

3/20/08	—	ENGINEER	LOGGED IN	TYPE IPI	APP NO. 0810230384
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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~~

IPI-294

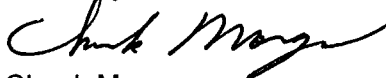
NMOCD
1220 South Francis Drive
Santa Fe, N.M. 87505
Attn. Will Jones

RE: NW State #5 (API # 30-015-30781)

Gentlemen,

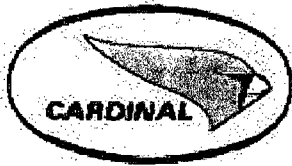
NMOCD order SWD-1100 covered the conversion of SDX Resources NW State #5 well from a producer into a SWD well injecting into an interval from 2464'-2856' and calculated an injection pressure limit of 492# (2464 X .2). Attached is data from a step rate test run by Cardinal Surveys on the NW State #5 well. We request that the injection pressure limit for the NW State #5 be increased to 810#. 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

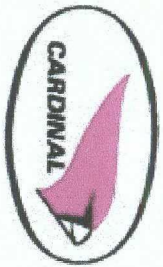
March 12, 2008

SDX Resources
N. W. State # 5
Field:
Eddy County, NM
SC 56780
File #

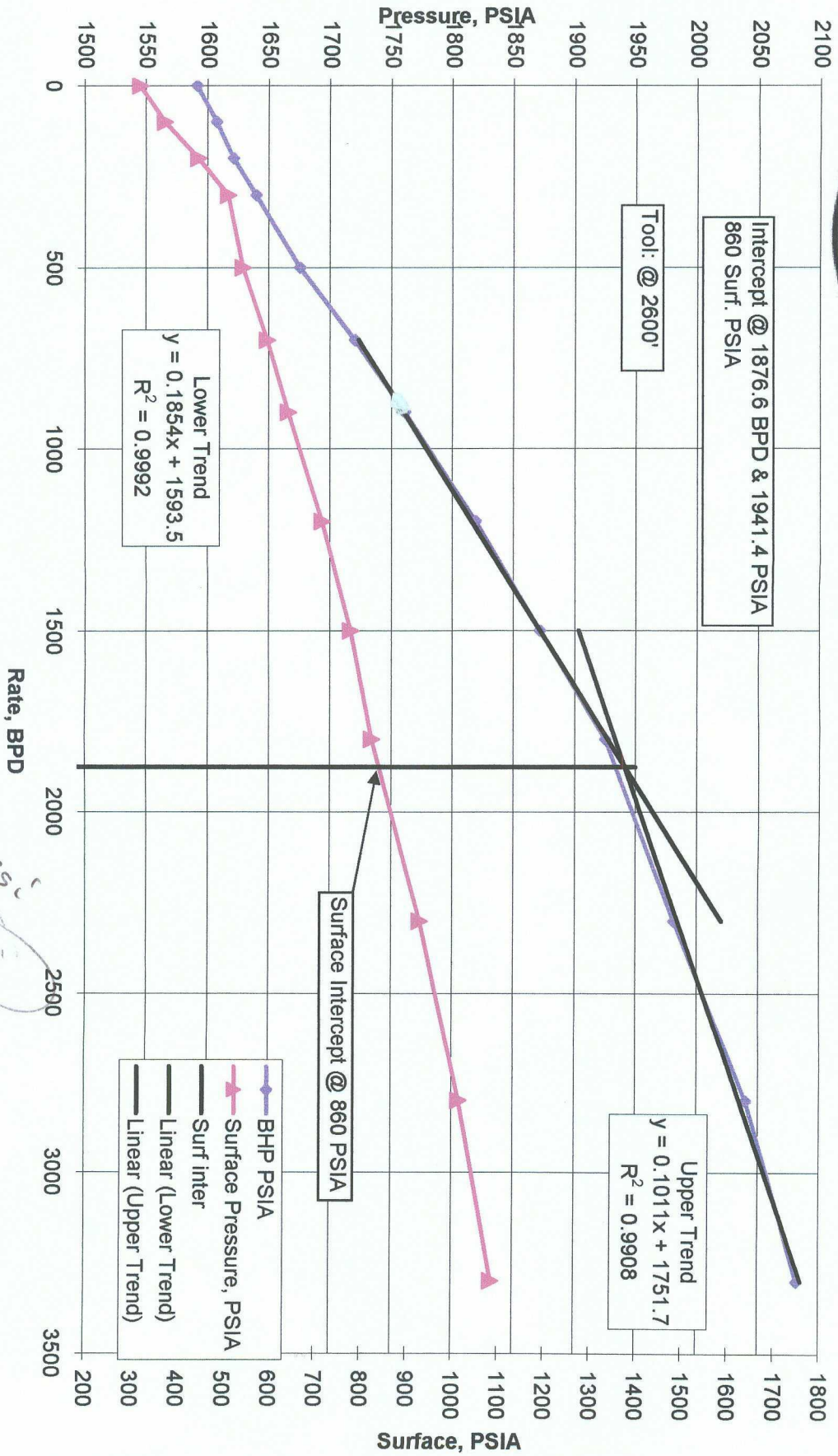
Intercept @ 1876.6 BPD
& 1941.4 PSIA, 860
Surf. PSIA

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

	Start Time	End Time	Rate BPD	Comments
1	8:55 AM	9:15 AM		0 On Bottom
2	9:15 AM	9:45 AM	100	
3	9:45 AM	10:15 AM	100	
4	10:15 AM	10:45 AM	100	
5	10:45 AM	11:15 AM	200	
6	11:15 AM	11:45 AM	200	
7	11:45 AM	12:15 PM	200	
8	12:15 PM	12:45 PM	300	
9	12:45 PM	1:15 PM	300	
10	1:15 PM	1:45 PM	300	
11	1:45 PM	2:15 PM	500	
12	2:15 PM	2:45 PM	500	
13	2:45 PM	3:15 PM	500	
14	3:15 PM	3:30 PM	-3300	Fall Off



SDX Resources N. W. State # 5
Step Rate Test 03-12-2008



810 - 50 psc
810 psc

Step Rate Test

SDX Resources
N. W. State # 5
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	BPD	Trend	Trend
1	8:55 AM	9:15 AM	20	0	0	1592.1	321.4	0	0		
2	9:15 AM	9:45 AM	30	100	100	1607.8	375.6	2.9	139		
3	9:45 AM	10:15 AM	30	200	100	1621.5	447.2	7.2	206		
4	10:15 AM	10:45 AM	30	300	100	1640.2	512.5	13.6	307		
5	10:45 AM	11:15 AM	30	500	200	1675.6	544.5	24	499		
6	11:15 AM	11:45 AM	30	700	200	1720.6	597.3	38.5	696	1720.6	
7	11:45 AM	12:15 PM	30	900	200	1761.4	643.3	57.2	898	1761.4	2158.7
8	12:15 PM	12:45 PM	30	1200	300	1819.3	717.1	82.7	1224	1819.3	2172.4
9	12:45 PM	1:15 PM	30	1500	300	1871.6	779.2	114.1	1507	1871.6	
10	1:15 PM	1:45 PM	30	1800	300	1925.5	825.2	151.8	1810	1925.5	
11	1:45 PM	2:15 PM	30	2300	500	1981.4	930.2	197.2	2179		1981.4
12	2:15 PM	2:45 PM	30	2800	500	2040.4	1016.5	257	2870		2040.4
13	2:45 PM	3:15 PM	30	3300	500	2082.5	1086.6	324	3216		2082.5
14	3:15 PM	3:30 PM	15	0	-3300	1979.4	847.8	324	0		

int point: 1876.6311 BPD
1941.4274 Psia
0.1854 1593.5
0.1011 1751.7



SDX Resources N. W. State # 5
Step Rate Test 03-12-2008

