

ABOVE THIS LINE FOR DIVISION USE ONLY

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



RECEIVED

SEP 27 2004

ADMINISTRATIVE APPLICATION CHECKLIST

OIL CONSERVATION DIVISION

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

Application Acronyms:

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

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

SOZ number
Letter Sent
Check Progn
10/2/04

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

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

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

Kay Maddox
 2004
 Print or Type Name

Kay Maddox
 Signature

Regulatory Agent
 Title

September 23, 2004
 Date

 e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE : _____ Secondary Recovery _____ Pressure Maintenance X Disposal _____ Storage
Application qualifies for administrative approval? X Yes _____ No

II. OPERATOR: SDX Resources, Inc

ADDRESS : PO Box 5061 79704

CONTACT PARTY : Chuck Morgan PHONE : (432)685-1761

III. WELL DATA: Complete the data required on the reverse side of this form for each well processed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____ Yes X No
If yes, give the Division order number authorizing the project _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted.)

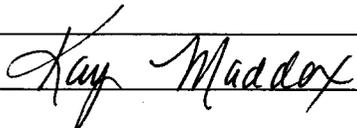
*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

XIII. Applicants must complete the 'Proof of Notice' section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Kay Maddox TITLE: Regulatory Agent

SIGNATURE:  DATE: Sept. 23, 2004

E-MAIL ADDRESS: _____

* If the information required under Sections VI, VII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstance of the earlier submittal: _____

Application for Authorization to Inject
SDX Resources, Inc
Santa Nina #1
Section 7, T-19-S, R-30-E, A
Eddy County, NM

- III. Well Data: See attached data
- IV. This is not an expansion of an existing project
- V. Area of Review: See attached data
- VI. Tabulation of data on wells within ½ Mile radius: See attached data
- VII. Data on the proposed operation
 - 1. The proposed average rate of injection is 200 BWPD, the maximum rate of injection is 500 BWPD
 - 2. The system is closed
 - 3. The proposed average injection pressure is 400 psig, the maximum pressure 400 psig
 - 4. Analysis of Injection fluid is from Delaware formation in Santa Nina #2 – see attached data
 - 5. Not applicable
- VIII. Geologic data on the proposed injection zone. Injecting into the Queen formation through 60 perforations from 2212-2232. Zone has been frac'd w/10,000 gal & 1500# sand. The underground source of potable water is approximately 115'.
- IX. Well may be acidized or frac'd if necessary.
- X. No logs available. Well will be logged and logs submitted during conversion.
- XI. There are no fresh water wells within one mile of proposed injection well.
- XII. After examining available geologic and engineering data it has been determined that there is no evidence of open faults or any other hydrologic connection between the disposal well and any underground source of drinking Water.
- XIII. See attached Proof of Notice

INJECTION WELL DATA SHEET

OPERATOR: SDX Resources, Inc

WELL NAME & NUMBER: Santa Nina #1

WELL LOCATION: 330 FNL & 330 FWL D 7 T-19-S R-30-E

FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 10"(assumed) Casing Size: 8 5/8"

Cemented with: 50 sx. 0' ft³

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: _____ Casing Size: _____

Cemented with: _____ sx. 0' _____ ft³

Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: 8" Casing Size: 7"

Cemented with: 22 sx. 0' _____ ft³

Top of Cement: 3560 Method Determined: Calc

Total Depth: 3856

Injection Interval

2212 feet to 2232

(Perforated or Open Hole; indicated which)

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: IPC

Type of Packer: AD-I

Packer Setting Depth: 2112'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is This a new well drilled for injection? Yes X No

If no, for what purpose was the well originally drilled? Production

2. Name of the Injected Formation: Queen

3. Name of Field or Pool (if applicable): East Turkey Track Queen

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. Produced OH 3856 -4022'

CIBP set @ 2335'

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injected zone in this area: _____

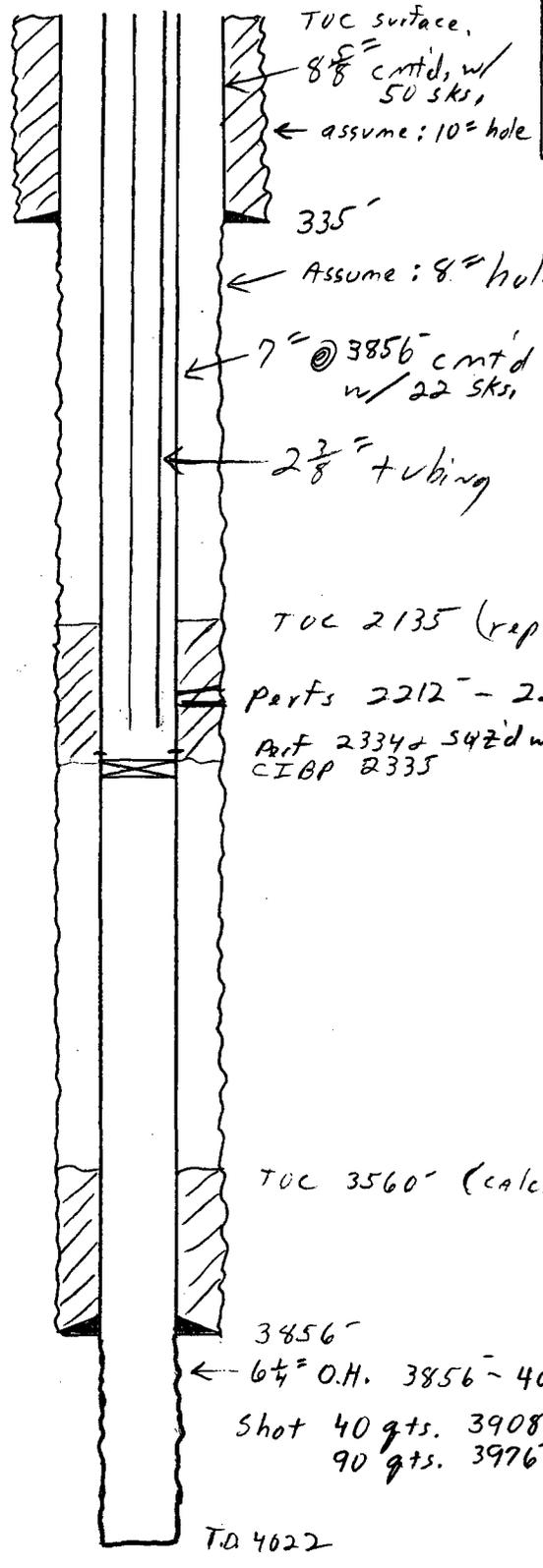
Next shallow zone: 7-Rivers

Next deep zone: Grayburg

WELL NAME: Santa Nina #1 FIELD AREA: Turkey Track Queen E.
 LOCATION: "D" 330' FWL 330' FWL sec. 7 T19S R30E
 GL: 3385' ZERO: 1' AGL: 3386'
 KB: NA ORIG. DRLG./COMPL. DATE: 3/19/55
 COMMENTS: _____

CASING PROGRAM:

SIZE/WT./GR./CONN.	DEPTH SET



TUC surface,
 8 5/8" cmt'd, w/
 50 sks,
 ← assume: 10" hole
 335'
 ← Assume: 8" hole
 7" @ 3856' cmt'd
 w/ 22 sks,
 2 3/8" tubing

"Existing Condition"

TOC 2135 (report'd & calcd).
 parts 2212 - 2232' frac'd 10,000 gals. 2 1500#.
 Art 2334 & 542' d w/ 15 sks. 1955
 CIBP 2335

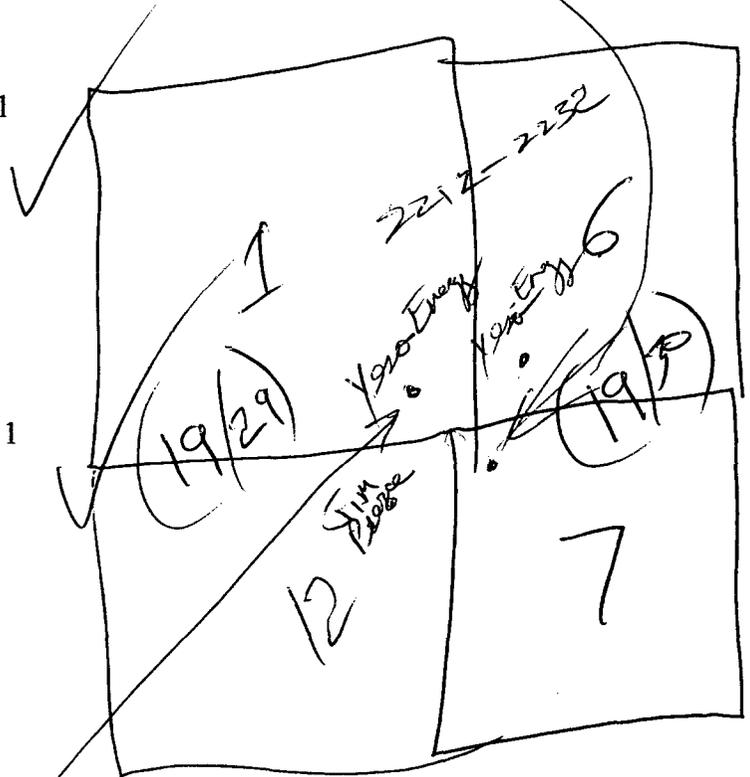
TOC 3560' (calc.)
 3856'
 ← 6 1/4" O.H. 3856' - 4022'
 Shot 40 gts. 3908' - 3918'
 90 gts. 3976' - 4022'

T.O 4022

Application for Authorization to Inject
SDX Resources, Inc
Santa Nina #1
Section 7, T-19-S, R-30-E, A
Eddy County, NM

1/2 Mile Well Radius Area of Review

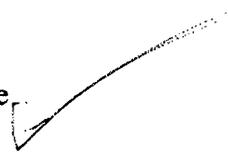
2. Jim Pierce
Leonard-State #4
1650 FSL & 330 FEL Section 1
TD: 2447 DD: 7/26/62
7 5/8" @ 363' w/150 sxs
4 1/2" @ 2447 w/100 sxs
API # 30-015-03539
Status: Plugged ✓
3. Chemical Express
Leonard-State #1
330 FSL & 1650 FEL Section 1
TD: 2263' DD: 6/7/62
8 5/8" @ 360' w/50 sxs
4 1/2" @ 2250 w/310 sxs
API # 30-015-03538
Status: Plugged ✓
4. Yeso Energy
State #3
330 FSL & 330 FEL Section 1
TD: 2227' DD: 2227'
8 5/8" @ 362 w/50 sxs ✓
7" @ 2150' w/mud +50 SX
API # 30-015-03540
Status: Active
5. Jim Pierce
Leonard-State "A" #1
330 FNL & 1650' FEL Section 12
TD: 2287' DD: 7/27/62
7 5/8 @ 386' w/150 sxs
4 1/2" @ 2287' w/100 sxs
API # 30-015-03603
Status: Plugged ✓



6. Jim Pierce
State #2
330' FNL & 330' FEL Section 12
TD: 2443' DD: 3/30/51
8 5/8" @ 345 w/50 sxs
7" @ 2182 w/50 sxs
API # 30-015-03582
Status: Active

*Open Hole
2182-2443*

7. SDX Resources, Inc
Santa Nina #2 A Federal
670 FNL & 834 FWL Section 7
TD: 4829' DD: 8/14/04
13 3/8 @ 270' w/400 sxs TOC surface
8 5/8" @ 1772' w/800 sxs TOC surface
API # 30-015-32547
Status: Active



8. Yeso Energy
Keohane Federal # 1
330 FSL & 330 FWL Section 6
TD: 2250 DD: 4/16/50
8 5/8" @ 362 w/75 sxs
7" @ 2175 w/50 sxs
API # 30-015-04591
Status: Active

*2175-2250
Open Hole*

9. Yates Brothers
Perkins #1
330 FSL & 2310 FEL Section 6
TD: 4351 DD: 1/28/62
5/8" @ 408 w/55 sxs
7" @ 3976 w/100 sxs
API # 30-015-04593
Status: Plugged 1/28/1962

*2061-3976
Open
(w/THICK MUD)*



10. Leonard Oil Co
Keohane Federal # 2
1650 FSL & 1540 FWL Section 6
TD: 2531 DD: 12/18/58
8 5/8" @ 384' w/50 sxs
7" @ 2061' set
API # 30-015-04592
Status: Plugged 12/17/1958

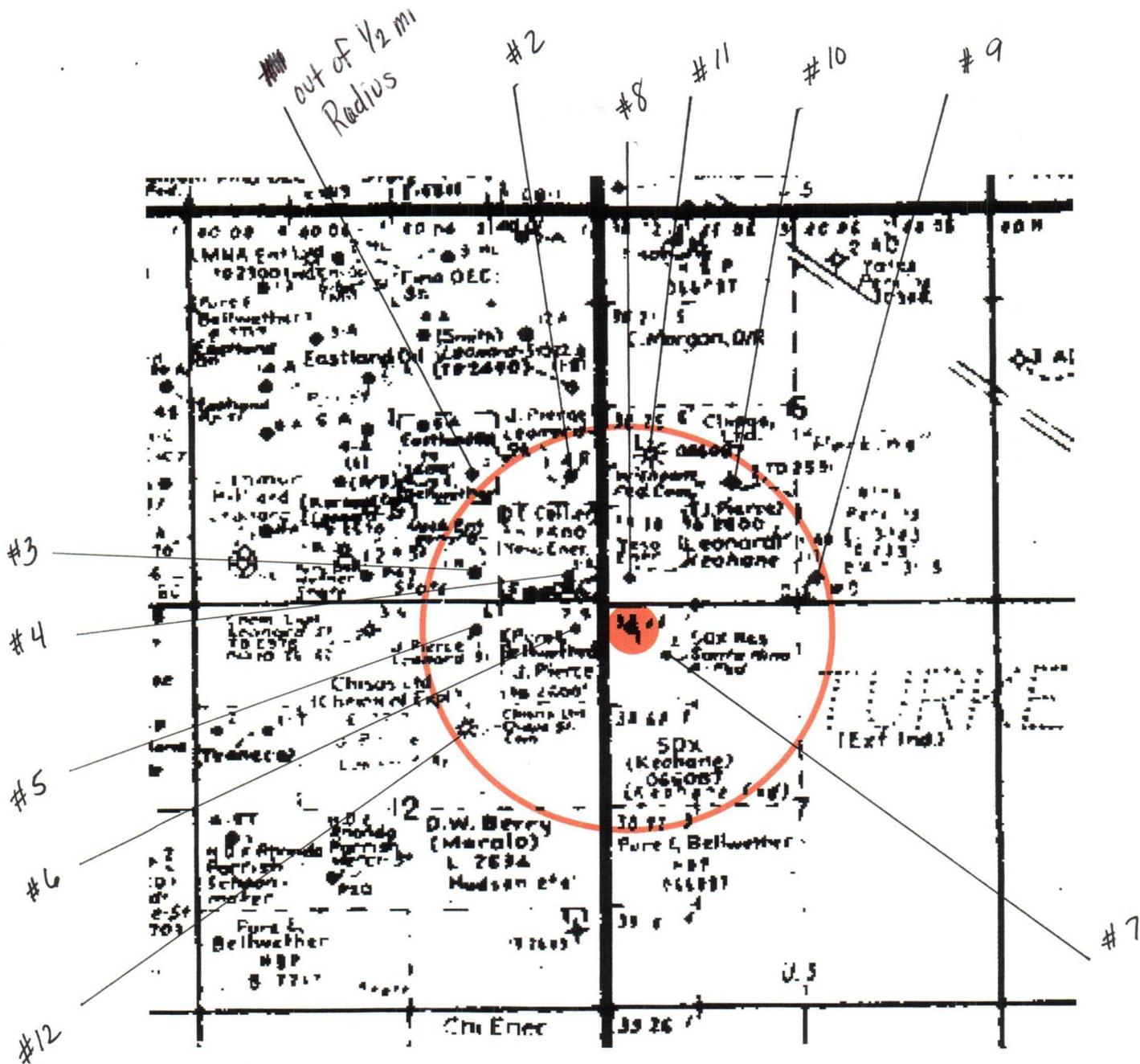


11. Chisos LTD
Wishbone Federal Com #1
2000 FSL & 680' FWL Section 6
TD: 11,750 DD: 9/28/2000
13 3/8" @ 350' w/400 sxs
8 5/8" @ 3005' w/1200 sxs
5 1/2" @ 11,750 w/625 sxs
API # 30-015-30640
Status: Active

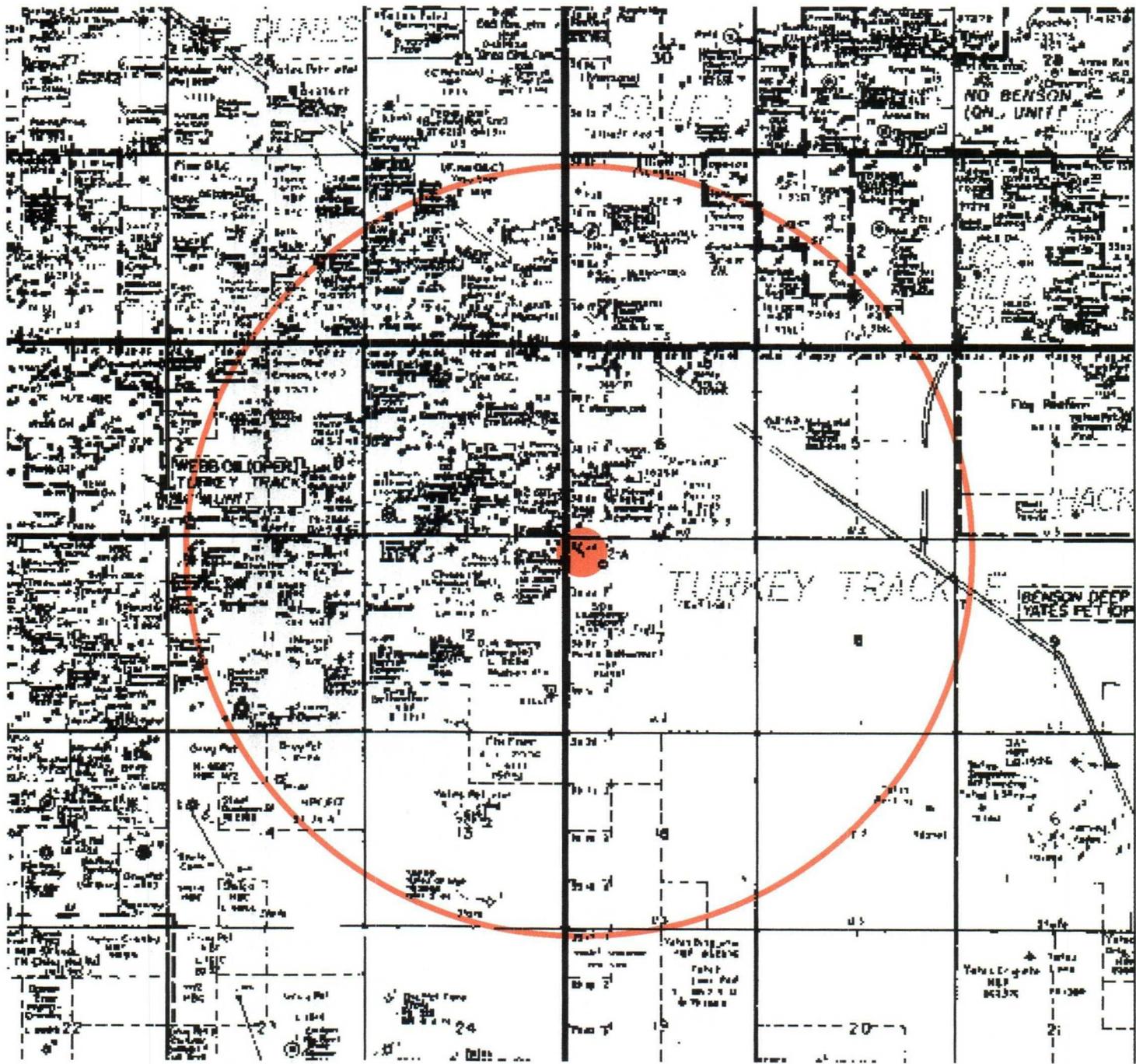
12. Chisos LTD
Chaps State Com #1
1650 FNL & 1800 FEL Section 12
TD: 11.768 DD: 9/10/2000
11 3/4" @ 336' w/470 sxs
8 5/8" @ 3000' w/1294 sxs
5 1/2" @ 11,768' w/887 sxs
API # 30-015-31011
Status: Active

Well Applied For to Convert to injection:

SDX Resources (Keohane Inc)
Santa Nina #1 (Keohane-Federal #1)
330 FNL & 330 FWL Section 7
TD: 4022 DD: 2/9/51
8 5/8 " @ 335 w/50 sxs TOC surface circ
7" @ 3856' w/22 sxs TOC 3560' Calc
API # 30-015-04594
Status: Convert to injection



SDX Resources
 #1 Santa Nina
 Section 7, T-19-S, R-30-E
 Eddy County, New Mexico
 1/2 Mile Radius
 Well Area of Review
 Scale 1" = 2,000'



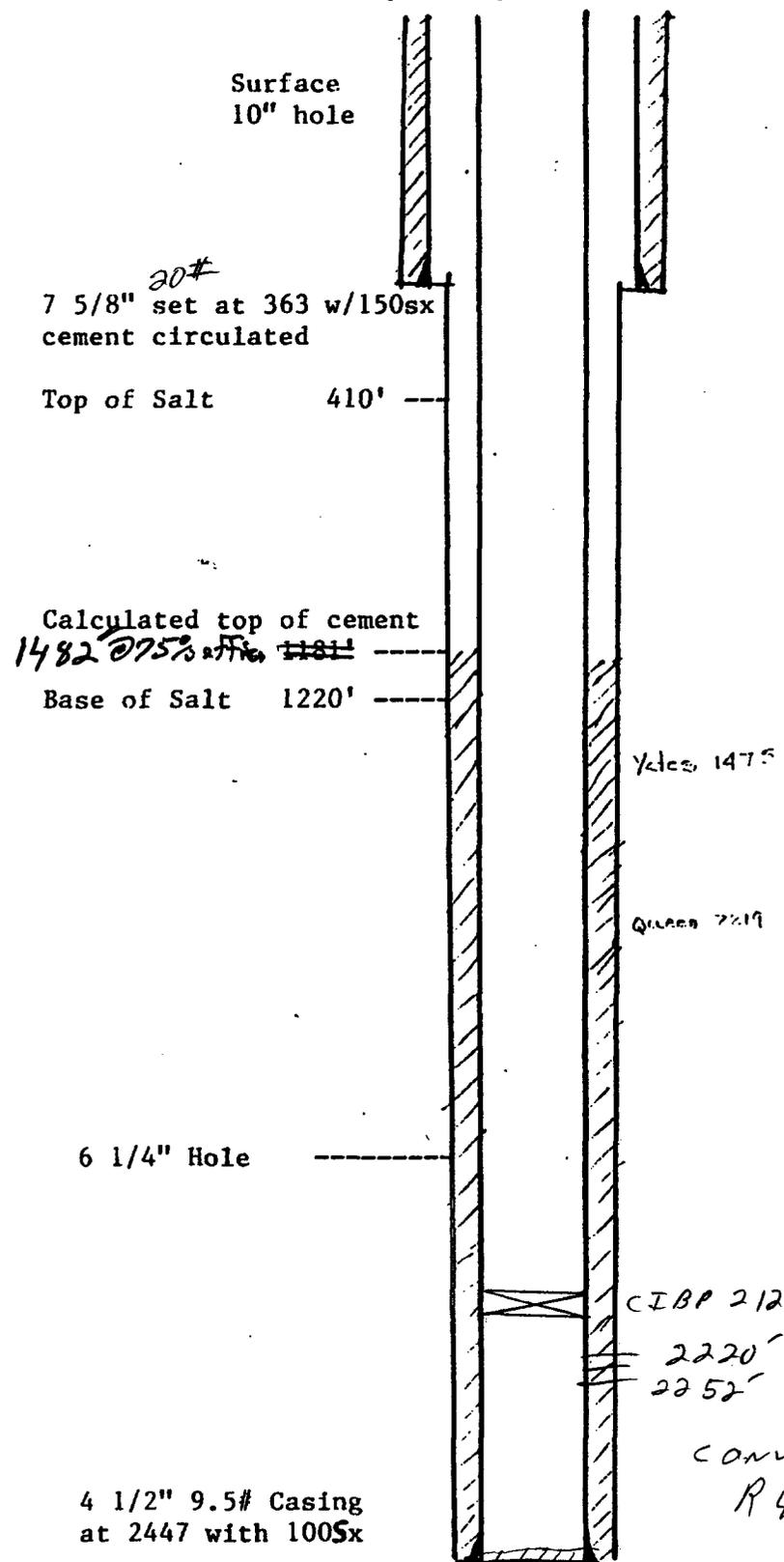
SDX Resources
#1 Santa Nina
Section 7, T-19-S, R-30-E
Eddy County, New Mexico
2 Mile Radius Area of Review
Scale 1" = 4,000'

**Schematics and Data on Plugged wells within ½ Mile Well
Radius of Review**

LEONARD STATE NO. 4
330FEL & 1650 FSL
Sec. 1-19S-29E
Eddy County, New Mexico

30-015-03539

#2



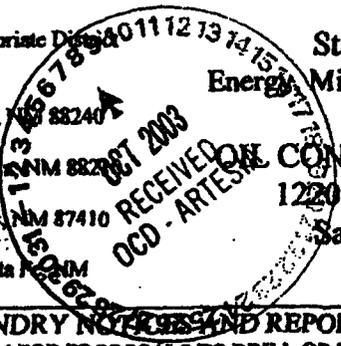
"all available PoA records Attached"

CIBP 2120'
2220' Frac'd 21,000 gals
2252' converted to inj. 1971
31,000*
R 4062

T.D. 2447'

9/23/04

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88220
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505



State of New Mexico
 Energy, Minerals and Natural Resources
 CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-10
 Revised March 25, 1991

WELL API NO.
 30-015-03539

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 B-7717

7. Lease Name or Unit Agreement Name:
 Leonard State

8. Well No.
 4

9. Pool name or Wildcat
 East Turkey Track

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.)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
 Jim Pierce

3. Address of Operator
 200 W. First St. #859
 ROSWELL, NM 88203

4. Well Location
 Unit Letter I : 1650 feet from the outh line and 330 feet from the east line
 Section 1 Township 19S Range 29E NMPM Eddy County NM

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3407.6 GL

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Dry Hole Marker Installed.
 Anchors cut and removed.
 Pit closed in adn location cleaned
 Ready for final inspection

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

SIGNATURE [Signature] TITLE _____ DATE 10/4/03
 Type or print name Jim Pierce Telephone No. 622-7246

APPROVED BY [Signature] TITLE Field Rep DATE _____
 Conditions of approval if any: _____

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Pecos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised March 25, 1999

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-03539
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-7717
7. Lease Name or Unit Agreement Name: Leonard State
8. Well No. 4
9. Pool name or Wildcat East Turkey Track
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3402 DF

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.)

1. Type of Well:
Oil Well Gas Well Other

2. Name of Operator
Jim Pierce

3. Address of Operator
200 W. 1st Street Suite #859 Roswell, NM 88203

4. Well Location
Unit Letter B : 330 feet from the North line and 1650 feet from the East line
Section 12 Township 19S Range 29E NMPM Eddy County NM

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input checked="" type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Top test 2220

- Set cast iron bridge plug 100 feet above perfs *Set Plug between 2120-2150*
- Perform MIT *As per Rule 203 Give OCD Notice prior to test*
- T & A if MIT establishes Int. Failure Integrity, plug upon commission approval.
- Set well sign

Notify OCD **24 hours** prior to test. 748-1283

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

SIGNATURE [Signature] TITLE Owner/Sole Proprietor DATE 04/24/03

Type or print name [Signature] Telephone No. _____

(This space for State use)

APPROVED BY _____ TITLE _____ DATE APR 28 2003

Conditions of approval, if any: _____

NO. OF COPIES RECEIVED		
DISTRIBUTION		
SANTA FE	1	
FILE	1	1
U.S.G.S.		
LAND OFFICE		
OPERATOR	1	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-101
Effective 1-1-65.

5a. Indicate Type of Lease
State Fee
5. State Oil & Gas Lease No.
B 7717

SUNDRY NOTICES AND REPORTS ON WELLS RECEIVED BY

MAR 20 1987
O. C. D.
NOTES OFFICE

1. OIL WELL GAS WELL OTHER - Injection Well
2. Name of Operator
Herman J. Ledbetter
3. Address of Operator
P. O. Box 5879, Abilene, TX 79608
4. Location of Well
UNIT LETTER 0 330 FEET FROM THE South LINE AND 1650 FEET FROM THE East
LINE, SECTION 1 TOWNSHIP 19S RANGE 29E NMPM.

7. Unit Agreement Date
8. Farm or Lease Name
Leonard State
9. Well No.
1
10. Field and Pool, or Wildcat
Turkey Track East O

15. Elevation (Show whether DF, RT, GR, etc.)
3400

12. County
Eddy

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	

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

1. Move on Pulling Unit and clean out to top of Bridge plug @ approx. 2050'
2. Spot 25 sx plug at top of plug.
3. Spot 25sx plug at 1300'. 4 1/2 casing was cemented with 310 sx top of cement should be above the base of the salt at 1200'. * Lead hole w/mud
* Spot 25 sx @ 1300'
4. Cut 4 1/2 below 325' and pull.
5. Spot 25 sx plug at 360' in base of 7 5/8" surface casing. + Tag
6. Erect marker with 10. sx at Surface.

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

Agent Herman J. Ledbetter TITLE Agent DATE 3-18-87

Mike Williams OIL AND GAS INSPECTOR DATE MAR 27 1987

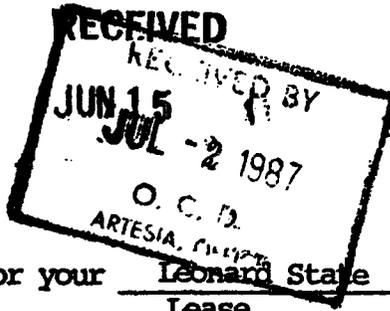
NEW MEXICO OIL CONSERVATION DIVISION
P.O. DRAWER DD
ARTESIA, NEW MEXICO 88210

DATE June 11, 1987

Herman J. Ledbetter

P.O. Box 5879

Abilene, TX 79608



Re: Plugging Reports

Gentlemen:

Form C-103 Report of Plugging for your Leonard State #1 O 1-19-29
Lease Well No. Ut. S-T-R

cannot be approved until an N.M.O.C.D. representative has made an inspection of the location and found it to be cleared to comply with Division Rules and Regulations. Please check each item in the space provided to indicate that the work has been done.

- () 1. All pits have been filled and leveled.
- () 2. Rat hole and cellar have been filled and leveled.
- (✓) 3. A steel marker 4" in diameter and approximately 4' above mean ground level has been set in concrete. It must show the quarter-quarter section or unit designation, section, township and range numbers which have been permanently stenciled or welded on the marker.
- (✓) 4. The location has been leveled as nearly as possible to original top ground contour and has been cleared of all junk and equipment.
- () 5. The dead men and tie downs have been cut and removed.
- () 6. If a one well lease or last remaining well on lease, the battery and burn pit locations have been leveled and cleared of all junk & equipment.

The above are minimum requirements and no plugging bond will be cancelled until all locations for plugged and abandoned wells have been inspected and Form C-103 approved

When all of the work outlined above has been done, please notify this office by filli in the blank form below and returning this letter to us so that our representative will not have to make more than one trip to the location.

OIL CONSERVATION DIVISION

Mike Williams

Oil & Gas Inspector

FILL IN BELOW AND RETURN

I certify that the above work has been done and the above mentioned lease is ready for your inspection and approval.

OK - Darrell Moore 7-6-87

Herman J. Ledbetter
NAME

Operator
TITLE

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1600 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-015-03603
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-7717
7. Lease Name or Unit Agreement Name: LEONARD "A" STATE
8. Well No. 1
9. Pool name or Wildcat EAST Turkey Track

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.)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
JIM PIRREE

3. Address of Operator
200 W 1st St. Suite B59, Roswell, N.M. 88203

4. Well Location
 Unit Letter **B** : **330** feet from the **North** line and **1650** feet from the **EAST** line
 Section **12** Township **19 S** Range **R 29 E** NMPM Eddy County N.M.

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER: <input type="checkbox"/>
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

C189 AT 2121
2121-2020' - 10 SX plug thru Tubing - 700H
 Perf ~~436-437~~ ⁴³⁰⁻⁴³¹ 4 shots
 Perf **436-437** 4 shots
 Set Cement Retamer ^{1170'} ~~430'~~ - Squeeze 100 SX - sting out 700H
 Set Cement Retamer 300' Squeeze ~~100~~ SX thru 436 perfs, sting out
 Set Cement Plug 21 SXS 300' to surface - WOC 24 HRS - ~~715~~ ⁷¹⁵
 Place 60' of cmt outside of 4 1/2" CSS O-60'

Salt gel mud consisting of 10% Brine W/25# of gel per bbl must be placed between each plug

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

SIGNATURE *Jim Collier* TITLE Agent DATE 6/23/03
 Type or print name Jim Collier Telephone No. _____
 (This space for State use)
 APPROVED BY *[Signature]* TITLE Field Rep II DATE 6-24-03
 Conditions of approval, if any:

Operator Jim PERCE
 Well LEONARD STATE "A" #1
 Unit B Section 12 Township 19-S Range 29-E
 API # 30-015-03603

TOPS

T. Salt	400
B. Salt	1220
Yates	1450
Glorieta	
Delaware	
Bone Sp.	
Abo	
Wolfcamp	
Morrow	
Devonian	
Fusselman	
Other	

Mike Grabe
 622
 8800
 Tin

SURFACE CEMENT
 150 SACKS - CIRC. to SURF.



4 1/2" LONG STRING: 9.50'
 CEMENT - 100 SK

Top SALT 400'

BASE SALT 1220
~~XXXXXXXX~~ 1265 CALCULATED
 Cement TOP
 (1330 TOC 1/8)

TOP OF YATES 1450

~~SET~~ CIPB 21 21

TOP Perf 2210

- Contact OCD 24 hrs. prior to any work for
- Salt gel mud consisting of 10# brine with 2 of gel per barrel must be placed between ea plug
- Install dry hole marker as per rule 202.B.2
- Plugs are to be set from point indicated up. Plugs must not be less than 100' or 25 Sack of cement, whichever is greater, unless specifically indicated.
- Shoe and stub plugs will be 50' above and below shoe or stub and tagged.
- Surface plug will be from 0' - 60'
- Where plugs are required cement must be placed inside and outside of all casing string(s), in the correct footage or sacks required, if no cement exists.
- Plugs to be tagged will be indicated.

2287

* BY LOG
 8' REPORTED ON C-105

141 cu/ft Slurry x 7.2933 -> 1021.3 ft of Grout

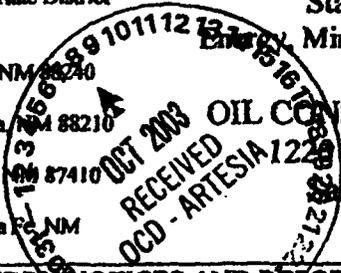
SW EL TORO CEMENT MUD 14.8 @ 132 YARDS 505X AT 1.32 -> 66 cu/ft
 14.5 @ 1.80 50 cu/ft
 13.5 @ . . .

Submit 3 Copies To Appropriate District Office

State of New Mexico Minerals and Natural Resources

Form C-10 Revised March 25, 19

District I 1625 N. French Dr., Hobbs, NM 88240
District II 1301 W. Grand Ave., Artesia, NM 88210
District III 1000 Rio Brazos Rd., Artesia, NM 87410
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505



WELL API NO. 30-015-03603

5. Indicate Type of Lease STATE [X] FEE []

6. State Oil & Gas Lease No. B-7717

7. Lease Name or Unit Agreement Name Leonard "A" State

8. Well No. 1

9. Pool name or Wildcat East Turkey Track

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.)

1. Type of Well: Oil Well [X] Gas Well [] Other []

2. Name of Operator Jim Pierce

3. Address of Operator 200 W. First Street #859, Roswell, NM 88203

4. Well Location Unit Letter B : 330 feet from the North line and 1650 feet from the East line Section 12 Township 19S Range 29E NMPM Eddy County NM

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

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 [] MULTIPLE COMPLETION []
OTHER: []

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] PLUG AND ABANDONMENT [X]
CASING TEST AND CEMENT JOB []
OTHER: []

12. Describe proposed or completed operations: (Clearly state all pertinent details, and give pertinent dates, including estimated date starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- 9/30/03. Rigged up Basic Well Service, cut off well head, latched on 4 1/2" casing, backed off casing @ 2502x 252, laid down same, rigged down pulling unit.
10/1/03. Ready mix from surface with 2 yards rat hole mix, 5 sacks per yard mix, Inspected by Mike Bratcher, NMOCD.
10/2/03. Set dry hole marker. Cut and removed anchors, closed pit, cleaned up location. Ready for final inspection.

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

SIGNATURE [Signature] TITLE [] DATE 10/4/03
Type or print name Jim Pierce Telephone No. 505-622-

APPROVED BY [Signature] TITLE Field Sup [] DATE []

#9-

APPROVED
MAR 29 1962
A. R. BRUNN
ACTING DISTRICT ENGINEER

(SUBMIT IN TRIPLICATE) *copy*

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Land Office **New Mexico Las Cruces**
Lease No. **MM 01144**
Unit **0**

RECEIVED

APR 2 1962

SUNDRY NOTICES AND REPORTS ON WELLS

ARTESIA OFFICE

NOTICE OF INTENTION TO DRILL.....	SUBSEQUENT REPORT OF WATER SHUT-OFF.....	
NOTICE OF INTENTION TO CHANGE PLANS.....	SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING.....	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF.....	SUBSEQUENT REPORT OF ALTERING CASING.....	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL.....	SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR.....	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE.....	SUBSEQUENT REPORT OF ABANDONMENT.....	X
NOTICE OF INTENTION TO PULL OR ALTER CASING.....	SUPPLEMENTARY WELL HISTORY.....	
NOTICE OF INTENTION TO ABANDON WELL.....		

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

January 28, 19 62

Perkins "A-D"

Well No. **1** is located **330** ft. from **{N}** line and **2310** ft. from **{E}** line of sec. **6**

SW 8E 6 (4 Sec. and Sec. No.) **19S** (Twp.) **30E** (Range) **N.M.P.M.** (Meridian)

Wildcat (Field) **Eddy** (County or Subdivision) **New Mexico** (State or Territory)

The elevation of the derrick floor above sea level is **3383** ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

Re-entry

OTD 4351, PBD 2067, BP at 1982.

Ran tbg to 1980 and ran cement plug 1982-1862. Pulled tbg. cut and freed csg. @ 1575'. Using casing, sec cement plugs 1335'-1235', and 4438-343'. Surface marker at surface in 5 ex. cement. Thick aquajel mud between all plugs. P&A 6:00 PM 1-28-62

RECEIVED

JAN 30 1962

U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company **Yates Petroleum Corporation**

Address **309 Carper Building**

Artesia, New Mexico

By *A. R. Brun*

Title **Co. Geologist**

#10

Form 9-381a
(Feb. 1941)

ARTESIA OFFICE COPY

Budget Bureau No. 42-RAS-4
Approval expires 12-31-56

APPROVED
MAY 27 1959
ROBERT F. EVANS
ACTING DISTRICT ENGINEER

(SUBMIT IN TRIPLICATE)

Land Office **Las Cruces**
Lease No. **066087**
Unit **K**

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL	SUBSEQUENT REPORT OF WATER SHUT-OFF	
NOTICE OF INTENTION TO CHANGE PLANS	SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF	SUBSEQUENT REPORT OF ALTERING CASING	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL	SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE	SUBSEQUENT REPORT OF ABANDONMENT	X
NOTICE OF INTENTION TO PULL OR ALTER CASING	SUPPLEMENTARY WELL HISTORY	
NOTICE OF INTENTION TO ABANDON WELL		

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

Roswell, New Mexico December 15, 1958

Location
Well No. **2** is located **1650** ft. from **N** line and **1650** ft. from **W** line of sec. **6**

18/42/1 Sec. **6** **198** **30E** **N.M.P.M.**
(Of Sec. and Sec. No.) (Twp.) (Range) (Meridian)
East Pecos Tract - Queen **Eddy** **New Mexico**
(Field) (County or Subdivision) (State or Territory)

The elevation of the derrick floor above sea level is **3407** ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudlogging jobs, cementing points, and all other important proposed work)

12-15-58 Verbal permission and method of plugging well secured by Mr. Fowler Hix from your office.

12-17-58 Plugged with 20 sx from 2250' - 2350', 30 sx from 1350' - 1250'; 10 sx from 300' - 270'. Regulation marker placed in top of hole with 5 sx cement.

RECEIVED
DEC 18 1958

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced

Company **LEONARD OIL COMPANY**

Address **P.O. Box 708 - Roswell, N.M.**

By *[Signature]*

Title **Timothy T. Leonard, Sec'y-Treas.**



TRETOLITE DIVISION



Petrolite Corporation
 222 West Main Street
 Artesia, NM 88210-2041

(505) 746-3588
 Fax (505) 746-3580

Reply to:
 P.O. Box 1140
 Artesia, NM
 88211-1140

WATER ANALYSIS REPORT

Company : SDX RESOURCES
 Address : ARTESIA, NM
 Lease : SANTA NINA
 Well :
 Sample Pt. :

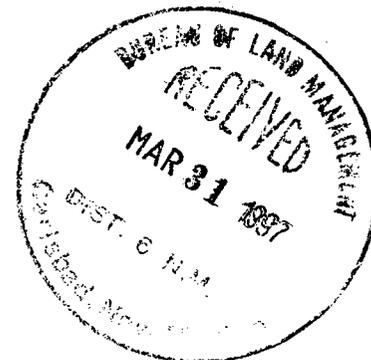
Date : 03/27/97
 Date Sampled : 03/26/97
 Analysis No. : 001

ANALYSIS	mg/L	* meq/L
1. pH	5.6	
2. H2S		
3. Specific Gravity	1.030	
4. Total Dissolved Solids	43776.0	
5. Suspended Solids	NR	
6. Dissolved Oxygen	NR	
7. Dissolved CO2	NR	
8. Oil In Water	NR	
9. Phenolphthalein Alkalinity (CaCO3)		
10. Methyl Orange Alkalinity (CaCO3)		
11. Bicarbonate	HCO3 183.0	HCO3 3.0
12. Chloride	Cl 25986.0	Cl 733.0
13. Sulfate	SO4 125.0	SO4 2.6
14. Calcium	Ca 2380.0	Ca 118.8
15. Magnesium	Mg 1288.9	Mg 106.0
16. Sodium (calculated)	Na 11813.1	Na 513.8
17. Iron	Fe 2000.0	
18. Barium	Ba NR	
19. Strontium	Sr NR	
20. Total Hardness (CaCO3)	11250.0	

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter	Compound	Equiv wt X meq/L	= mg/L
119 *Ca <----- *HCO3 3	Ca(HCO3)2	81.0 3.0	243
----- /-----> -----	CaSO4	68.1 2.6	177
106 *Mg -----> *SO4 3	CaCl2	55.5 113.2	6279
----- <-----/ -----	Mg(HCO3)2	73.2	
514 *Na -----> *Cl 733	MgSO4	60.2	
+-----+	MgCl2	47.6 106.0	5048
Saturation Values Dist. Water 20 C	NaHCO3	84.0	
CaCO3 13 mg/L	Na2SO4	71.0	
CaSO4 + 2H2O 2090 mg/L	NaCl	58.4 513.8	30029
BaSO4 2.4 mg/L			

REMARKS:



SCALE TENDENCY REPORT

Company	: SDX RESOURCES	Date	: 03/27/97
Address	: ARTESIA, NM	Date Sampled	: 03/26/97
Lease	: SANTA NINA	Analysis No.	: 001
Well	:	Analyst	: STEVE TIGERT
Sample Pt.	:		

STABILITY INDEX CALCULATIONS
 (Stiff-Davis Method)
 CaCO3 Scaling Tendency

S.I. = -1.1 at 60 deg. F or 16 deg. C
 S.I. = -1.0 at 80 deg. F or 27 deg. C
 S.I. = -1.0 at 100 deg. F or 38 deg. C
 S.I. = -0.9 at 120 deg. F or 49 deg. C
 S.I. = -0.8 at 140 deg. F or 60 deg. C

CALCIUM SULFATE SCALING TENDENCY CALCULATIONS
 (Skillman-McDonald-Stiff Method)
 Calcium Sulfate

S = 2929 at 60 deg. F or 16 deg C
 S = 3145 at 80 deg. F or 27 deg C
 S = 3267 at 100 deg. F or 38 deg C
 S = 3304 at 120 deg. F or 49 deg C
 S = 3320 at 140 deg. F or 60 deg C

Petrolite Oilfield Chemicals Group

Respectfully submitted,
STEVE TIGERT





MILLER CHEMICALS, INC.

Post Office Box 298
 Artesia, N.M. 88211-0298
 (505) 746-1919 Artesia Office
 (505) 392-2893 Hobbs Office
 (505) 746-1918 Fax

WATER ANALYSIS REPORT

Company	: SDX RESOURCES	Date	: 8/28/04
Address	: ARTESIA, NM	Date Sampled	: 8/26/04
Lease	: SANTA NINA "A" FED.	Analysis No.	: 00769
Well	: #2		
Sample Pt.	: WELLHEAD		

ANALYSIS		mg/L		* meq/L
-----		----		-----
1. pH	5.6			
2. H2S	0			
3. Specific Gravity	1.070			
4. Total Dissolved Solids		137449.8		
5. Suspended Solids		NR		
6. Dissolved Oxygen		NR		
7. Dissolved CO2		NR		
8. Oil In Water		NR		
9. Phenolphthalein Alkalinity (CaCO3)				
10. Methyl Orange Alkalinity (CaCO3)				
11. Bicarbonate	HCO3	244.0	HCO3	4.0
12. Chloride	Cl	83496.0	Cl	2355.3
13. Sulfate	SO4	1750.0	SO4	36.4
14. Calcium	Ca	9760.0	Ca	487.0
15. Magnesium	Mg	1901.0	Mg	156.4
16. Sodium (calculated)	Na	40286.3	Na	1752.3
17. Iron	Fe	12.5		
18. Barium	Ba	NR		
19. Strontium	Sr	NR		
20. Total Hardness (CaCO3)		32200.0		

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter		Compound	Equiv wt X meq/L	= mg/L
+-----+	+-----+	-----	-----	-----
487 *Ca <----- *HCO3	4	Ca (HCO3) 2	81.0	4.0 324
----- /----->	-----	CaSO4	68.1	36.4 2480
156 *Mg -----> *SO4	36	CaCl2	55.5	446.6 24781
----- <-----/	-----	Mg (HCO3) 2	73.2	
1752 *Na -----> *Cl	2355	MgSO4	60.2	
+-----+	+-----+	MgCl2	47.6	156.4 7445
Saturation Values Dist. Water 20 C		NaHCO3	84.0	
CaCO3	13 mg/L	Na2SO4	71.0	
CaSO4 * 2H2O	2090 mg/L	NaCl	58.4	1752.3 102407
BaSO4	2.4 mg/L			

REMARKS:

Affidavit of Publication

NO. 18586

Copy of Publication:

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott being duly

sworn, says: That he is the Publisher of The Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 consecutive weeks/days on the same day as follows:

First Publication August 26 2004

Second Publication _____

Third Publication _____

Fourth Publication _____

Subscribed and sworn to before me this

31st Day August 2004

Balhaus
Notary Public, Eddy County, New Mexico

My Commission expires September 23, 2007

LEGAL NOTICE

NOTICE OF APPLICATION FOR INJECTION WELL PERMIT

SDX Resources, Inc., c/o P.O. Box 953, Midland, TX 79702 will file the New Mexico Oil

Conservation Division Form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for water injection into their Santa Nina for Well #1 located in Section 7, T19S, R30E, 330 FNL and 330 FWL (A), Eddy County, New Mexico.

The injection water will be sourced from the Delaware Formation at approximately 3860'. The proposed injection interval is from 2212-2232. The proposed maximum surface pressure is 400 psi., with a maximum injection rate of 400 bbls water per day.

All interested parties opposing the application must file objection with the New Mexico Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505 within 15 days of this notice. Additional information can be obtained by contacting Ann Ritchie, Regulatory Agent, SDX Resources, Inc., c/o P.O. Box 953, Midland, TX 79702, (432) 684-6381. Published in the Artesia Daily Press, Artesia, N.M. August 26, 2004.

Legal 18586

Application for Authorization to Inject
SDX Resources, Inc
Santa Nina #1
Section 7, T-19-S, R-30-E, A
Eddy County, NM

Notification to Offset Operators:

Yeso Energy
PO Box 2248
Roswell, NM 89250

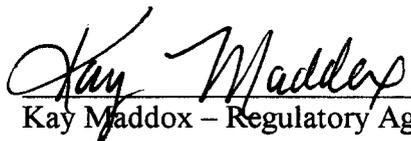
Jim Pierce
200 W First Street # 859
Roswell, NM 88203

Chisos Limited
670 Dona Ana Rd SW
Deming, NM 88030

Surface Owner:

Bureau Of Land Management
New Mexico State Office
PO Box 27115
Santa Fe, NM 87502

A copy of the Application for Authorization to Inject has been sent by certified mail to the above listed parties on this the 23 day of September, 2004. Please see attached evidence of proof.


Kay Maddox – Regulatory Agent

7001 1940 0005 5669 2425

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To **Yeso Energy**
 Street, Apt. No., or PO Box No. **PO Box 2548**
 City, State, ZIP+4 **Roswell, Nm 89250**

PS Form 3800, January 2001 See Reverse for Instructions

7003 1680 0000 6280 7248

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com
OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To **Bureau of Land Management**
 Street, Apt. No., or PO Box No. **PO BOX 27115**
 City, State, ZIP+4 **SANTA FE, Nm 87502**

PS Form 3800, June 2002 See Reverse for Instructions

7001 1940 0005 5669 2432

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To **Jim Pierce**
 Street, Apt. No., or PO Box No. **200 W First St #859**
 City, State, ZIP+4 **Roswell, Nm 88203**

PS Form 3800, January 2001 See Reverse for Instructions

7001 1940 0005 5669 2423

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To **Chisos Limited**
 Street, Apt. No., or PO Box No. **670 Dona Ana Rd S.W.**
 City, State, ZIP+4 **Deming, Nm 88030**

PS Form 3800, January 2001 See Reverse for Instructions



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

October 22, 2004

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

**Re: Application for SWD
Santa Nina #1
Eddy County, New Mexico**

Dear Mr. Morgan:

It appears that there are offsetting producers within this proposed Queen injection interval.

Please send a short explanation of why this injection will not harm that production, or will actually help this production. If possible use engineering or analogy or some other reasoning.

In addition, state in your reply whether Jim Pierce or Yeso Energy has corresponded with you about this proposed injection well and what their thoughts are on the effect on their production.

Sincerely,

William V. Jones Jr. PE
wvjones@state.nm.us
505-476-3448

cc: Oil Conservation Division - Artesia

SDX Resources, Inc.
P.O. Box 5061
MIDLAND, TX 79704
TEL: (432) 685-1761 FAX: (432) 685-0533
TOLL FREE: (800) 344-1761

Oct. 28, 2004

NMOCD
1220 South St. Francis Drive
Santa Fe, N.M. 87505
ATTN: William V. Jones Jr. P.E.

RE: C-108 Santa Nina #1 (API # 30-015-04594)

Gentlemen,

I contacted Jim Pierce today in regards to SDX Resource's application to convert the Santa Nina Fed. #1 into an injection well. He had no objections. He also indicated that he was the owner of the two wells that showed up on the application as being operated by Yeso Energy.

The conversion of the Santa Nina #1 should not be detrimental to the existing offset production. There were several wells on the offset leases that were Queen injection wells in the past. These wells (Specifically the Leonard St. #1 & #4 OCD order R-4062) have been plugged and abandoned. Injection into the Queen formation in the Santa Nina #1 could help maintain reservoir pressure and actually enhance production in the offset leases.

If you have any more questions or need any more information please feel free to contact at the above numbers. Thanks for your assistance on this matter.

Sincerely,



Chuck Morgan