

DATE IN 12-13-04	SUSPENSE	ENGINEER Jones	LOGGED IN 10-14-04	TYPE DHC	APP NO. DSEM 0434929709
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ABOVE THIS LINE FOR DIVISION USE ONLY

3579

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



ADMINISTRATIVE APPLICATION CHECKLIST

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

[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.

Print or Type Name	Signature	Title	Date
e-mail Address			

District I
1625 N. French Drive, Hobbs, NM 88240

RECEIVED

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

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

DEC 13 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
Yes Single Well
Yes Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District III
1000 Rio Brazos Road, Aztec, NM 87410

OIL CONSERVATION
DIVISION

APPLICATION FOR DOWNHOLE COMMINGLING

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

SDG Resources P. O. Box 1390 Montrose, CO 81401

Operator Cooper Jal Unit #208-128 (Lot 2) Address 19 24-S 37-E Lea

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 193003 Property Code 10917 API No. 30-025-11127 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	JALMAT <i>oil</i>		LANGLIE MATTIX <i>oil</i>
Pool Code	<i>45820</i>		<i>37240</i>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2,955'-3,400'		3,400'-3,780'
Method of Production (Flowing or Artificial Lift)	Pumping		
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	35.7 Degree API		35.7 Degree API
Producing, Shut-In or New Zone	Producing		New Zone
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 12/03/04 Rates: 5/2/34	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 94 % Gas 71 %	Oil % Gas %	Oil 6% Gas 29 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE *Domingo Carrizales* TITLE Sr. Petroleum Engineer DATE 12/08/04

TYPE OR PRINT NAME Domingo Carrizales TELEPHONE NO. (432) 550-7580

E-MAIL ADDRESS domingo@sdgresources.com

District I
1625 N. French Dr., Hobbs, NM 88248

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

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State of New Mexico
Energy Minerals and Natural Resources

DEC 13 2004
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised June 10, 2003

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

¹ Operator Name and Address SDG Resources L. P. P. O. Box 1390 Montrose, CO 81401		² OGRID Number 193003
		³ API Number 30-025-11151
³ Property Code 10917	⁵ Property Name Cooper Jal Unit	⁶ Well No. 128

⁷ 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	19	24-S	37-E		1650	NORTH	330	WEST	Lea

⁸ 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
⁹ Proposed Pool 1 JALMAT - 3,000'-3,400'					¹⁰ Proposed Pool 2 LANGLIE MATTIX - 3,400'-3,790'				

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code FEDERAL	¹⁵ Ground Level Elevation 3,309' K. B.
¹⁶ Multiple No	¹⁷ Proposed Depth 3,780'	¹⁸ Formation TNSL-YTS-7RV-QUN	¹⁹ Contractor GREAT BASIN WELL SERVICE	²⁰ Spud Date Orig. 5/13/54

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC

²² 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.

Objectives: Deepen Jalmat/Langlie Mattix producer. Add Perforations, Acidize and Fracture Stimulate.

1. Use Sentinel Manual BOP rated at 5,000 psig.
2. Deepen well from 3,675' to 3,790'.
3. Acidize Yates, 7-Rivers and Queen zones with 3,000 gallons. Fracture Stimulate with 120,000# 12/20 mesh sand.
4. Down hole commingle Jalmat and Langlie Mattix zones.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Domingo Carrizales</i>		Approved by:	
Printed name: Domingo Carrizales		Title:	
Title: Sr. Petroleum Engineer		Approval Date:	Expiration Date:
E-mail Address: domingo@sdgresources.com			
Date: 12/08/04	Phone: 432-550-7580	Conditions of Approval:	
		Attached <input type="checkbox"/>	

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

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-11151	² Pool Code Jalmat: 33020 Langlie Mattix: 37240	³ Pool Name JALMAT: YATES, 7RVRS Langlie Mattix: 7-Rivers Queen
⁴ Property Code 10917	⁵ Property Name Cooper Jal Unit	⁶ Well Number 128
⁷ OGRID No. 193003	⁸ Operator Name SDG Resources L. P. P. O. Box 1390	⁹ Elevation Montrose, CO 81401 3,304' D. F.

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	19	24S	37E		1650	NORTH	330	WEST	Lea

¹¹ Bottom Hole Location If Different From Surface

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

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

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>19</p> <p>1650'</p> <p>330'</p>				<p>¹⁷ 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>Domingo Carrizales</i> Signature</p> <p>Domingo Carrizales Printed Name</p> <p>Sr. Petroleum Engineer domingo@sdgresources.com Title and E-mail Address</p> <p>12/09/04 Date</p>
				<p>¹⁸ 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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
				Certificate Number

WELLBORE SCHEMATIC AND HISTORY

CURRENT COMPLETION SCHEMATIC

LEASE NAME

Cooper Jal Unit

WELL NO.

128

STATUS: Active Oil

API# 30-025-11151

LOCATION: 1650 FNL & 330 FWL, Sec 19, T - 24S, R - 37E; Lee County, New Mexico

SPUD DATE: 05/13/54 TD 3675 KB 3,314' DF

INT. COMP. DATE: 07/27/54 PBTB 3633 GL 3,304'

GEOLOGICAL DATA

ELECTRIC LOGS:

CORES, DST'S or MUD LOGS:

DSCNL (9-11-85 CRC Wireline)

HYDROCARBON BEARING ZONE DEPTH TOPS:

Yates @ 3008'
Seven Rivers @ 3226'

CASING PROFILE

SURF. 8 5/8" - 28#, J-55 set@ 1230' Cmt'd w/400 sxs - circ cmt to surf.
PROD. 5 1/2" - 15.5#, J-55 set@ 3400' Cmt'd w/200 sxs - TOC @ 2345' from surf by calc.
LINER None

CURRENT PERFORATION DATA

CSG. PERFS: OPEN HOLE : 3400'-3675'
3023 -28', 32', 38', 54', 57', 59', 60', 70', 72', 74', 99', 3103 - 19',
23', 27', 43', 52', 54', 61', 73', 75', 80', 3205 - 10', & 3221' w/ 2 spf (52 holes)

TUBING DETAIL 2/26/2004

ROD DETAIL 2/26/04

Length (ft)	Detail	Length (ft)	Detail
3173	100 2 7/8" 6.5#, J-55, 8rd EUE tbg.	26	1 22' x 1 1/4" polish rod w/ 16' x 1 1/2" liner
3	1 5 1/2" x 2 7/8" TAC	8	2 2', 6' - 1" pony rods
390	13 2 7/8" tubing	1100	44 1" D steel rods
1	1 2 7/8" SN	1025	41 7/8" D steel rods
31	1 3 1/2" OD slotted MAJ	1225	49 3/4" D steel rods w/ 3 - 2' roller guides
3598		150	6 1 1/2" sinker bars
		20	1 2 1/2" x 1 3/4" X 25' RHBC Pump
	SN@ 3567' TAC@ 3176'	0	1 1 1/4" x 6' gas anchor
		3554	

TOC @ 2345'
By Calc.

WELL HISTORY SUMMARY

27-Jul-54 IC interval: 3400 - 3600' (7 RVR/S/Queen OH). No Treatment. IP = 120 bopd, 0 bwpd, & 300 Mcf/gpd (flowing)
7-Jun-74 C/O fill from 3438 - 3600'. After WO: 64 bopd & 103 bwpd
10-Oct-85 Deepened to 3675'. Jet washed 3400 - 3600'. Aczd'd w/2,000 gals. Frac'd w/ 32,000 gals & 82,500#s 12/20 sand in 2 equal stages. Maximum sand concentration was 7 ppg. Perf'd Jalmat (3023 - 3221) w 2 spf (52 holes). Aczd'd w/2,000 gals; Frac'd w/29,000 gals & 50,000#s 12/20 sand in 2 equal stages. AIR=18 bpm. Max sand concentration 5 ppg.
7-Jan-87 Upgrade pmp equipment to 2 7/8" tbg & 2" rod pmp.
30-Jul-87 C/O fill to 3600'
3-Aug-88 C/O fill rom 3616 - 3626'. Aczd'd w/3,200 gals & 1000#s rock salt. AIR=2.5 bpm @ 200 psi.
29-Aug-94 Aczd'd OH 3400 - 3641' w/2,100 glas 20% NEFE HCL, 110 gals micellular solvent & 2,500#s rock salt in 5 stages. AIR=3 bpm @ 300 psi Set RBP @ 3336'. Aczd'd perf's 3023 - 3221' w/2,100 glas 20% NEFE HCL & 2,500#s rock salt in 5 stages. AIR=2.5 bpm. Scale sqz'd perf's w/110 gals of TH-793 @ 3 bpm & 300 psi. SI for 24 hrs. Retrieved RBP @ 3336'. Ran production equipment. After WO: 35 bopd, 296 bwpd, & 51 Mcf/gpd
13-Oct-95 Repaired rod part and replaced bad rods & couplings.
24-Apr-00 Change out pumping tee. Replaced 4 jts tbg, 8 - rods, & 30-boxes and pmp. Placed well back on production.
6-Sep-02 Pulled tubing string. Hydrotest tubing in hole. Change out pump.
15-Nov-02 Change out polish rod liner. Placed well back on production.
22-Mar-03 Pulled tubing string. Hydrotest tubing in hole. Change out pump.
26-Feb-04 POOH with rods, pump, and tubing. Hydrotest tubing in hole to 7000# = busted 4 joints. RIH with pump and rods. PWOP.

- 3023'-28'
- 3032'
- 3038'
- 3054'
- 3057'
- 3059'
- 3060'
- 3070'
- 3072'
- 3074'
- 3099'
- 3103'-19'
- 3123'
- 3127'
- 3143'
- 3152'
- 3154'
- 3161'
- 3173'
- 3175'
- 3180'

- 3205'-10'
- 3221'

OH Interval

OH 3400'-3675'

Surface Csg
Hole Size: 11 in
Csg. Size: 8 5/8 in
Set @: 1230 ft
Sxs Cmt: 400
Circ: Yes
TOC @: surf
TOC by: circ

Production Csg.
Hole Size: 7 7/8 in
Csg. Size: 5 1/2 in
Set @: 3400 ft
Sxs Cmt: 200
Circ: No
TOC @: 2345 f/ surf
TOC by: calc.

PBTB: 3633 ft
TD: 3675 ft

OH ID: 4 3/4 in

3626 -75' filled with sand

PREPARED BY:

Doug Kiesewetter III D. Carrizales

UPDATED:

13-Jul-04