

NSP 8/10/98

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

(Fax 915-685-0533)

July 6, 1998

NMOCD
2040 South Pacheco Street
Santa Fe, NM 87505

Attention: Mr. Mike Stogner

RE: Enco State #1
Sec. 32, T24S, R37E
660 FNL, 660 FEL (A)
Lea County, New Mexico



Dear Mr. Stogner:

SDX has recently completed their Enco State #1 well mentioned above. The well will be classified as a gas well in the Jalmat Gas Pool. Order R-488 dedicated 120 acres to the Humble L #3 gas well located in unit "T" of Sec. 32, T24S, R37E which included unit letter A and H as shown on the attached map and survey plats.

This letter will serve as an application to abolish R-488 and dedicate the 40 acre tract of unit "T" to the Humble L #3 well and the 80 acres of tracts A and H to the Enco State #1 gas well.

Accompanying this letter is a statement from M-T Petroleum demonstrating their agreement with this request, survey plats with outlined proration units of all offset operators in the Jalmat Gas Pool and proof of notification of each offset operator. Should you have any questions or need any additional information please contact Chuck Morgan at (915) 685-1761. Your assistance on this matter is greatly appreciated.

Sincerely,

Chuck Morgan

CM:an
Enclosures

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address M-T Petroleum, Inc. 127 N.W. Ave. A Andrews, Texas 79714		OGRID Number 37041
		Reason for Filing Code CH - 1-1-96
API Number 30 - 0 25-11312	Pool Name JALMAT TANSIL YT 7 RVRS (PRO GAS)	Pool Code 79240
Property Code 009464 19640	Property Name HUMBLE L STATE	Well Number 3

II. 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
I	32	24S	37E	I	3300	North	660	East	Lea

¹¹ 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
Same									
¹² Lse Code S	¹³ Producing Method Code F	¹⁴ Gas Connection Date 4/30/49	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
020809	Sid Richardson Carbon & Gasoline Co.	2189630	G	I 32 24S 37E

IV. Produced Water

²³ POD None	²⁴ POD ULSTR Location and Description
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V. Well Completion Data

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

VI. Well Test Data

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

⁴⁷ 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:

OIL CONSERVATION DIVISION

Approved by: _____

NEW MEXICO
OIL CONSERVATION COMMISSION

RECEIVED

FEB 1 1954

Date January 24, 1954

E. G. Redman
Operator

Humble State L.
Lease

1 HOBBS OFFICE
Well No.

Name of Producing Formation Yates Pool Langmat Gas

No. Acres Dedicated to the Well 120

SECTION 32 TOWNSHIP 24-S RANGE 37-E

			1 OIL
	120 acres		2 OIL H
			1 GAS

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

Name E. G. Redman
Position Engineer
Representing E. G. Redman
Address P. O. Box 591, Odessa, Texas

(over)

NO. OF COPIES RECEIVED		
DISTRIBUTION		
STATE FEE		
STATE		
F.G.S.		
FIELD OFFICE		
OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>	
5. State Oil & Gas Lease No. B-934	
7. Unit Agreement Name	
8. Farm or Lease Name Humble L State	
9. Well No. 3	
10. Field and Pool, or Wildcat Jalmat	
15. Elevation (Show whether DF, RT, GR, etc.) 3261 DF	
12. County Lea	

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.)

OIL WELL GAS WELL OTHER-

Name of Operator
Reading & Bates Oil and Gas Co.

Address of Operator
810 N. Dixie Blvd., Room 202, Odessa, Texas 79761

Location of Well
UNIT LETTER I 660 FEET FROM THE East LINE AND 3300 FEET FROM
THE North LINE, SECTION 32 TOWNSHIP 24S RANGE 37E NMPM.

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

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

FORM 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 type="checkbox"/>
OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER <input type="checkbox"/>		OTHER <u>In compliance w/letter from Hobbs Oil Conservation Commission dated 11-7-74</u> <input checked="" type="checkbox"/>	

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1108.

Date Unknown -- Operator information indicates well was plugged back to 3410'. 7" casing is set at 3427'. Perforations are 3123-3177 and the well is producing dry gas from the Lower Yates. Above Data indicates this well is properly classified in the Jalmat Gas Pool.

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

Paul G. Farrow TITLE Production Superintendent DATE 11-18-74
 Orig. signed by Joe D. Ramey
 Dist. I. Supv. TITLE _____ DATE _____
 CO BY _____
 CONDITIONS OF APPROVAL, IF ANY: _____

NOV 20 1974

DUPLICATE

NEW MEXICO OIL CONSERVATION COMMISSION
BOX 2045
HOBBS, NEW MEXICO

DATE February 3, 1954

TO: E. G. Rodman
Box 591, Odessa, Texas

GENTLEMEN:

Form C-104 for your Humble State L #1-I 32-24-37 Langmat
LEASE WELL S.T.R. POOL

has been approved, however, since this well is:

- () An unorthodox location,
- (**X**) Located on an unorthodox proration unit,
- () Outside the boundaries of a designated pool,

it will be necessary for you to;

- () Comply with the provisions of Rule 4 of Commission Order _____
- (**X**) Comply with the provisions of Rule 7 of Commission Order R 369 A
- () File Form C-123

Pending further Commission action this unit will be assigned an 40 acre allowable.

Stanley J. Stanley
A. L. Porter, Jr.
Proration Manager

ALP/pb

cc/ Transporter **El Paso Natural Gas Co.**

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-128
Supersedes O-128
Effective 1-1-85

(New)
Gravel Pit Husky Woolworth #1
All distances must be from the outer boundaries of the Section

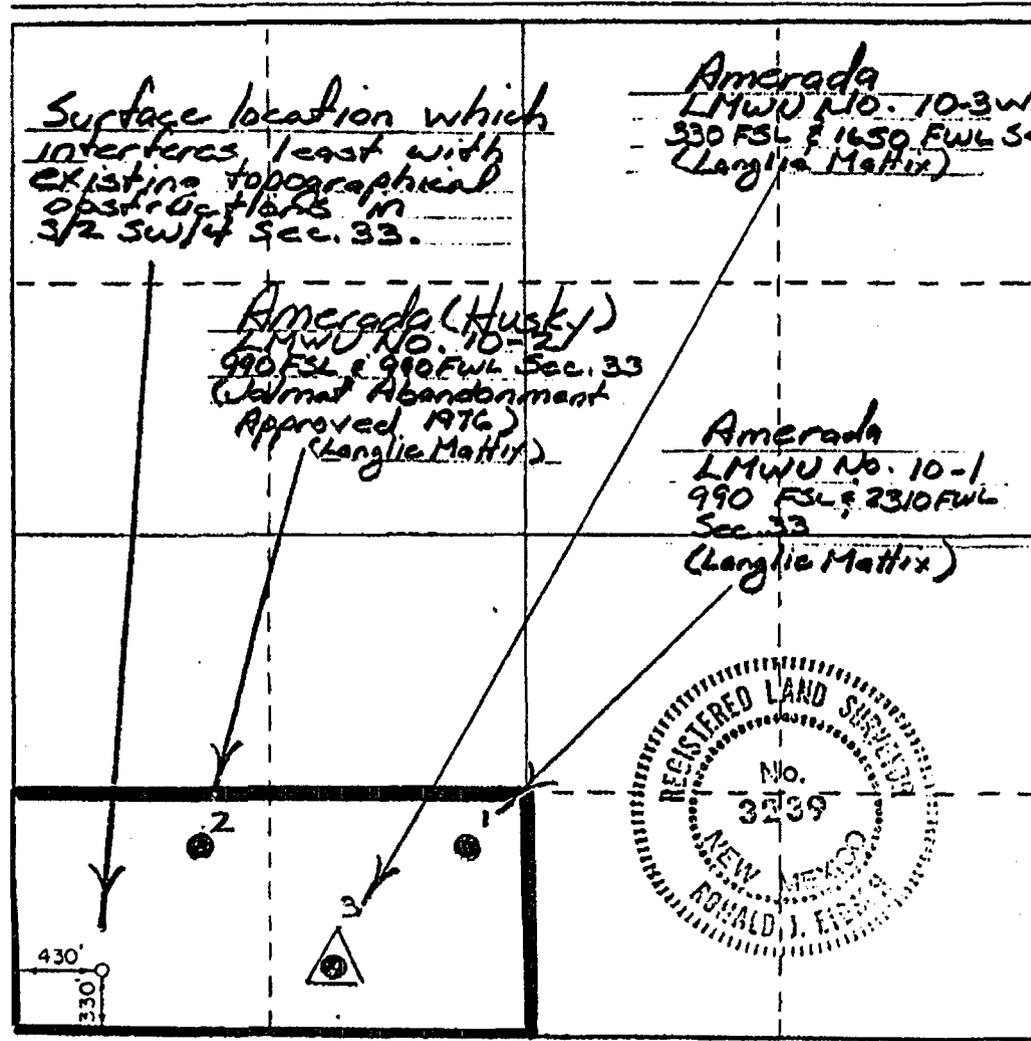
Operator Doyle Hartman		Lease Husky		Well No. 1	
Init Letter M	Section 33	Township 24 South	Range 37 East	County Lea	
Actual Footage Location of Well: 430 feet from the West line and 330 feet from the South line					
Ground Level Elev. 3251.9	Producing Formation Yates-Seven Rivers	Pool Jalmat	Dedicated Acreage 80 Acres		

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.

Larry A. Nermyr
Name
Larry Nermyr
Position
Petroleum Engineer
Company
Doyle Hartman
Date
August 14, 1981

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
August 13, 1981
Registered Professional Engineer and/or Land Surveyor
Ronald J. Edison



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

MEMO TO: Charles Engelke

FROM: Evelyn Downs
Hobbs OCD

DATE: Feb. 6, 1992

RE: Meridian Oil Inc.
North Shore Woolworth #3-E Sec 33, T24S, R37E
Jalmat Pool

The Jalmat allowable for North Shore Woolworth #3-E was cancelled by Supplement SE-4811 when it was disconnected in 1983.

An allowable was assigned to North Shore Woolworth #6-E Sec. 33, T24S, R37E by supplement SE-4812 in 1983.

The gas proration schedule still carries North Shore Woolworth #3 but does not list North Woolworth #6.

I have attached copies of Meridian's C-115 which shows #3 as TA and the production is reported for #6 which is correct. Also attached is a copy of Sid Richardson C-111 which shows the production as coming from #6 not #3.

Please make this correction in well number in the proration schedule.



WELL LOCATION AND ACREAGE DEDICATION PLAT

Supersedes C-128
Effective 1-1-65

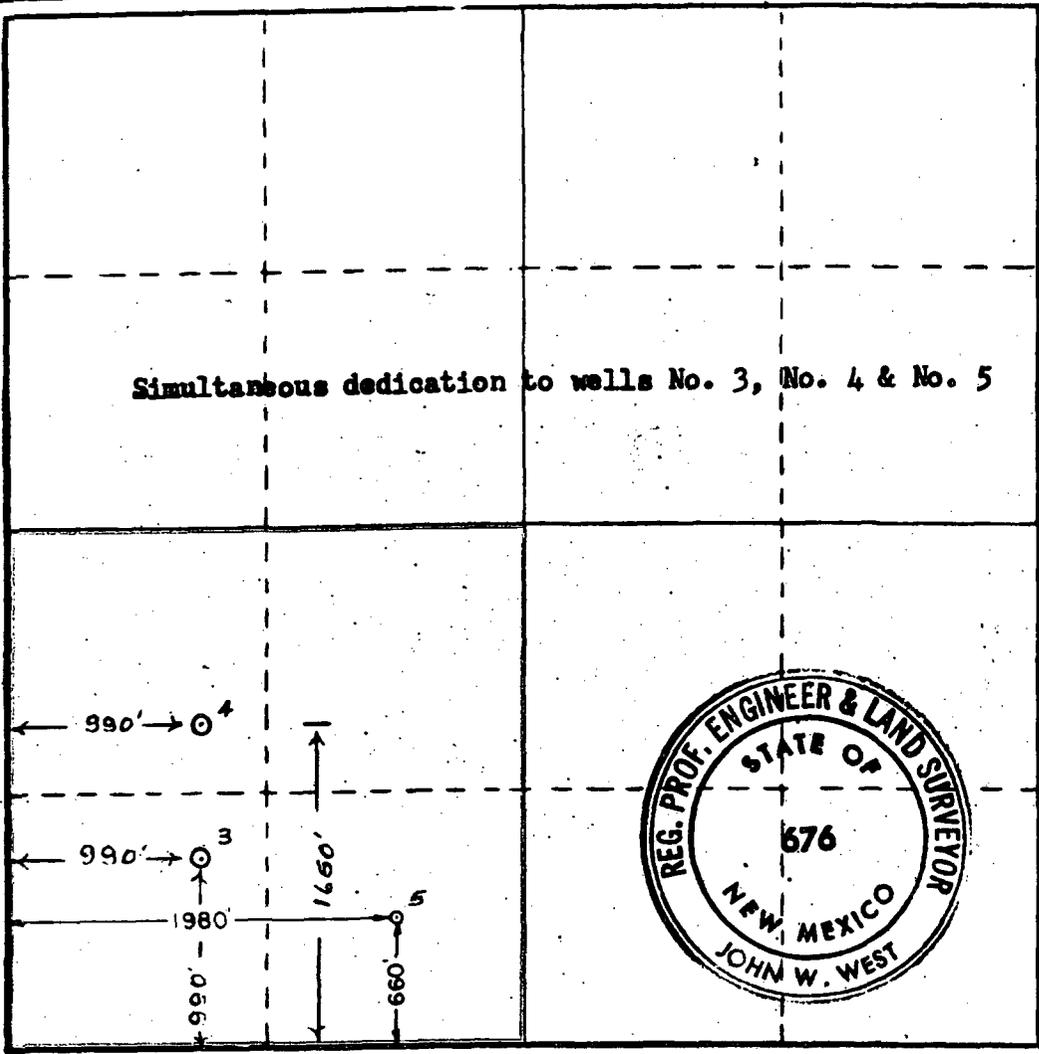
(Now Mc Donald Oper.)

Operator Dallas McCasland		Lease Little Woolworth		Well No. 3
Unit Letter M	Section 28	Township 24 South	Range 37 East	County Lea
Actual Forage Location of Well: 990 feet from the South line and 990 feet from the West line				
Ground Level Elev.	Producing Formation Yates	Pool Jalmat	Dedicated Acreage: 160 Acres	

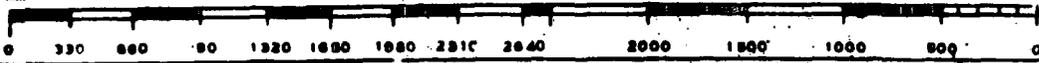
- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated 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 _____

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.



Simultaneous dedication to wells No. 3, No. 4 & No. 5



CERTIFICATION

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

Name: *Dorcas Halls*
Position: **Agent**
Company: **Dallas McCasland**
Date: **July 23, 1980**

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: **2/17/78**
Registered Professional Engineer and/or Land Surveyor: *John W. West*
Certificate No. **John W. West 676**
Ronald J. Eidson 3239

M-T Petroleum, Inc.
127 N. W. Avea
Andrews, TX 79714

July 6, 1998

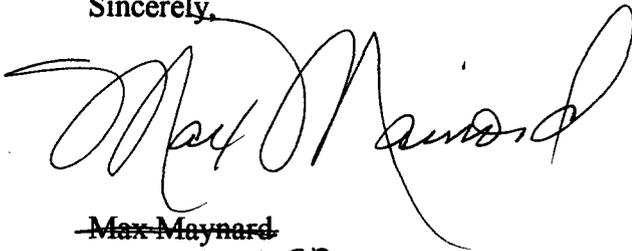
NMOCD
2040 South Pacheco Street
Santa Fe, NM 87505

Dear Mr. Stogner:

M-T Petroleum is the operator of the Humble L State #3 well located in unit "I" of Sec. 32, T24S, R37E, 3300 FWL and 660 FEL, Lea County, New Mexico. Order R-488 established a 120 acre proration unit for this well as shown on the accompanying plat. The ownership of this 120 acre proration unit has been divided with SDX Resources, Inc., now owning the rights to units "A" and "H" and M-T owning the rights to unit "I".

We therefore are in agreement with SDX Resources' request to abolish R-488 and request that the proration unit for the Humble L State #3 well be amended to include only the 40 acres of unit letter "I".

Sincerely,



~~Max Mainord~~

MAX MAINORD

President - M-T Petroleum Inc