

SDX RESOURCES, INC.

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

OIL CONSERVATION DIVISION  
RECEIVED

'93 JUN 23 AM 9 19

N.M.O.C.D.  
P.O. Box 2088  
Santa Fe, N.M. 87504-2088  
Attn. Mr. Stogner

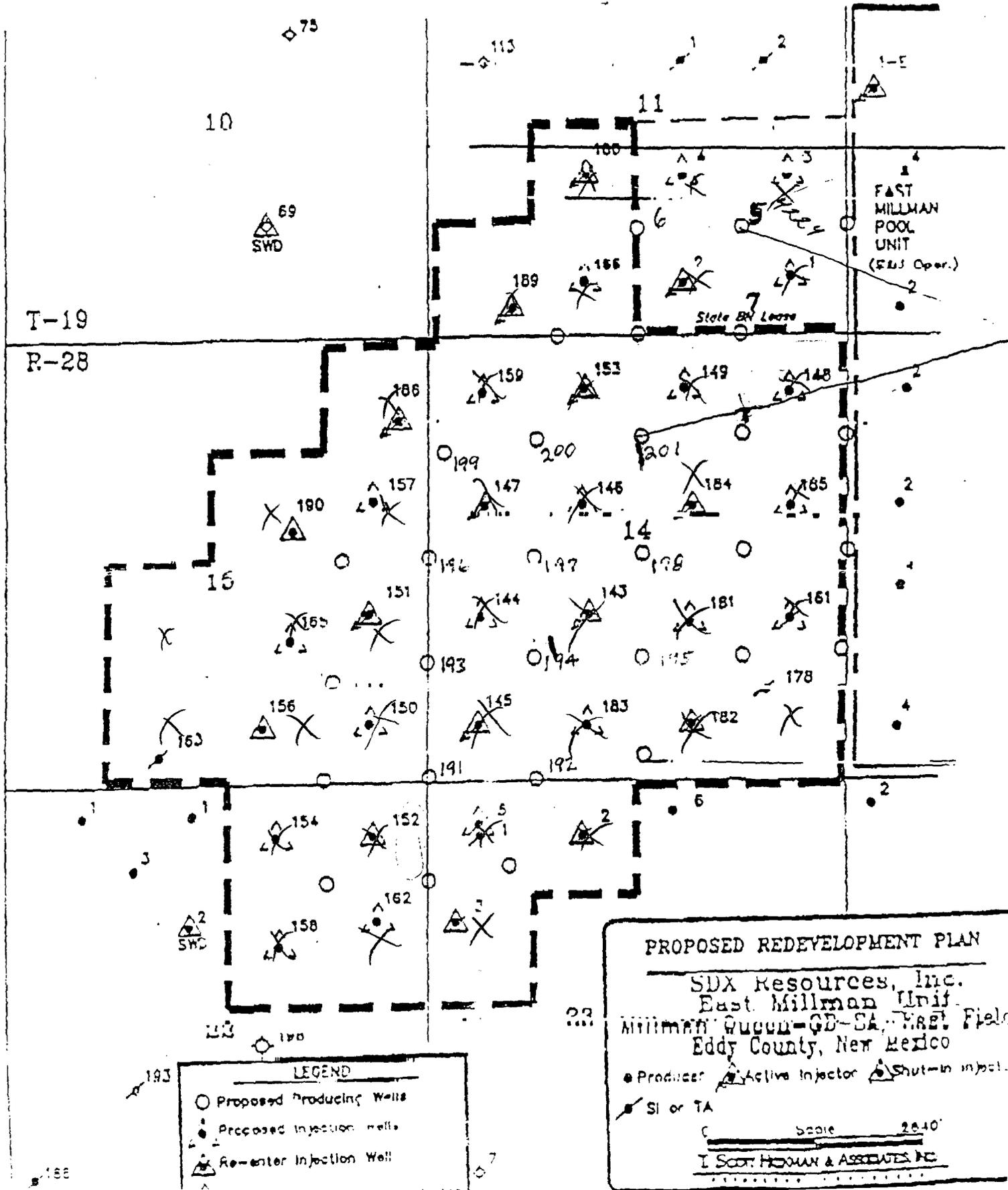
Mr. Stogner,

This letter is intended to serve as an application for administrative approval of unorthodox drilling locations on our East Millman Unit. The locations requested will be the East Millman #191 thru 201. Survey plats and O.C.D. forms C-101 on the East Millman #191 and #197 accompany this letter. A lease map along with the approximate footages of the proposed locations for the project is also enclosed. The purpose of these locations is to convert the existing waterflood project on our East Millman Unit from an 80 acre 5 spot pattern to a 40 acre 5 spot pattern. This reduced spacing will result in the recovery of additional reserves that will otherwise be lost. O.C.D forms C-101 and survey plats on the remainder of the proposed locations will be submitted to you as they become available. No offset operators are affected by any of the proposed unorthodox locations. Thanks for your prompt attention.

Sincerely,



Chuck Morgan, P.E.



FAST MILLMAN POOL UNIT (EUS Oper.)

Stole BY Lease

**PROPOSED REDEVELOPMENT PLAN**

SDX Resources, Inc.  
 East Millman Unit  
 Millman Queen-GD-SA, Y&E, Field  
 Eddy County, New Mexico

● Producer    ▲ Active Injector    ▲ Shut-in inject.  
 ✕ SI or TA

Scale 2840'

I. SCOTT HEDMAN & ASSOCIATES, INC.

**LEGEND**

- Proposed Producing Wells
- Proposed Injection Wells
- ▲ Re-enter Injection Well

T-19  
 R-28

EAST MILLMAN UNIT

(Proposed Footages)

<u>WELL #</u>	<u>LEGAL LOCATION</u>	<u>DEPTH</u>
191	10' FNL & 10' FEL Sec. 22, T19S - R28E	2600
192	10' FSL & 1330' FWL Sec. 14, T19S - R28E	2300
193	10' FWL & 1310' FSL Sec. 14, T19S - R28E	2300
194	1330' FSL & 1330' FWL Sec. 14, T19S - R28E	2300
195	2630' FEL & 1310' FSL Sec. 14, T19S - R28E	2300
196	10' FWL & 2630' FSL Sec. 14, T19S - R28E	2300
Core 197	1310' FWL & 2630' FSL Sec. 14, T19S - R28E	2300
198	2630' FSL & 2630' FWL Sec. 14, T19S - R28E	2300
199	100' FWL & 1330' FNL Sec. 14, T19S - R28E	2300
200	1330' FWL & 1310' FNL Sec. 14, T19S - R28E	2300
<del>201</del>	<del>2630' FWL &amp; 1330' FNL Sec. 14, T19S - R28E</del>	<del>2300</del>

STATE BN

5	1330' FSL & 1330' FEL Sec. 11, T19S - R28E	2300
6	1310' FSL & 2630' FNL Sec. 11, T19S - R28E	2300
7	10' FSL & 1330' FEL Sec. 11, T19S - R28E	2300

Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-101  
 Revised 1-1-89

**OIL CONSERVATION DIVISION**  
 P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
 1000 Rio Brazos Rd., Aztec, NM 87410

API NO. (assigned by OCD on New Wells)
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 648

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>	7. Lease Name or Unit Agreement Name East Millman
b. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>	8. Well No. 191
2. Name of Operator SDX RESOURCES, INC.	9. Pool name or Wildcat E. Millman Q-G-SA
3. Address of Operator P.O. BOX 5061 Midland, TX. 79704-5061	

4. Well Location  
 Unit Letter A : 10 Feet From The East Line and 10 Feet From The North Line  
 Section 22 Township 19-S Range 28-E NMPM Eddy County

10. Proposed Depth 2600	11. Formation Grayburg	12. Rotary or C.T. Rot.
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13. Elevations (Show whether DF, RT, GR, etc.) 3425 GR	14. Kind & Status Plug. Bond Blanket	15. Drilling Contractor Capstar	16. Approx. Date Work will start Feb. 01
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17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24#	350'+	300'	surf
7-7/8"	5-1/2"	15.50#	2600'	500'	surf

Plan to drill a 12-1/4" hole to approx. 350'; set 8-5/8" surface casing. Circulate "C" cement. Drill 7-7/8" hole to TD. Run open hole logs (LDT-CNL-GR & DLL). Run 5-1/2" casing and circulate 50/50 POZ "C" cement. Perforate the Grayburg-Queen and stimulate as necessary for optimum production.

Mud Program: Fresh water mud 0'-350'  
 Salt water mud 350'-TD.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE Chuck Morgan TITLE Engr. DATE 1/27/93

TYPE OR PRINT NAME \_\_\_\_\_ TELEPHONE NO. 748-9814

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate District Office  
 State Lease - 4 copies  
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State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised 1-1-89

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**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

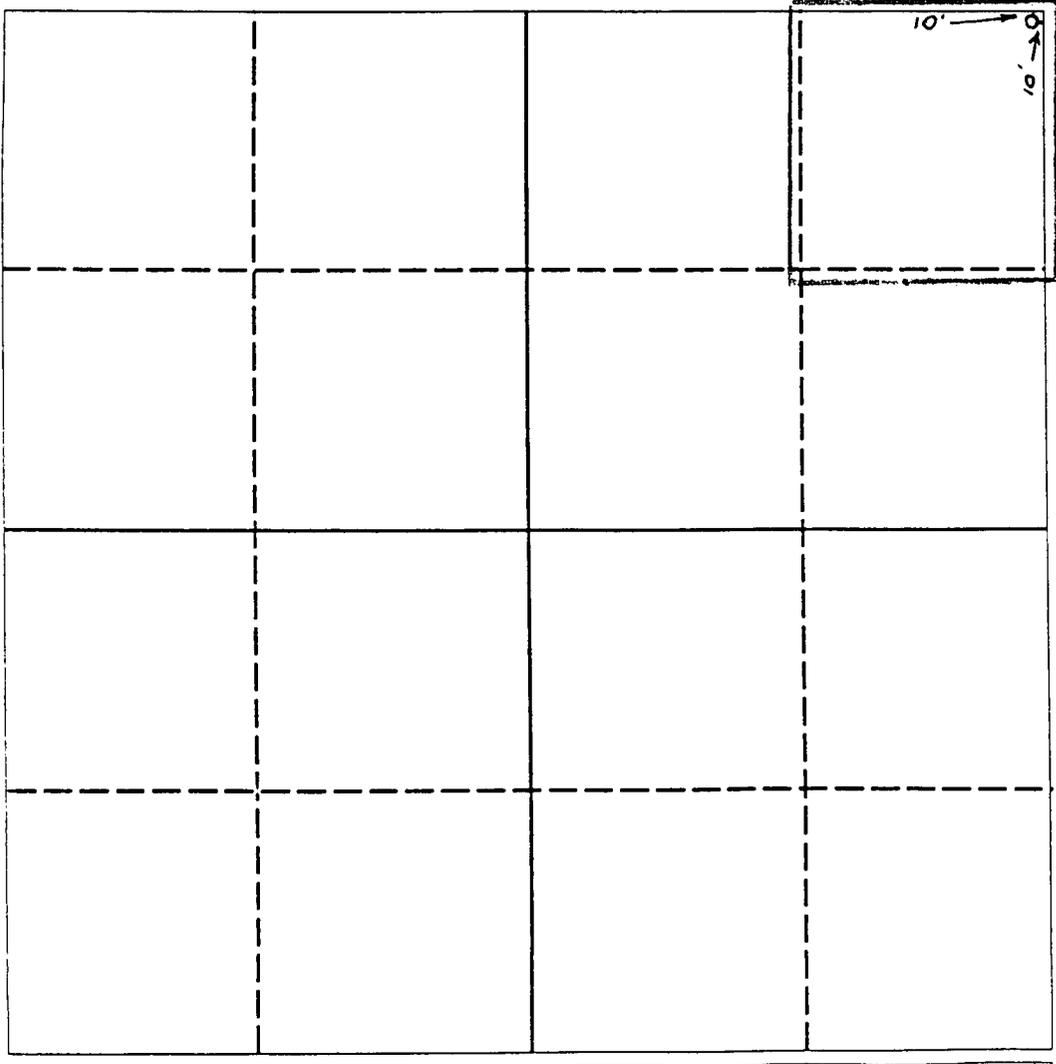
Operator <b>SDX RESOURCES, INC.</b>		Lease <b>EAST MILLMAN UNIT</b>		Well No. <b>191</b>
Unit Letter <b>A</b>	Section <b>22</b>	Township <b>19 SOUTH</b>	Range <b>28 EAST</b>	County <b>NMPM EDDY COUNTY, N M</b>
Actual Footage Location of Well: <b>10</b> feet from the <b>NORTH</b> line and <b>10</b> feet from the <b>EAST</b> line				
Ground level Elev. <b>3425.</b>	Producing Formation <b>Qn-Gb-SA</b>	Pool <b>East Millman Q-Gb-SA</b>	Dedicated Acreage: <b>40</b> 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 interest 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 interest, has been approved by the Division.



**OPERATOR CERTIFICATION**

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

Signature: *Chuck Morgan*

Printed Name: **Chuck Morgan**

Position: **Engr.**

Company: **SDX Resources, Inc**

Date: **1/27/93**

**SURVEYOR CERTIFICATION**

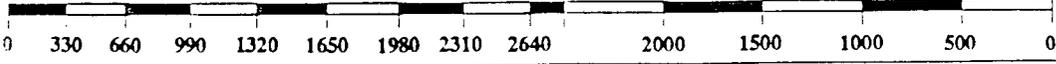
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: **JANUARY 27, 1993**

Signature & Seal of **EDDY**  
 Professional Surveyor

Certificate No. **5412**

**NM RE&PS NO. 5412**



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6. State Oil & Gas Lease No. 648

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b. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>					
2. Name of Operator SDX RESOURCES, INC.			8. Well No. 197.		
3. Address of Operator P.O. BOX 5061 Midland, TX. 79704-5061			9. Pool name or Wildcat E. Millman Q-G-SA		
4. Well Location Unit Letter <u>E</u> : <u>1354</u> Feet From The <u>West</u> Line and <u>2608</u> Feet From The <u>North</u> Line Section <u>14</u> Township <u>19-S</u> Range <u>28-E</u> NMPM <u>Eddy</u> County					
		10. Proposed Depth 2600		11. Formation Grayburg	12. Rotary or C.T. Rot.
13. Elevations (Show whether DF, RT, GR, etc.) 3425 GB		14. Kind & Status Plug. Bond Blanket	15. Drilling Contractor Capstar		16. Approx. Date Work will start Feb. 01
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SIGNATURE Chuck Moya TITLE Engr. DATE 1/27/93

TYPE OR PRINT NAME \_\_\_\_\_ TELEPHONE NO. 748-9814

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

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 Revised 1-1-89

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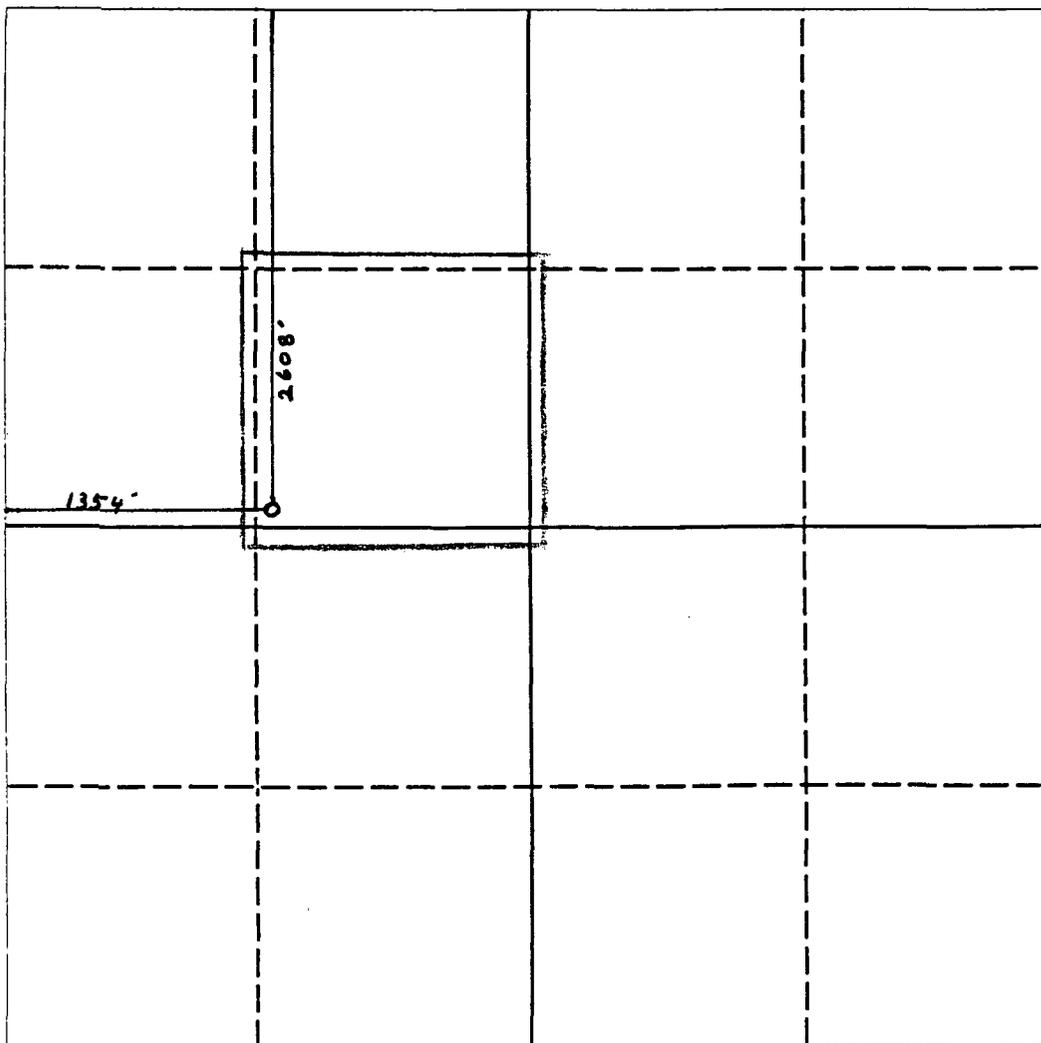
Operator SDX RESOURCES, INC.		Lease EAST MILLMAN UNIT		Well No. 197
Unit Letter F	Section 14	Township 19 SOUTH	Range 28 EAST	County EDDY COUNTY, NM
Actual Footage Location of Well: 1354 feet from the WEST line and 2608 feet from the NORTH line				
Ground level Elev. 3425	Producing Formation QUINN GRBG SAN ANDRES	Pool EAST MILLMAN QUEEN GRBG SAN ANDRES	Dedicated Acreage: 40 Acres	

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Signature: *Chuck Morgan*

Printed Name: **Chuck Morgan**

Position: **Engr.**

Company: **SDX Resources, Inc.**

Date: **1/27/93**

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Date Surveyed: **JANUARY 27, 1993**

Signature & Seal of Professional Surveyor: *[Signature]*

Certificate No.: **5412**

**REGISTERED PROFESSIONAL ENGINEER**

**NEW MEXICO**

**NM PE&S NO. 5412**

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

