

SDX RESOURCES, INC.

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

OIL CONSERVATION DIVISION  
RECEIVED

'93 OCT 8 AM 9 35

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

(30-015-27483)

Mr. Stogner,

This letter is intended to serve as an application for administrative approval of an additional unorthodox drilling location on our East Millman lease. The location requested will be the East Millman #215 (amended). The East Millman #215 was originally permitted as a standard location. A survey plat and O.C.D. form C-101 on the amended location accompany this letter. A lease map detailing the project is also enclosed. As discussed in our original applications, the purpose of this location is to convert the existing waterflood project on our East Millman 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. No offset operators are affected by the proposed unorthodox location. Thanks for your prompt attention.

Sincerely,



Chuck Morgan, P.E.

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**

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

P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

*(Amended location)*

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease  
 STATE  FEE

6. State Oil & Gas Lease No.  
 648

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

1a. Type of Work:  
 DRILL  RE-ENTER  DEEPEN  PLUG BACK   
 b. Type of Well:  
 OIL WELL  GAS WELL  OTHER   
 SINGLE ZONE  MULTIPLE ZONE

7. Lease Name or Unit Agreement Name  
 East Millman

2. Name of Operator  
 SDX RESOURCES, INC.

8. Well No.  
 215

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 N : 2590 Feet From The West Line and 330 Feet From The South Line  
 Section 15 Township 19-S Range 28-E NMPM Eddy County

10. Proposed Depth 2900  
 11. Formation Grayburg  
 12. Rotary or C.T. Rot

13. Elevations (Show whether DF, RT, GR, etc.) 3432 GR  
 14. Kind & Status Plug. Bond Blanket  
 15. Drilling Contractor Capstar  
 16. Approx. Date Work will start Nov., 1st

**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#	380'	300	surf
7-7/8"	5-1/2"	15.50#	2900'	500	surf

Plan to drill a 12-1/4" hole to approx. 380'; 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 10/7/93

TYPE OR PRINT NAME Chuck Morgan TELEPHONE NO. 748-9724

(This space for State Use)

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

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
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

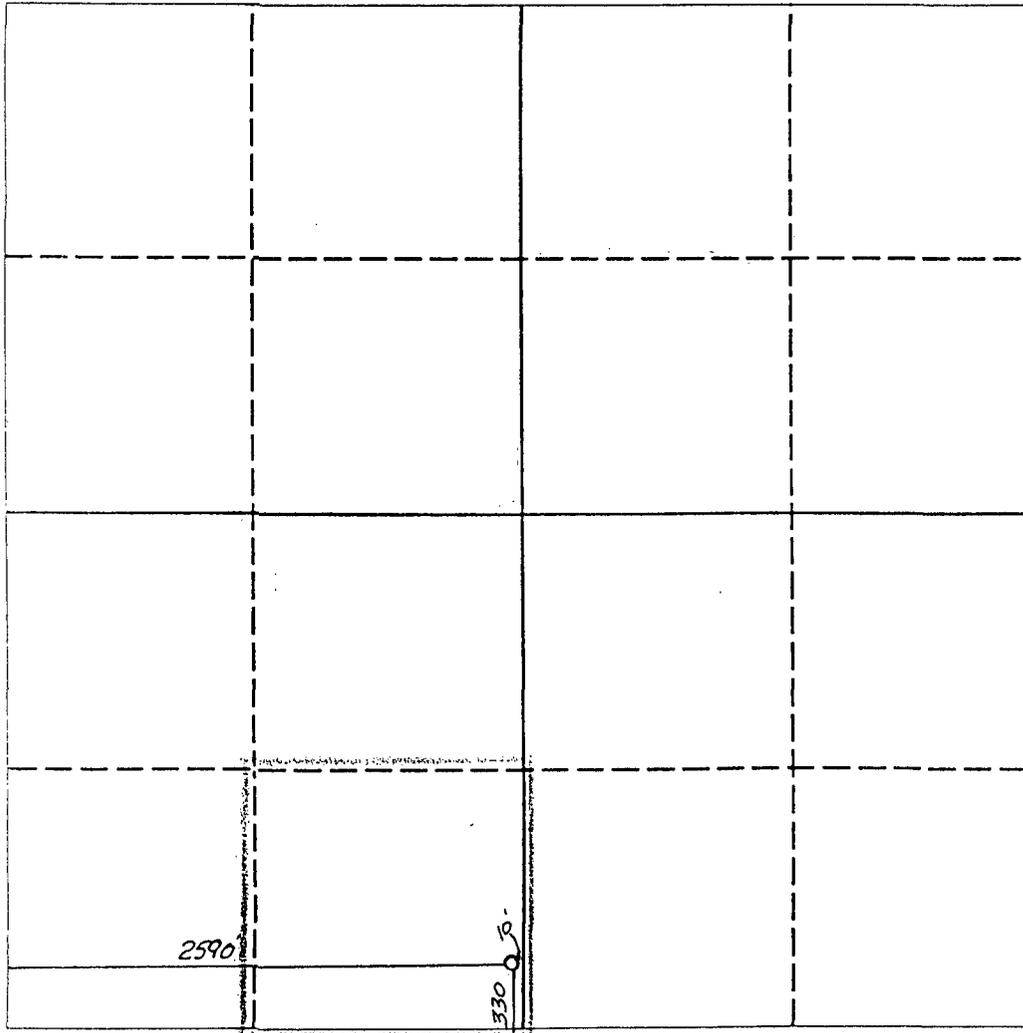
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

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

**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>215</b>		
Unit Letter <b>N</b>	Section <b>15</b>	Township <b>19 SOUTH</b>	Range <b>28 EAST</b>	County <b>EDDY COUNTY, NM</b>		NMPM		
Actual Footage Location of Well: 2590 feet from the <b>WEST</b> line and 330 feet from the <b>SOUTH</b> line								
Ground level Elev. <b>3432.</b>	Producing Formation <b>Q<sub>u</sub> - G<sub>b</sub> - S<sub>A</sub></b>			Pool <b>E. Millman Q<sub>u</sub> - G<sub>b</sub> - S<sub>A</sub></b>	Dedicated Acreage: <b>40</b> Acres			
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.</p> <p>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).</p> <p>3. 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.?  <input type="checkbox"/> Yes    <input type="checkbox"/> 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.</p>								



**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**

Date  
**10/7/93**

**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  
**OCTOBER 1, 1993**

Signature & Seal of Professional Surveyor  
*Don R. Kelly*

**NEW MEXICO**  
5412  
REGISTERED PROFESSIONAL ENGINEER  
Certificate No. SURVEYOR 105412  
NM RE&PS NO. 105412

