

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

RECEIVED
Energy Minerals and Natural Resources Department

State of New Mexico

Form C-107A
Revised June 10, 2003

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

AUG 28 2003

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

3191

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

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

APPLICATION FOR DOWNHOLE COMMINGLING

SDG Resources P. O. Box 1390 Montrose, CO 81402

Operator Cooper Jal Unit #102 Address B 18 24S 37E Lea

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

OGRID No. Property Code API No. 30-025-11134 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	JALMAT		LANGLIE MATTIX
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2912'-3204'		3382'-3737'
Method of Production (Flowing or Artificial Lift)	Pumping		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	New Zone		Re-entry
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: 07/15/03 Rates: 4 BOPD, 90 MCFPD	Date: Rates:	Date: 03/05/03 Rates: 8 BOPD, 10 MCFPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 33 % Gas 90 %	Oil % Gas %	Oil 66% Gas 10 %

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 08/22/03

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

E-MAIL ADDRESS domingo@sdgresources.com

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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 30-025-11134		² Pool Code		³ Pool Name Langlie Mattix: 7RVRS, Queen	
⁴ Property Code		⁵ Property Name Cooper Jal Unit			⁶ Well Number 102
⁷ OGRID No.		⁸ Operator Name SDG Resources L. P. P. O. Box 1390		⁹ Elevation Montrose, CO 81402 3302' G. L.	

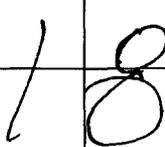
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	18	24S	37E		660	North	1980	East	Lea

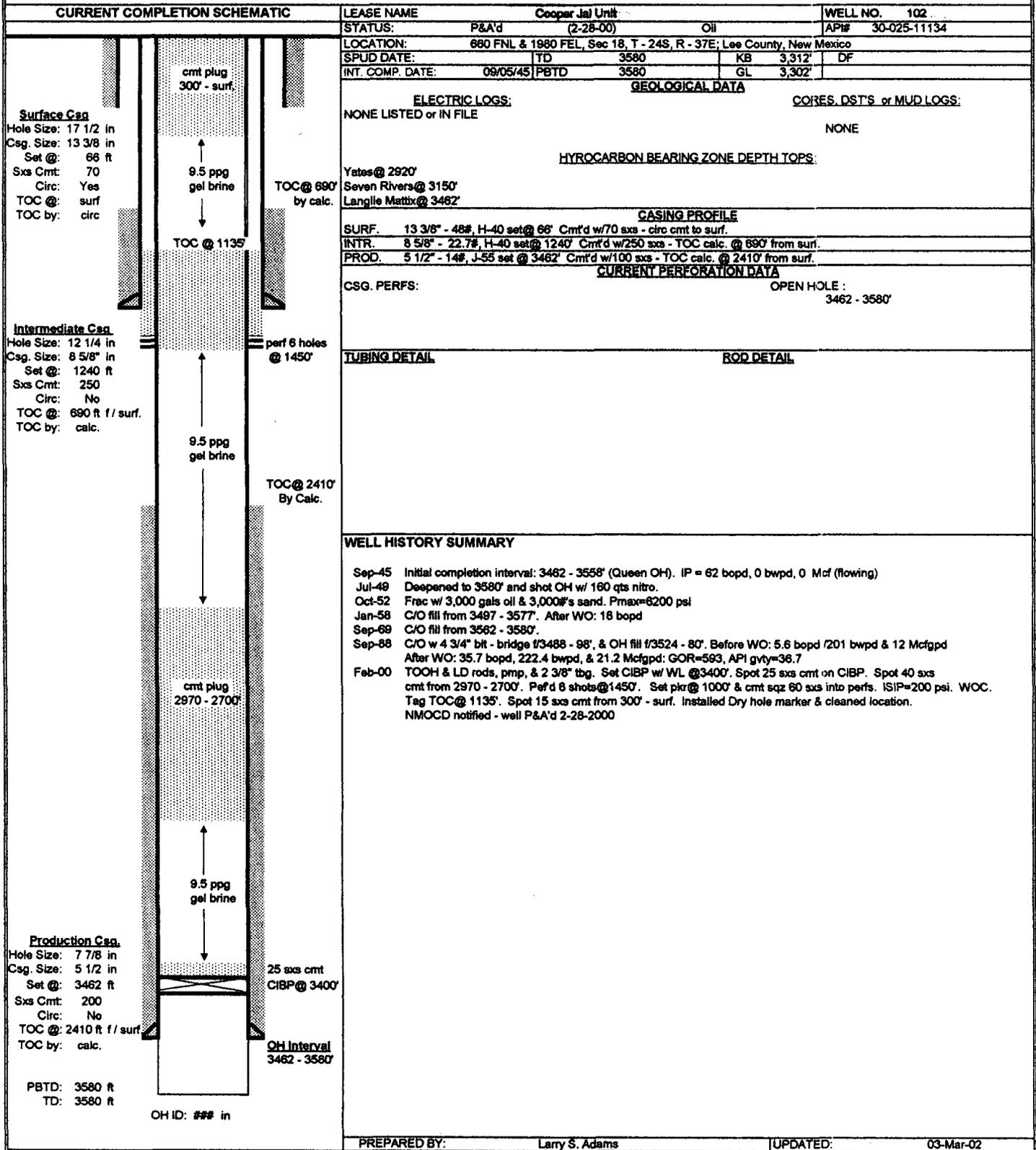
¹¹ Bottom Hole Location If Different From Surface

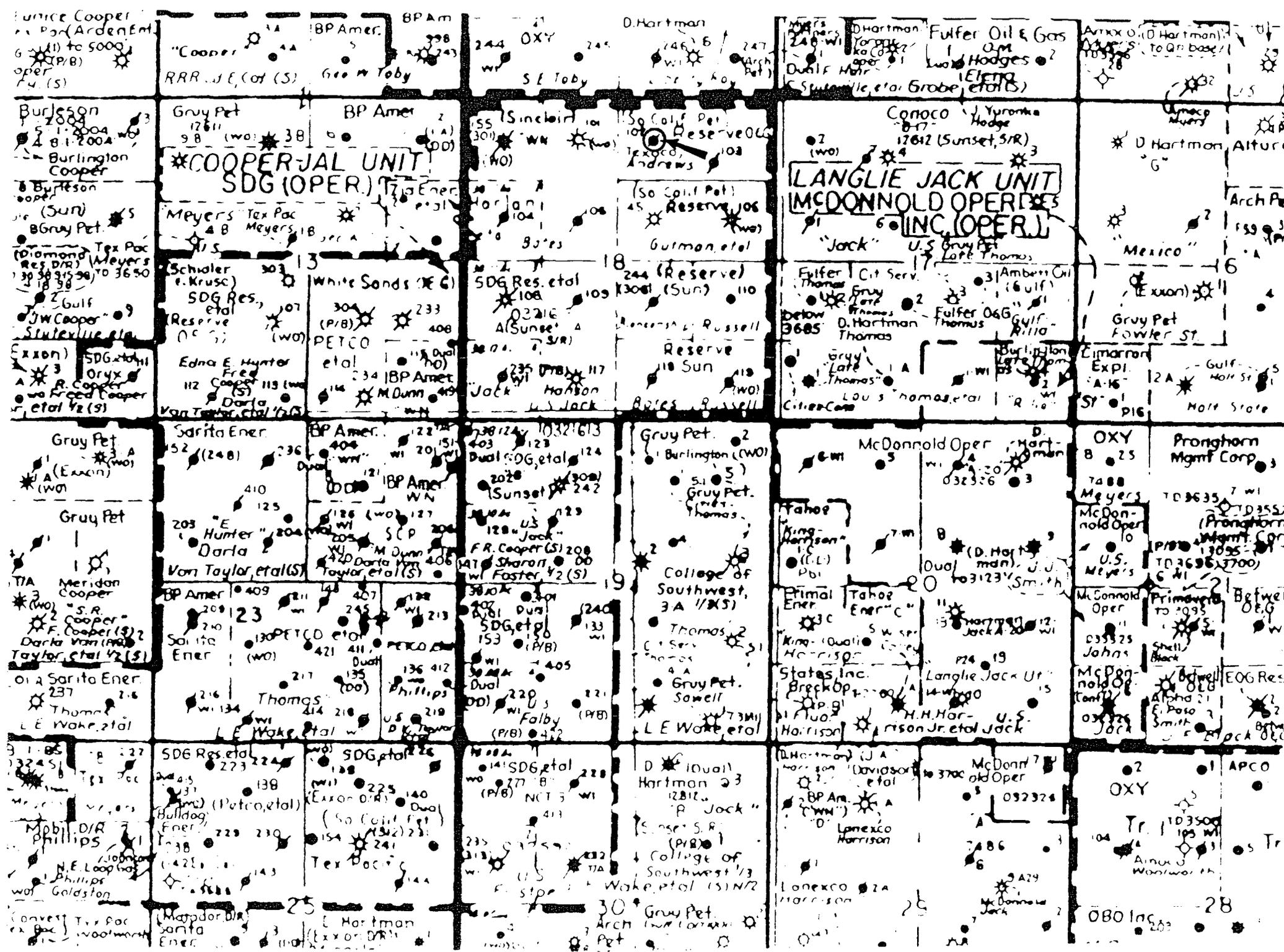
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No.					

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

¹⁶ 					¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature
					Domingo Carrizales Printed Name Sr. Petroleum Engineer domingo@sdgresources.com Title and E-mail Address 08/22/03 Date
					¹⁸ 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 Surveyor: Certificate Number

WELLBORE SCHEMATIC AND HISTORY





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State of New Mexico
Energy Minerals and Natural Resources

Form C-101
Revised June 10, 2003

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

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
		³ API Number 30 - 025-11134
³ Property Code	⁵ Property Name Cooper Jal Unit	⁶ Well No. 102

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
B	18	24S	37E		660	North	1980	East	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					¹⁰ Proposed Pool 2				

¹¹ Work Type Code E	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 3302' G. L.
¹⁶ Multiple No	¹⁷ Proposed Depth 3898'	¹⁸ Formation Queen	¹⁹ Contractor Eastern Oil Well Service	²⁰ Spud Date 11/18/02

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.

1. Re-enter P&A well. Use Sentinel Manual BOP rated at 5,000 psig.
2. Drill out cement plugs and CIBP @ 3400'.
3. Deepen from Queen from 3580' to 3898'. Acidize and fracture stimulate the open hole (3462'-3737').
4. Perforate LANGLIE MATTIX and JALMAT. Acidize and fracture stimulate 7 Rivers and Yates zones.
5. 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.

Signature: *Domingo Carrizales*

Printed name: Domingo Carrizales

Title: Sr. Petroleum Engineer

E-mail Address: domingo@sdgresources.com

Date: 08/22/03

Phone: 432-550-7580

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

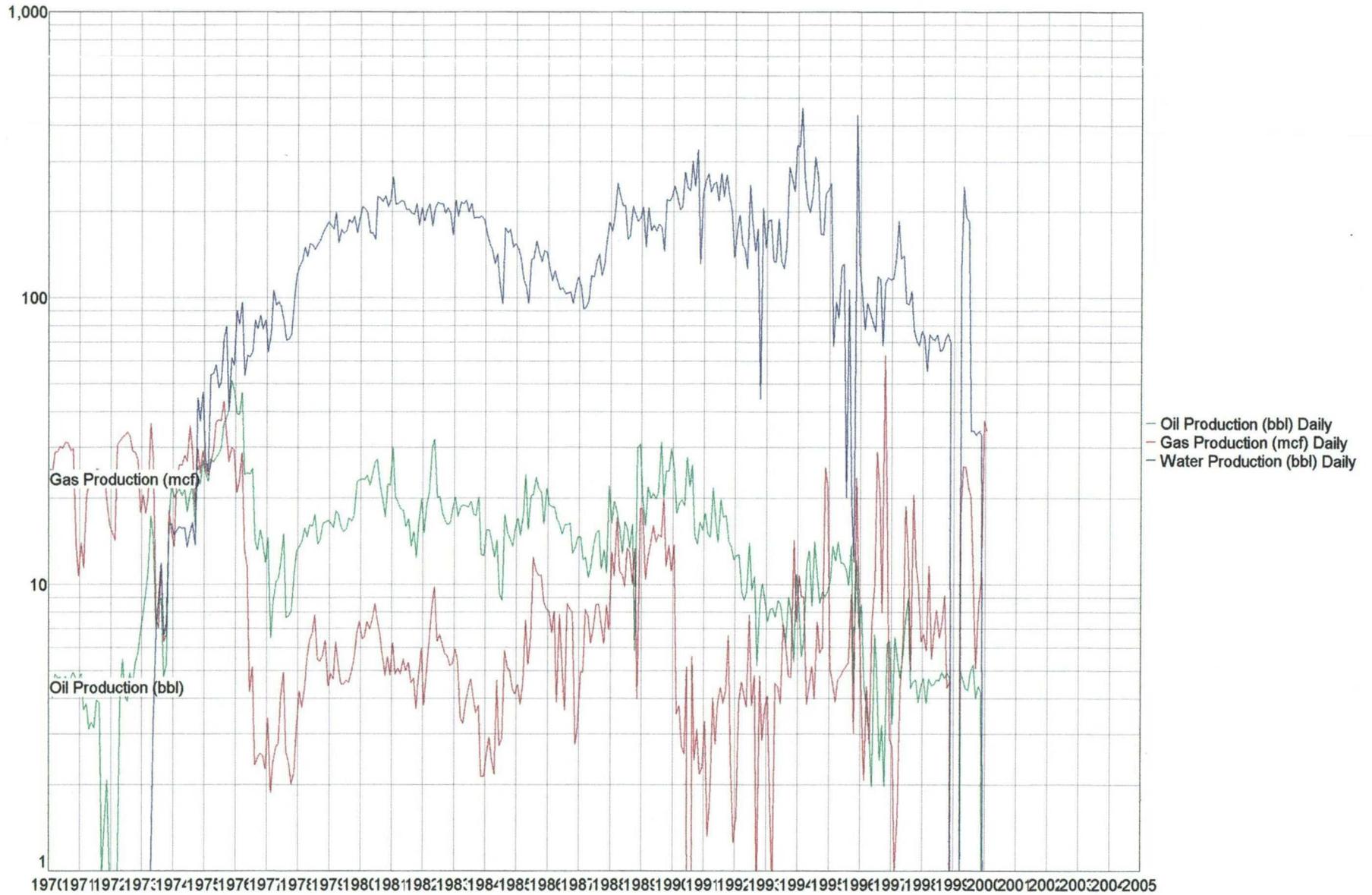
Conditions of Approval:

Attached

Lease Name: COOPER JAL UNIT
County, State: LEA, NM
Operator: CHEVRON U S A INCORPORATED
Field: LANGLEIE-MATTIX
Reservoir: SEVEN RVR QN GRBG
Location: 18 24S 37E C NW NE

COOPER JAL UNIT - LANGLEIE-MATTIX

Cooper Jal Unit #102



Time