

DATE: 2/20/08	SUSPENSE	ENGINEER: WVS	LOGGED IN	TYPE: IPI	APP NO: 20WJ0810233684
---------------	----------	---------------	-----------	-----------	------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

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] OPERATOR/Applicant Name: _____ OGRD: _____
 (If one well) Lease/Well Name: _____
 Well API No. 30- _____ - _____

[2] 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

[3] 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
U.S. Bureau of Land Management
 [E] ☐ Notification and/or Concurrent Approval by SLO
Commissioner of Public Lands, State Land Office
 [F] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [G] ☐ Waivers are Attached

[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

SDX Resources, Inc.
P.O. Box 5061
MIDLAND, TX 79704
TEL: (432) 685-1761 FAX: (432) 685-0533
TOLL FREE: (800) 344-1761

RECEIVED

2008 MAR 20 PM 2 20

~~August 2, 2005~~

NMOCD
1220 South Francis Drive
Santa Fe, N.M. 87505
Attn. Will Jones

IPF-295

RE: NW State #8 (API # 30-015-30815)

Gentlemen,

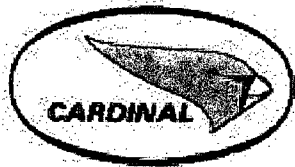
NMOCD order SWD-1081 covered the conversion of SDX Resources NW State #8 well from a producer into a SWD well injecting into an interval from 2523'-2859' and calculated an injection pressure limit of 504# (2523 X .2). Attached is data from a step rate test run by Cardinal Surveys on the well. we request that the injection pressure limit for the NW State #8 be increased to 908#. If you have any questions or need any additional information, please give me a call. Thanks for your attention on this matter.

Sincerely,



Chuck Morgan

Step Rate Test



Cardinal Surveys Company

March 13, 2008

SDX Resources
N. W. State # 8
Field:
Eddy County, NM
SC 56781
File #

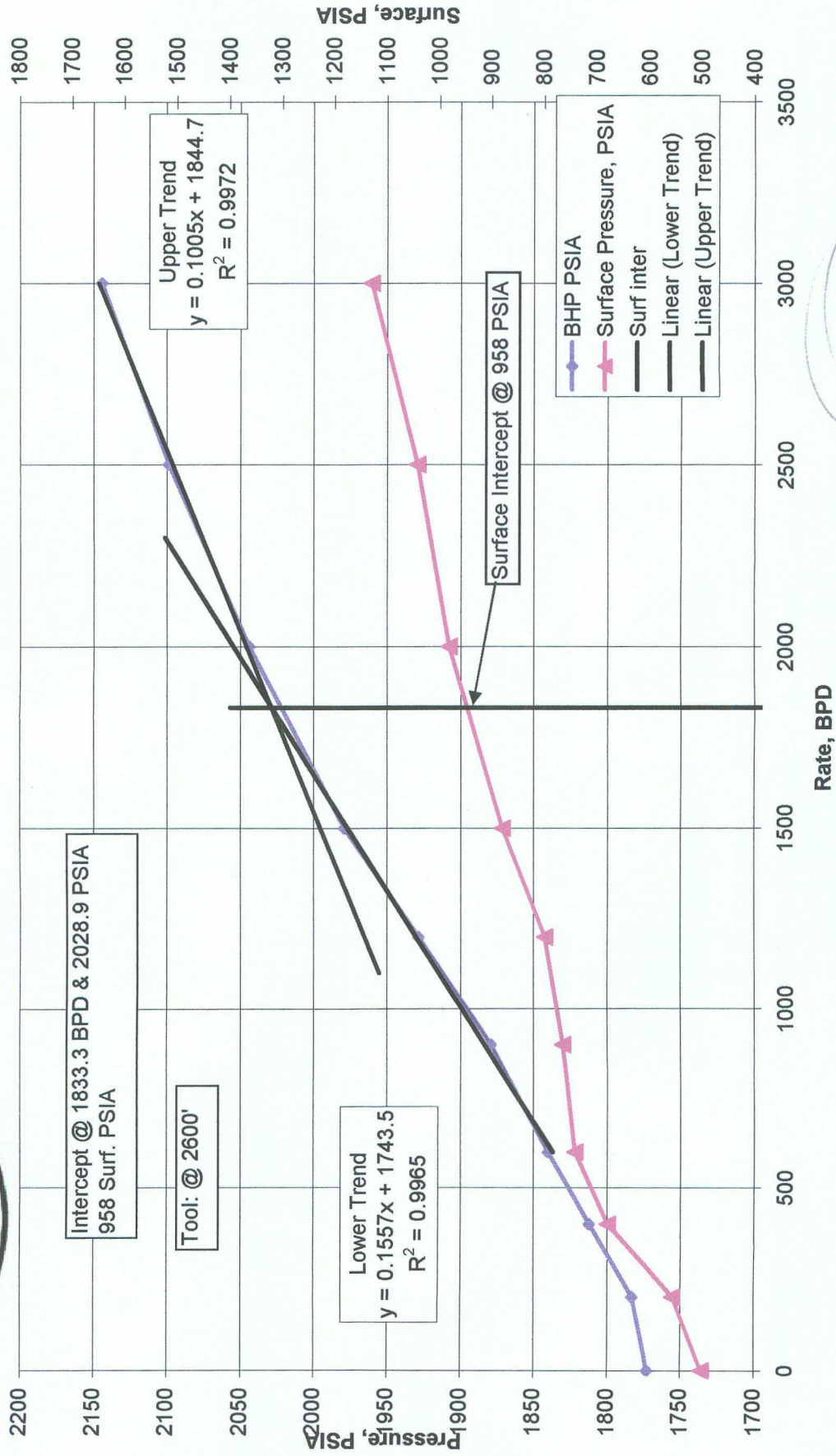
Intercept @ 1833.3 BPD & 2028.9 PSIA, 958 Surf. PSIA
--

Downhole PSI Tool Ser. No.
Surface PSI Gauge Ser. No.
Tool @ 2600'

	Start Time	End Time	Rate BPD	Comments
1	8:34 AM	9:15 AM		0 On Bottom
2	9:15 AM	9:45 AM	200	
3	9:45 AM	10:15 AM	400	
4	10:15 AM	10:45 AM	600	
5	10:45 AM	11:15 AM	900	
6	11:15 AM	11:45 AM	1200	
7	11:45 AM	12:15 PM	1500	
8	12:15 PM	12:45 PM	2000	
9	12:45 PM	1:15 PM	2500	
10	1:15 PM	1:45 PM	3000	
11	1:45 PM	2:00 PM		0 Fall Off



SDX Resources N. W. State # 8
Step Rate Test 03-13-2008



958 - 50 = 908

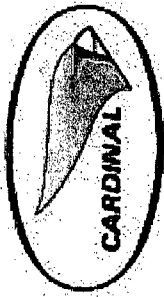
Step Rate Test

SDX Resources

N. W. State # 8

Field:

Eddy County, NM



	S Time	E Time	D Time	Last Rate	Step	B. H. Pressure	Surf	Cum	Delta	Avg.	Lower	Upper
			Min	BPD	BPD	PSIA	PSIA	BBL	BBL	BPD	Trend	Trend
1	8:34 AM	9:15 AM	41	0	0	1773.1	501.1	0	0	0		
2	9:15 AM	9:45 AM	30	200	200	1783.3	556.8	4.2	4.2	202		
3	9:45 AM	10:15 AM	30	400	200	1812.5	680.2	12.8	8.6	413		
4	10:15 AM	10:45 AM	30	600	200	1840.3	741.9	25.3	12.5	600	1840.3	
5	10:45 AM	11:15 AM	30	900	300	1879.3	765.3	43.8	18.5	888	1879.3	
6	11:15 AM	11:45 AM	30	1200	300	1928.8	799.3	70	26.2	1258	1928.8	
7	11:45 AM	12:15 PM	30	1500	300	1979.5	880.5	100.2	30.2	1450	1979.5	
8	12:15 PM	12:45 PM	30	2000	500	2044.1	983	141.4	41.2	1978		2044.1
9	12:45 PM	1:15 PM	30	2500	500	2099	1042.8	193.8	52.4	2515		2099
10	1:15 PM	1:45 PM	30	3000	500	2144.6	1130.4	257.7	63.9	3067		2144.6
11	1:45 PM	2:00 PM	15	0	-3000	2042	910.4	257.7	0	0		

0.1557 1743.5
0.1005 1844.7

int point: 1833.3333 BPD
2028.95 Psia



SDX Resources N. W. State # 8
Step Rate Test 03-13-2008

