
			1864	7936	32752	18383	81344	8046	4141	17109			14303	44158	0

~~Loc. 5. FMS.~~
LOCATION, East W.

Chalk Bluff Draw #1 Eddy Cty, NM															2055S 1980W 18S				27E	5	No P&As Reported			
API		WELL NAME		Short Operator		NS	EW	Dist	UL2	Sec	TVD	Land Type	Well Type	Orig FORM (or NOTES)	STATUS	Latest Pool	GAS2002							
30-015-29978		CARTER COLLIER 5 Fed #003		DEVON		2110N	1600E	2033	G	5	2450	F	O	SAN ANDRES	ACTIVE	RED LAKE;Qn-Gbg-SA	1710							
30-015-29994		CARTER COLLIER 5 Fed #006		DEVON		1650N	2310E	1860	G	5	2450	F	O	SAN ANDRES	ACTIVE	RED LAKE;Qn-Gbg-SA	1904							
30-015-00790		CARTER COLLIER Fed #001		DEVON		2310N	2310E	1348	G	5		F	O		ACTIVE	RED LAKE;Qn-Gbg-SA	645							
30-015-00782		JULIA A Fed #001		DEVON		1980S	1020W	962	L	5		F	O		ACTIVE	RED LAKE;Qn-Gbg-SA	288							
30-015-00779		JULIA A Fed #003		DEVON		1980N	660W	1814	E	5		F	O		ACTIVE	RED LAKE;Qn-Gbg-SA	114							
30-015-30219		JULIA A Fed #004		DEVON		2310S	330W	1669	L	5	0	F	O	SAN ANDRES	NO COMPL		0							
30-015-30048		JULIA A Fed #005		DEVON		1650N	530W	2140	E	5	2395	F	O	SAN ANDRES	ACTIVE	RED LAKE;Qn-Gbg-SA	341							
30-015-29067		KITE 5 I Fed #002		DEVON		2310S	890E	2423	I	5	2350	F	O	SAN ANDRES	ACTIVE	RED LAKE;Qn-Gbg-SA	3294							
30-015-00788		W RED LAKE UNIT #017		DEVON		990S	330W	1963	M	5		F	I	SAN ANDRES	ACTIVE	RED LAKE;Qn-Gbg-SA	0							
30-015-28444		W RED LAKE UNIT #044		DEVON		840S	1750W	1236	N	5	2250	F	I	SAN ANDRES	ACTIVE	RED LAKE;Qn-Gbg-SA	0							
30-015-28780		W RED LAKE UNIT #058		DEVON		660S	990W	1710	M	5	2200	F	O	SAN ANDRES	ACTIVE	RED LAKE;Qn-Gbg-SA	1487							
30-015-28750		W RED LAKE UNIT #059		DEVON		100S	660W	2358	M	5	2250	F	O	SAN ANDRES	ACTIVE	RED LAKE;Qn-Gbg-SA	1713							
30-015-28781		W RED LAKE UNIT #060		DEVON		50S	1930W	2005	N	5	2200	F	I	SAN ANDRES	ACTIVE	RED LAKE;Qn-Gbg-SA	0							
30-015-00789		CHALK BLUFF DRAW Fed #001		SDX		2055S	1980W	0	K	5	9110	F	S		ACTIVE	SWD;PENN	0							
30-015-29567		CHALK Fed #001		SDX		2260S	1650W	388	K	5	2300	F	O	SAN ANDRES	ACTIVE	RED LAKE;Qn-Gbg-SA	1254							
30-015-29706		CHALK Fed #002		SDX		1980N	2310W	1287	F	5	3221	F	O	SAN ANDRES	ACTIVE	RED LAKE;Qn-Gbg-SA	1437							
30-015-00787		CHALK Fed #003		SDX		1650S	2970E	522	K	5	0	F	O	RED LAKE	NO COMPL		0							
30-015-29707		CHALK Fed #004		SDX		1650N	1650W	1609	F	5	3200	F	O	SAN ANDRES	ACTIVE		0							
30-015-29650		CHALK Fed #005		SDX		990N	2310W	2259	3	5	3450	F	O	SAN ANDRES	ACTIVE	RED LAKE;GLORIETA-YESO	1383							
30-015-31631		MALIBU Fed #001		SDX		1750S	1650E	1677	J	5	3210	F	O	RED LAKE Q-G-SA	ACTIVE		0							
30-015-32282		MALIBU Fed #003		SDX		330S	1797E	2287	O	5	0	F	O	RED LAKE Q-G-SA	NO COMPL		0							
30-015-31617		MALIBU Fed #004		SDX		2310S	2310E	1022	J	5	0	F	O	RED LAKE QN-GB-SA	NO COMPL		0							
30-015-27521		CHOQUE AMX Fed #001		YATES		660S	2310E	1710	O	5		F	O	YESO	ZONE ABAN		0							
30-015-00793		EVARTS Fed #001		DEVON		2310N	330E	2484	H	6	1871	F	O		ACTIVE	RED LAKE;Qn-Gbg-SA	100							
30-015-00791		JULIA B Fed #001		DEVON		1650S	330E	2345	I	6		F	O		ACTIVE	RED LAKE;Qn-Gbg-SA	69							
															SDX Totals =		4074							