

APPLICATION FOR AUTHORIZATION TO INJECT

INJECTION

- I. Purpose: ☐ Secondary Recovery ☐ Pressure Maintenance ☐ Disposal ☐ Storage
Application qualifies for administrative approval? ☒ yes ☐ no
- II. Operator: SDX Resources, Inc.
Address: PO Box 5061, Midland, TX 79704
Contact party: Chuck Morgan Phone: 915/685-1761
- III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? ☒ yes ☐ no
If yes, give the Division order number authorizing the project R-3837.
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- * VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- * X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.)
- * XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification
- I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- Name: Bonnie Atwater Title: Production Asst.
Signature: Bonnie Atwater Date: 9-29-97
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal.

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; location by Section, Township, and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) the intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;
- (3) the formation name and depth with expected maximum injection rates and pressures; and
- (4) a notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Application for Authorization to Inject
SDX Resources Inc.

Northeast Pearl Queen Unit #9
Unit A, Sec. 23, T19S, R35E
990' FNL, 990' FEL
Lea County, New Mexico

- I. SDX plans to convert this well to an injection well in the Queen formation.
- II. Operator: SDX Resources, Inc.
P.O. Box 5061
Midland, TX 79704
- III. Well Data: See Attachment A1 – A3.
- IV. This is an expansion of an existing project.
Division Order No.: R-3837
- V. See Attachment B1 & B2 (1/2 & 2 mile map & large scale map).
- VI. See Attachment C.
- VII. (1.) Proposed Average Daily Injection Volume: 200 BWPD
Maximum Daily Injection Volume: 500 BWPD

(2.) This will be a closed system.

(3.) Proposed Average Injection Pressure: Unknown
Proposed Maximum Injection Pressure: To be determined.

(4.) Re-inject produced water into the same zone. Water analysis attached (Attachment D-1 & D-2).

(5.) Not Applicable.
- VIII. (1.) The proposed injection interval is the Penrose portion of the Queen formation, consisting of dolomitic sands.

(2.) Limited fresh water zones overlie the proposed injection zone at appx. 60 – 100'.
- IX. The proposed injection interval may be acidized if necessary.
- X. Well logs are on file at the OCD.
- XI. A fresh water well is located in Sec. 13, T19S, R35E, Unit N inside the one mile radius. Water sample is attached (Attachment E).

XII. Geologic and engineering data have been examined and no evidence of open faults or any other hydrological connection between the injection zone and any fresh water aquifer has been found.

XIII. (1.) Certified letters sent to offset operators (Attachment F).

Surface Owner: Ilene Sims

Attention: Pat Sims

P.O. Box 45

Eunice, NM 88231

(2.) Copy of legal advertisement attached along with an Affidavit of Publication (Attachment G-1 & G-2).

ATTACHMENT A-1

III. Well Data: Northeast Pearl Queen Unit #9

- A. (1.) Unit A, Sec. 23, T19S, R25E
Lea Co., New Mexico
990' FNL, 990' FEL
- (2.) Casing: 8-5/8", 28#, R-2 csg @ 262'. Cmt w/175 sx, circ.
4-1/2", 10.5#, J-55, 8rd csg @ 5095'. Cmt w/200 sx, tail w/50 sx
POZ. TOC 4008' (calc.) (See Attachment A-2)
- (3&4) Proposed well condition: Perfs from 4930' – 5025'.
2-7/8" PC tubing with an AD-1 PC packer set at 4830'. (See
Attachment A-3)
- B. (1.) Injection Formation: Queen
- (2.) Injection interval will be thru perforations: 4930' – 5025'.
- (3.) Well was drilled and completed as a producer in the Queen
formation.
- (4.) Perforations: 4930' – 5025'.
- (5.) Next shallow oil or gas zone: NA
Next deeper oil or gas zone: Grayburg

WELL NAME: NEFO #9

OPERATOR: SDA Resources Inc

LOCATION: 990 FNL + 190 FEE, SPC 23 TIPS 325E

COMPLETED: 7/64

11' hole
8 5/8 28" log
2 2 1/2
Crest 1715L = 24
W.C. 241'

TDC 408'

Perf 4230-5225

Hole 7 7/8
4 1/2 IL 5" @ 5005
Crest 1715L = 24
TDC 408' = 24
TLC 400' = 24

T 5075'

F 5075'

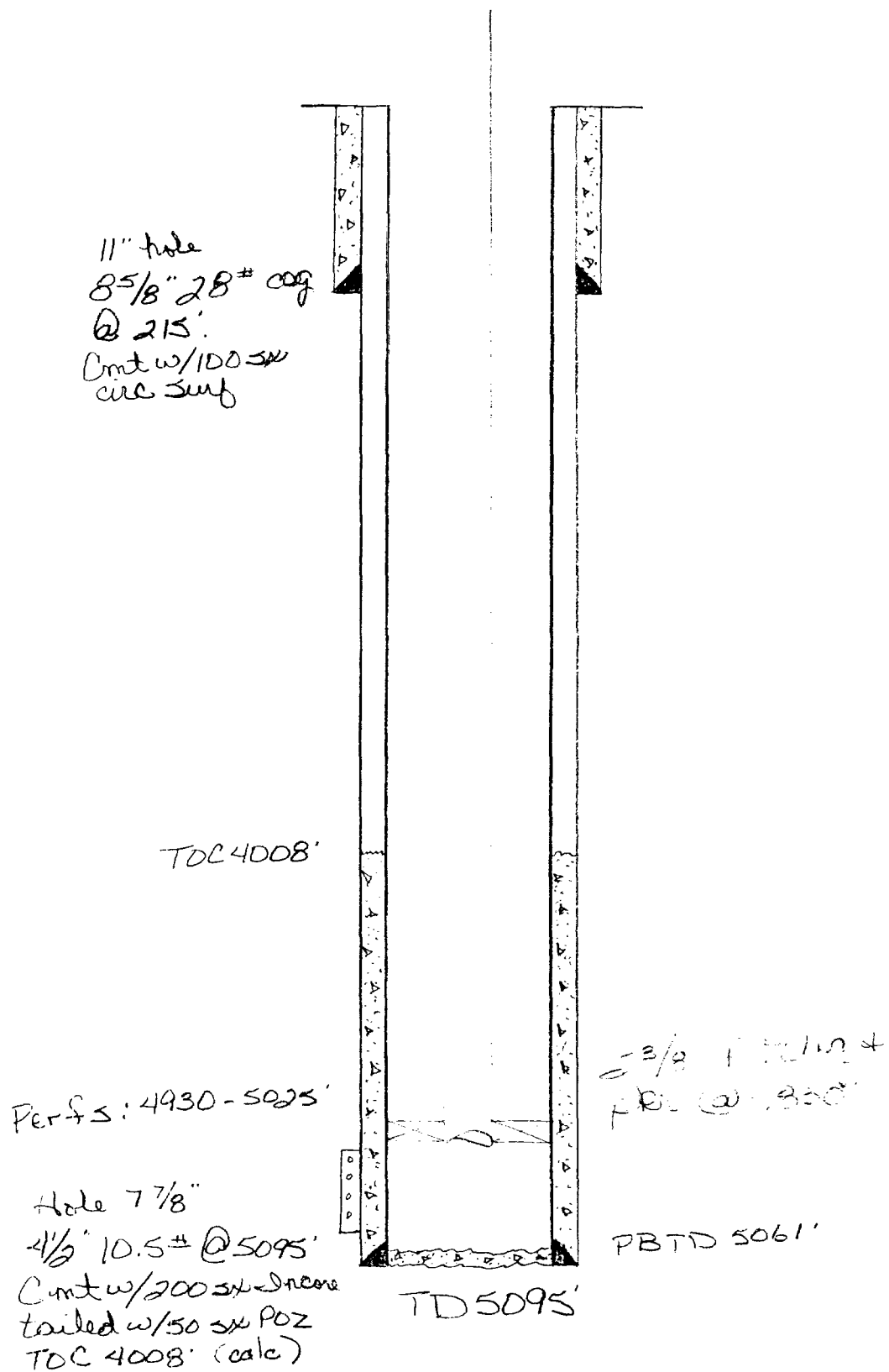
Attachment A-2 LTR sent

WELL NAME: NEPD #9

OPERATOR: SDX Resources Inc

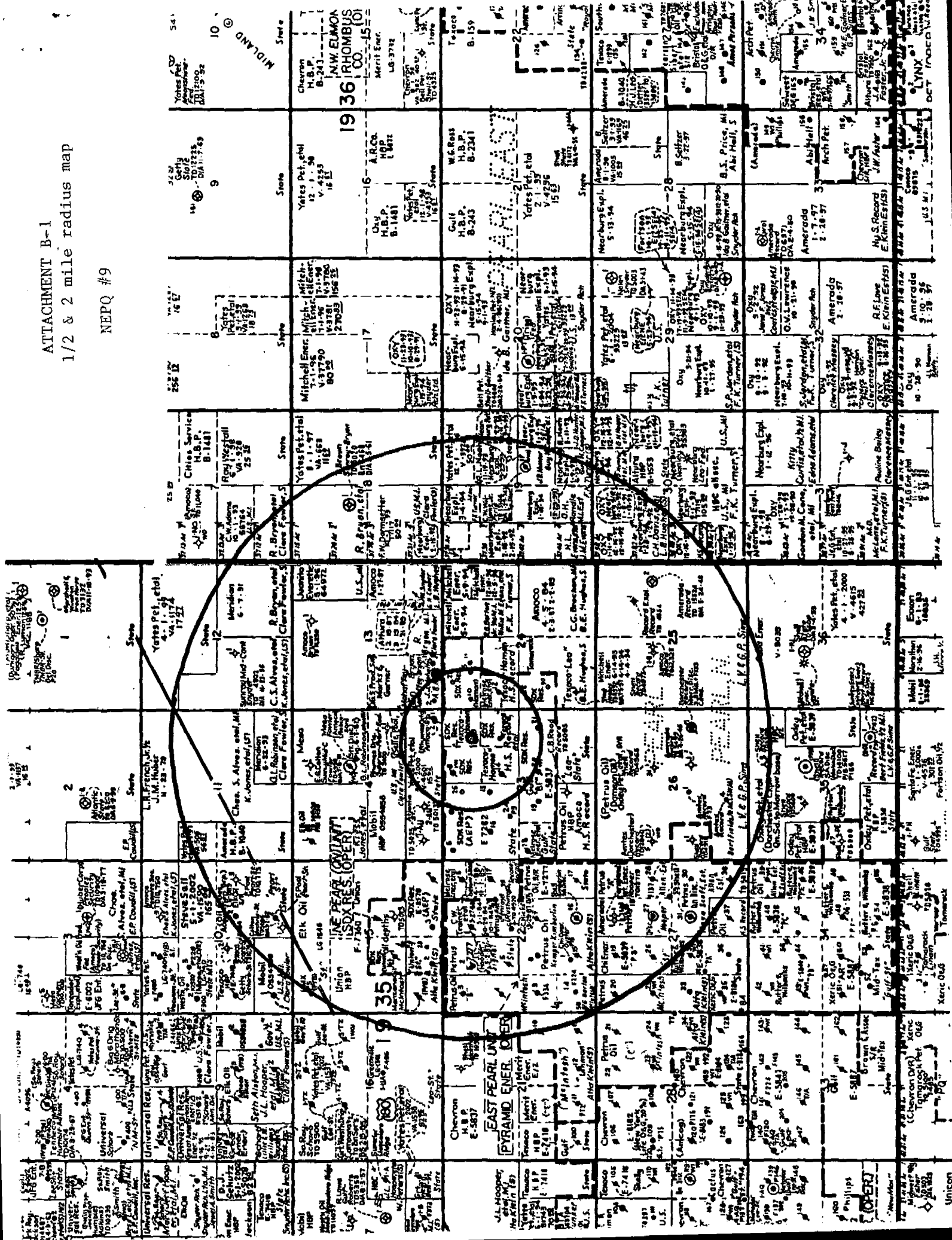
LOCATION: 990' FNL + 990' FEL, Sec 23, T19S, R25E

COMPLETED: 7/64

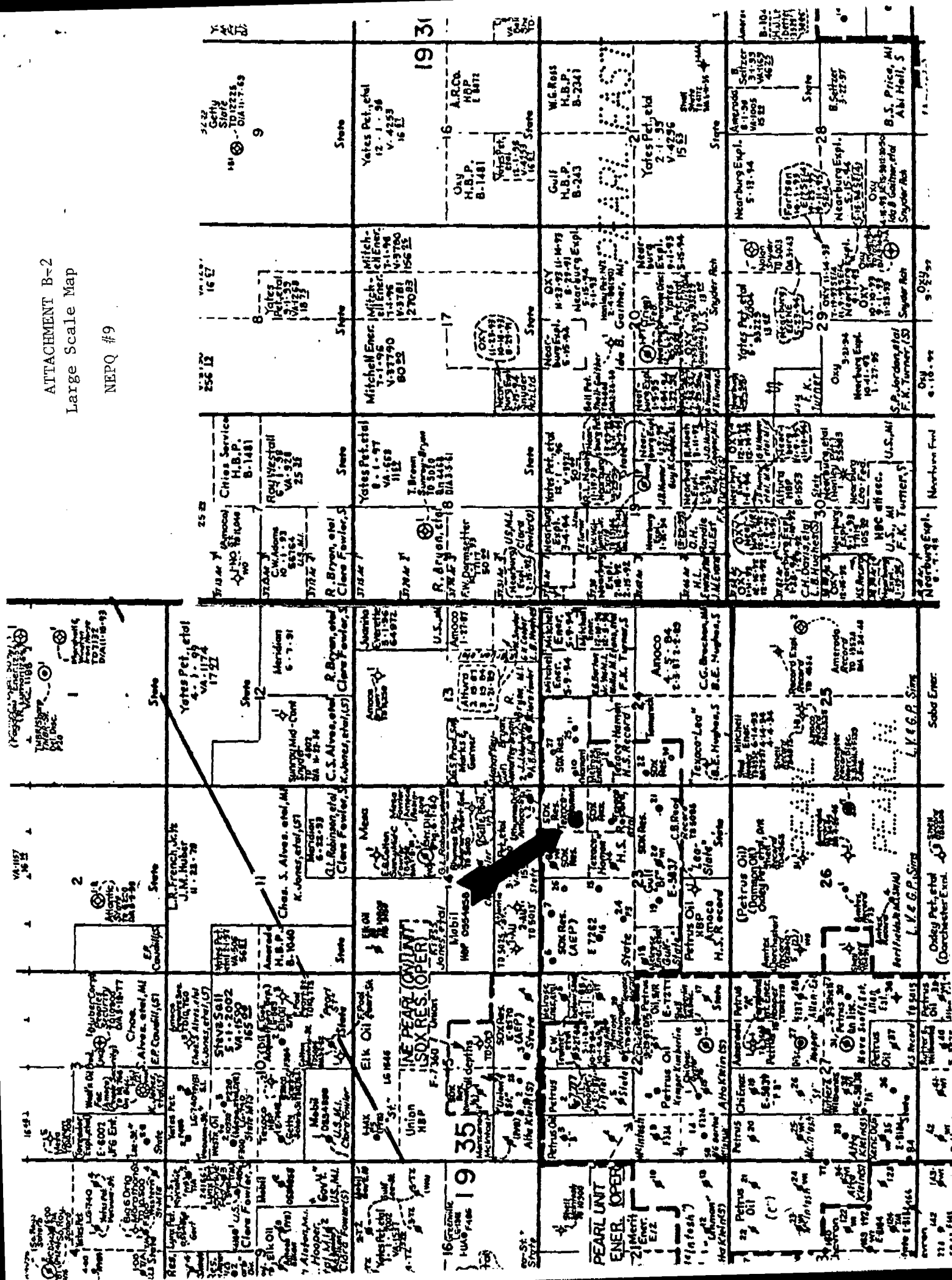


Attachment A-3 (Proposed)

NEPQ #9



6# NEPQ

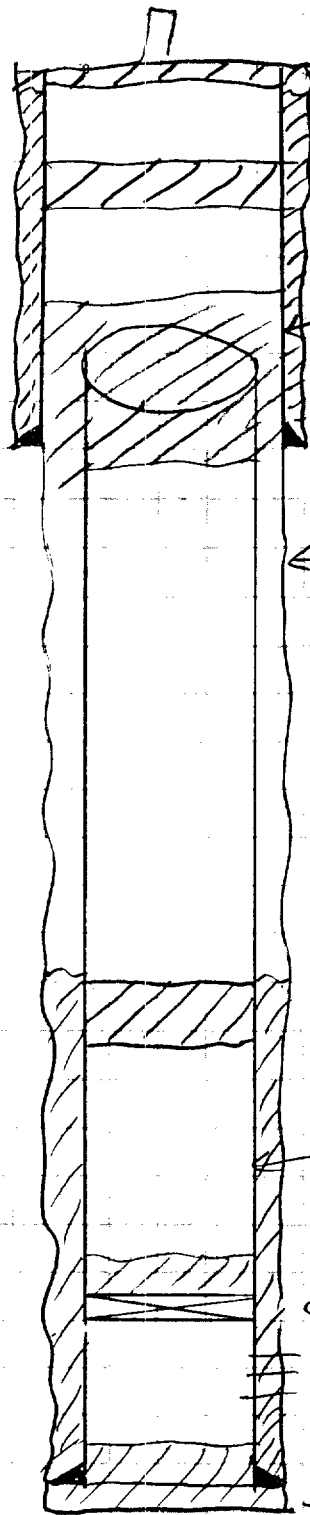


ATTACHMENT C

| <u>WELL NAME</u> | <u>OPERATOR</u> | <u>TYPE</u> | <u>CONSTRUCTION</u> | <u>DATE DRILD</u> | <u>LOCATION</u> | <u>TD</u> | <u>COMPLETION</u> |
|------------------|-----------------|-------------|---|-------------------|---|-----------|---|
| NEPQ #8 | SDX Resources | O | 10-1/2" hole, 8-5/8" @ 150' 50 sx, TOC surf (calc) 7-7/8" hole, 4-1/2" @ 5064', 250 sx, TOC 3977' (calc) | 3-3-62 | 330' FNL 2310' FEL Sec 23, T19S, R35E | 5065' | 4943-4963 250 g Clag + 500 g acid 41000 g + 71000# sd |
| NEPQ #10 | SDX Resources | O | 11" hole, 8-5/8" @ 257' 125 sx, TOC surf (calc) 7-7/8" hole, 4-1/2" @ 5064' 200 sx, TOC 4195' (calc) | 9-30-64 | 990' FNL 330' FWL Sec 24 T19S, R35E | 5147' | 4911-5002 850 g SF 38000 g gel brine wtr + 30000# sd + 500# glass beads |
| NEPQ #12 | SDX Resources | O | 11" hole, 8-5/8" @ 158' 100 sx, TOC surf (calc) 7-7/8" hole, 4-1/2" @ 5084' 250 sx, TOC 3998' (calc) | 3-26-62 | 1980' FNL 660' FWL Sec 24, T19S, R35E | 5090' | 5024 - 5030 250 g 29000 g lse oil + 45000# sd + 750# adomite + 600# walnut hulls. 25 sx @ 4900' Displace w/9.5 ppg mud 25 sx @ 3195' 25 sx @ 1825' 25 sx @ 208' 10 sx @ surface |
| See Schematic | | P&A | Left csg in well. | 12-4-85 | | | |
| NEPQ #14 | SDX Resources | O | 10-1/2" hole, 8-5/8" @ 164' 75 sx, TOC surf (calc) 7-7/8" hole, 4-1/2" @ 5102' 200 sx, TOC 4233' (calc) | 6-15-62 | 1980' FNL 2310' FEL Sec 23, T19S, R35E | 5103' | 4967-5050 250 g acid, 37000 g + + 70000# sd |
| NEPQ #15 | SDX Resources | O | 12" hole, 8-5/8" @ 330' 300 sx TOC surf (calc) 7-7/8" hole, 4-1/2" @ 5029' 200 sx, TOC 4160' (calc) | 8-8-62 | 1650' FNL 2310' FWL Sec 23, T19S, R35E | 5039' | 5029-5039 500 g acid, 20000 g + 40000# sd. 4945-4960 500 g acid, 20000 g + 40000# sd |

| <u>WELL NAME</u> | <u>OPERATOR</u> | <u>TYPE</u> | <u>CONSTRUCTION</u> | <u>DATE DRLD</u> | <u>LOCATION</u> | <u>ID</u> | <u>COMPLETION</u> |
|-----------------------|-----------------|-------------|---|------------------|---|-----------|--|
| NEPQ #21 | SDX Resources | O | 12-1/4" hole, 8-5/8" @ 160' 125 sx, TOC surf (calc) 7-7/8" hole, 4-1/2" @ 5095' 325 sx, TOC 3682' (calc) | 11-22-62 | 1980' FSL, 660' FEL Sec 23, T19S, R35E | 5100' | 4914-4995 750 g 12000 g Petrogel |
| NEPQ #22 | SDX Resources | O | 11" hole, 8-5/8" @ 104' 35 sx, TOC surf (calc) 7-7/8" hole, 4-1/2" @ 5069' 200 sx, TOC 4200 (calc) CIBP @ 4850' | 1-20-63 | 2310' FSL 330' FWL Sec 24, T19S, R35E | 5069' | 4912-5001 250 g SOF 28000g + 22500# sd |
| Amoco 14 #1 | Tierra Expl. | O | 14" csg @ 40', 10 sx 8-5/8" csg @ 995' 545 sx TOC @ 167' (calc) 4-1/2" @ 5075' 400 sx, TOC @ 3336' (calc) Csg left in well. | 11-31-83 | 330' FSL 330' FEL Sec 14, T19S, R35E | 5075' | 4892-4994 3000 g 25000 g gel wtr + 38000# sd |
| See Schematic | P&A | | | | | | Top of fish @ 1160' 100 sx plug @ 900-1000' 35 sx plug @ surface. |
| Amoco 14 #2 | Tierra Expl. | O | 8-5/8" @ 1600' 630 sx, TOC @ surf (calc) 5-1/2" @ 5175' 350 sx, TOC @ 3130' (calc) 8-5/8" csg left in well. 5-1/2" csg cut @ 1300' | 12-14-85 | 330' FSL 355 FEL Sec 14, T19S, R35E | 5175' | 4837-4985 |
| See Schematic | P&A | | | 4-2-90 | | | CIBP @ 4800' w/7 sx cap "A". 35 sx plug @ 3424-3115 65 sx plug @ 1724-1245 35 sx plug @ 356-240 10 sx plug @ surf. |
| Mahaffey- Bryan #2 | SDX Resources | O | 12-1/4" & 11" hole, 8-5/8" @ 1834', 870 sx TOC surf (calc) 7-7/8" hole, 5-1/2" @ 4990', 350 sx TOC 2990' (calc) | 3-8-85 | 330' FSL 330' FWL Sec 13, T19S, R35E | 5050' | 4873-4891 30000 g + 45000# sd, 4960-4968 15000 g + 21500# sd |

Amoco 14 ST. #2



10 sk surface plug
TOC 88' calc. .75 off

35 sk. plug "A" 356'-240'

← 12 1/4" = 24" at 1600' cont. w/
630 sks. "C"

5 1/2" = csg. cut at 1300' 65 sk plug 1724'-124:
1600'

← 7 7/8" =

TOC 3130' (calc. .75 offc.)
35 sk. "A" plug 3424'-3115'

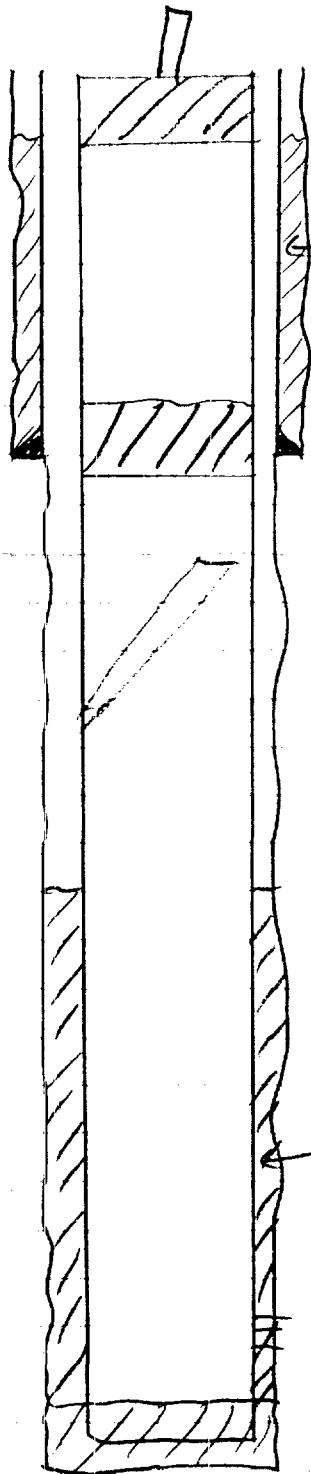
← 5 1/2" = 15.5' at 5175' cont. w/ 350 sks.
50/50 POZ

CIAP at 4800' w/ 7 sk. caps class "A"

perfs 4837'-4985'

5175'

Amoco 14 St. #1



35 st. "c" surface plug
Toc 167 (calc. .75 offc.)

← $12\frac{1}{4}$ " hole

← $8\frac{1}{4}$ " 24" at 995' cnt. w/ 345 sts. "c"

995' - 100 st. plug "c" 900-1000'

Top of Fish at 1160'

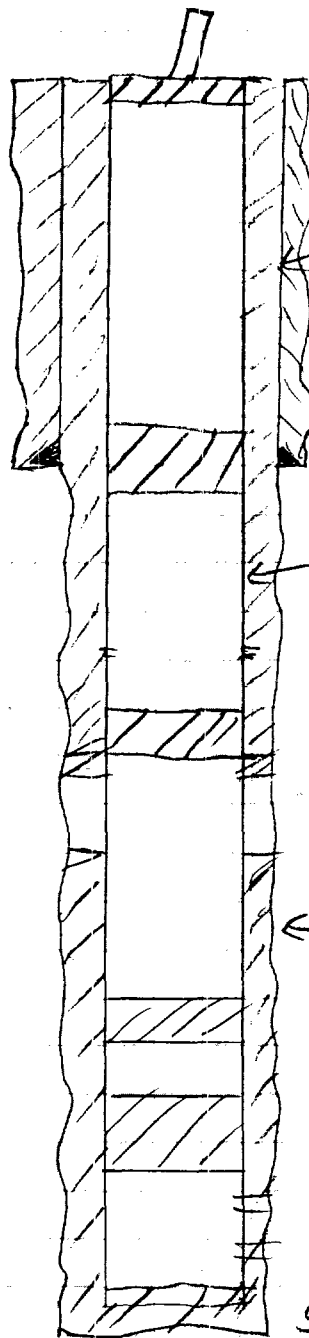
Toc 3336 - (calc. .75 offc.)

← $4\frac{1}{2}$ " 105" at 5075' cnt. w/ 400 sts.

Perfs 4892 - 4994'

T.O. 5075'

NEPQ #12



10 sk. surface plug

8 5/8" 24" cmt. w/ 100 sks.

11" hole

158' 25 sk plug at 208'

4 1/2" 95-116" cmt. w/ 250 sks.

circ. 300 sks. to surface + hbu hole at 1050' sqt w/ 100 additional sacks (1985).

25 sk plug at 1825'

TOC (calc. 1750 ft) 3998'

7 1/2" hole

1918'

25 sk. plug at 3195'

25 sk. plug from 4900'

Perfs 4940-59

5024-30

5084'

Attachment C

Unichem International

707 North Leech P.O.Box 1499

Hobbs, New Mexico 88240

Company : SDX
 Date : 09-18-1997
 Location: NEPQ (on 09-18-1997)

Specific Gravity: Sample 1
 1.141
 Total Dissolved Solids: 196981
 pH: 5.05
 Resistivity: 20.000 ohms @ 79[F
 IONIC STRENGTH: 4.024

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| CATIONS:     |        | me/liter | mg/liter |
|--------------|--------|----------|----------|
| Calcium      | (Ca+2) | 700      | 14000    |
| Magnesium    | (Mg+2) | 380      | 4620     |
| Sodium       | (Na+1) | 2390     | 55000    |
| Iron (total) | (Fe+2) | 0.081    | 2.26     |

| ANIONS:     |          | me/liter | mg/liter |
|-------------|----------|----------|----------|
| Bicarbonate | (HCO3-1) | 1.000    | 61.0     |
| Carbonate   | (CO3-2)  | 0        | 0        |
| Hydroxide   | (OH-1)   | 0        | 0        |
| Sulfate     | (SO4-2)  | 28.1     | 1350     |
| Chloride    | (Cl-1)   | 3440     | 122000   |

| DISSOLVED GASES  |       |      |
|------------------|-------|------|
| Carbon Dioxide   | (CO2) | 220  |
| Hydrogen Sulfide | (H2S) | 17.0 |

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SCALING INDEX (positive value indicates scale)

| Temperature | | Calcium Carbonate | Calcium Sulfate |
|-------------|------|----------------------|--------------------|
| 86[F | 30[C | -0.92 | 11 |
| 104[F | 40[C | -0.28 | 11 |
| 122[F | 50[C | 0.01 | 11 |
| 140[F | 60[C | 0.35 | 11 |
| 168[F | 76[C | 0.91 | 11 |
| 176[F | 80[C | 1.1 | 11 |

omments:
 c: Isaac Huskey
 Jay Brown

Unichem International
707 North Leech P.O.Box 1499
Hobbs, New Mexico 88240

Company : SDX
Date : 09-18-1997
Location: Windmill #1 (on 09-18-1997)

Specific Gravity: Sample 1
Total Dissolved Solids: 1.001
pH: 960
Resistivity: 7.12
IONIC STRENGTH: 20.000 ohms @ 79[F
0.018

=====

| CATIONS: | | me/liter | mg/liter |
|--------------|--------|----------|----------|
| Calcium | (Ca+2) | 2.00 | 40.0 |
| Magnesium | (Mg+2) | 2.40 | 29.2 |
| Sodium | (Na+1) | 11.7 | 269 |
| Iron (total) | (Fe+2) | 0.098 | 2.73 |

| ANIONS: | | | |
|-------------|----------|------|-----|
| Bicarbonate | (HCO3-1) | 2.00 | 122 |
| Carbonate | (CO3-2) | 0 | 0 |
| Hydroxide | (OH-1) | 0 | 0 |
| Sulfate | (SO4-2) | 0 | 0 |
| Chloride | (Cl-1) | 14.1 | 500 |

| DISSOLVED GASES | | |
|------------------|-------|------|
| Carbon Dioxide | (CO2) | 0 |
| Hydrogen Sulfide | (H2S) | 17.0 |

=====

| SCALING INDEX (positive value indicates scale) | | | |
|--|------|-------------------|-----------------|
| Temperature | | Calcium Carbonate | Calcium Sulfate |
| 86[F | 30[C | -0.72 | -19 |
| 102[F | 39[C | -0.11 | -19 |
| 122[F | 50[C | 0.21 | -19 |
| 140[F | 60[C | 0.54 | -19 |
| 168[F | 76[C | 1.1 | -19 |
| 176[F | 80[C | 1.3 | -19 |

Comments:
To: Isaac Huskey
Jay Brown



P.O. BOX 2137
HOBBS, N.M. 88240

PHONE: (505) 393-7726

WATER ANALYSIS REPORT

Report for: GLEN SALING

cc:

cc:

cc:

Company: TAMARACK

Address:

Service Engineer: OWEN ROBERTS

Date sampled: 8-25-89

Date reported: 8-30-89

Lease or well # : N. PEARL QUEEN 9

County: State:

Formation:

Depth:

Submitted by: M. CARSON

CHEMICAL COMPOSITION :

| | mg/L | meq/L |
|------------------------|--------|-------|
| Chloride (Cl) | 131000 | 3695 |
| Iron (Fe) (total) | 3.0 | |
| Total hardness | 60500 | |
| Calcium (Ca) | 12832 | 640 |
| Magnesium (Mg) | 6925 | 556 |
| Bicarbonates (HCO3) | 122 | 2 |
| Carbonates (CO3) | n/a | |
| Sulfates (SO4) | 1059 | 22 |
| Hydrogen sulfide (H2S) | 23 | |
| Carbon dioxide (CO2) | 518 | |
| Sodium (Na) | 58031 | 2523 |
| Total dissolved solids | 209970 | |
| Barium (Ba) | n/a | |
| Strontium (Sr) | n/a | |

Specific Gravity 1.149

Density (#/gal.) 9.575

pH 6.150

IONIC STRENGTH 4.33

Stiff-Davis (CaCO3) Stability Index :

SI = pH - pCa - pAlk - K

SI @ 86 F = +0.51

104 F = +0.74

122 F = +1.00

140 F = +1.29

158 F = +1.61

This water is 49 mg/l (-3.16%) under ITS CALCULATED
CaSO4 saturation value at 82 F.

SATURATION= 1551 mg/L

PRESENT= 1502 mg/L

REPORTED BY RANDOLPH SCOTT

CHEMIST

ATTACHMENT F
OFFSET OPERATORS

Yates Petroleum Corp.
Attn: Land Dept.
105 S. 4th St.
Artesia, NM 88210

Tierra Exploration Inc.
Attn: Land Dept.
PO Box 56
Midland, TX 79702

SDX RESOURCES, INC.

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

September 29, 1997

Tierra Exploration Inc.
PO Box 56
Midland, TX 79702

Attention: Land Department

Re: Application for Authority to Inject
Sec. 23, T29S, R35E
Lea County, New Mexico

Gentlemen:

Enclosed is Form C-108 (Application for Authority to Inject) for the following well operated by
SDX Resources, Inc.

Northeast Pearl Queen Unit #9
Unit A, Sec. 23, T29S, R35E
990' FNL, 990' FEL
Lea County, New Mexico

Should you have any questions, please contact us at the letterhead address.

Sincerely,



Chuck Morgan
Engineer

:ba

enclosure

Attachment F

NOTICE OF APPLICATION FOR FLUID INJECTION WELL PERMIT

SDX Resources, Inc., located at 511 W. Ohio St., Ste 601, Midland, TX 79702, mailing address PO Box 5061, Midland, TX 79704, Contact: Chuck Morgan 915/685-1761 is seeking administrative approval from the New Mexico Oil Conservation Division to complete the Northeast Pearl Queen Unit #7 & #9 located in Sec. 23, T19S, R35E, Lea Co., New Mexico as injection wells. The proposed injection zone is the Queen formation with perforations from 4948'-5043' on #7 & 4930'-5025' on #9. SDX Resources, Inc. intends to inject a maximum of 500 barrels of produced formation water per day at a maximum injection pressure of 900# on each well.

Interested parties must file objections or request for hearing with the Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87505 within 15 days of this notice.

This legal ad was run in the "Hobbs News – Sun", Thursday, September 18, 1997.

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 1

weeks.

Beginning with the issue dated

September 18 1997

and ending with the issue dated

September 18 1997

Kathi Bearden

Publisher

Sworn and subscribed to before

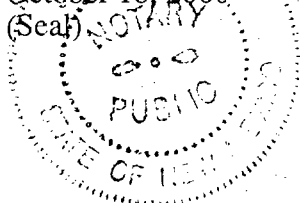
me this 18th day of

September 1997

Joel Hanson

Notary Public.

My Commission expires
October 18, 2000
(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICE

September 18, 1997

NOTICE OF APPLICATION
FOR FLUID INJECTION
WELL PERMIT

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Interested parties must file objections or requests for hearing with the Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87505 within 15 days of this notice.

#15428

Original at
NEPA #7

01101300000

01511158

SDX Resources, Inc.

P.o. Box 5061

a/c 470727

MIDLAND, TX 79704



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

10/10/97

GOVERNOR

WFX-729
POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

| | |
|-----|--------------|
| MC | _____ |
| DHC | _____ |
| NSL | _____ |
| NSP | _____ |
| SWD | _____ |
| WFX | <u> X </u> |
| PMX | _____ |

Gentlemen:

I have examined the application for the: NE Pearl Queen Lt # 7-C, 23-195-350
SDX Resources Inc. NE Pearl Queen Lt # 9-A, 23-195-350
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

Attachment F-1 for Unit #7 and C-1 for Well #9 states a proposed
injection pressure of 900#. This was received 10/4/97 was advertised
9/18/97 this doesn't give anyone time to respond to ad for hearing.

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District 1

/ed