

SDX RESOURCES, INC.

P.O. BOX 5061

MIDLAND, TEXAS 79704

(915) 685-1761

February 12, 1996

Mr. Mike Stogner
Oil Conservation Commission
P. O. Drawer 2088
Santa Fe, New Mexico 87504

RE: Non Standard Locations
Meyers Federal #7
1400' FNL & 1650' FEL, Unit Letter G
Sec. 22, T24S, R36E, Lea Co., NM

Meyers Federal #8
330' FNL & 1400' FEL, Unit Letter B
Sec. 22, T24S, R36E, Lea Co., NM

Dear Mr. Stogner:

SDX Resources, Inc. respectively request administrative approval for the above captioned NSL. A complete copy of the Application to Drill on each are enclosed.

We are proposing these locations for prudent reservoir maintenance.

A copy of the letters sent to the offset operators by Certified Mail are attached as per Rule 104.F (4).

If additional information is needed, please advise.

Best Regards,


John Pool
Vice President

JP/jdc

Enclosures

cc: BLM/Carlsbad w/Original APD's

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL ☒ DEEPEN ☐		5. LEASE DESIGNATION AND SERIAL NO LC-032451-C	
b. TYPE OF WELL OIL WELL ☒ GAS WELL ☐ OTHER ☐		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR SDX Resources, Inc.		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. P. O. Box 5061, Midland, TX. 79704 915/685-1761		8. FARM OR LEASE NAME WELL NO Meyers Federal #8	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 330' FNL & 1400' FEL, Unit B		9. API WELL NO	
At proposed prod. zone Same		10. FIELD AND POOL, OR WILDCAT Jalmat, Tan-Yates-7 Rvrs	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 5 mi. NW from Jal, NM		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 22, T24S, R36E	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	300' 80'	16. NO. OF ACRES IN LEASE 160	17. NO. OF ACRES ASSIGNED TO THIS WELL 40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	1070'	19. PROPOSED DEPTH 4,000'	20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) GR 3341'		22. APPROX. DATE WORK WILL START* 2/09/96	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8", J-55	24#	350'	350 sxs C1 "C"
7-7/8"	5-1/2", J-55	14#	4000'	350 sxs Poz, 400 sxs Lite

Plan to drill 12-1/4" hole to approximately 350'; set 8-5/8" surface casing. Circulate Class "C" cement. Drill 7-7/8" hole to 4000'. Run open hole logs (LDT-CNL-GR & DLL). Set 5-1/2" casing and circulate cement. Perforate the Yates/Seven Rivers and stimulate as necessary for optimum production.

Specific programs as per Onshore Oil & Gas Order #1 are outlined in the following attachments: Drilling Program:

- Surface Use and Operating Plan
- EXHIBIT #1 - Location and Elevation Plat
- EXHIBIT #2 - BOP Equipment
- EXHIBIT #3 - Planned Access Roads
- EXHIBIT #4 - One Mile Radius Map
- EXHIBIT #5 - Planned Production Facilities & Access
- EXHIBIT #6 - Drilling Rig Layout

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM. If proposal is to deepen, give data on present productive zone and proposed new productive zone. If deepening directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24

SIGNED

Janice Courtney
Janice Courtney

TITLE

Regulatory Tech

DATE

2/09/96

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to a leasehold interest.

CONDITIONS OF APPROVAL, IF ANY

APPROVED BY

DATE

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 79240		3 Pool Name JALMAT, TAN-YATES-7 RVRS	
4 Property Code 017002		5 Property Name MEYERS FEDERAL			6 Well Number 8
7 OGRID No. 020451		8 Operator Name SDX RESOURCES, INC.			9 Elevation 3341.

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	22	24-S	36-E		330	NORTH	1400	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

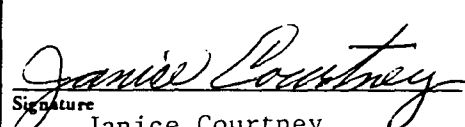
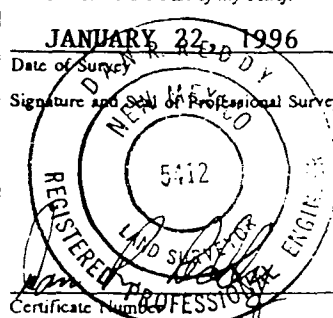
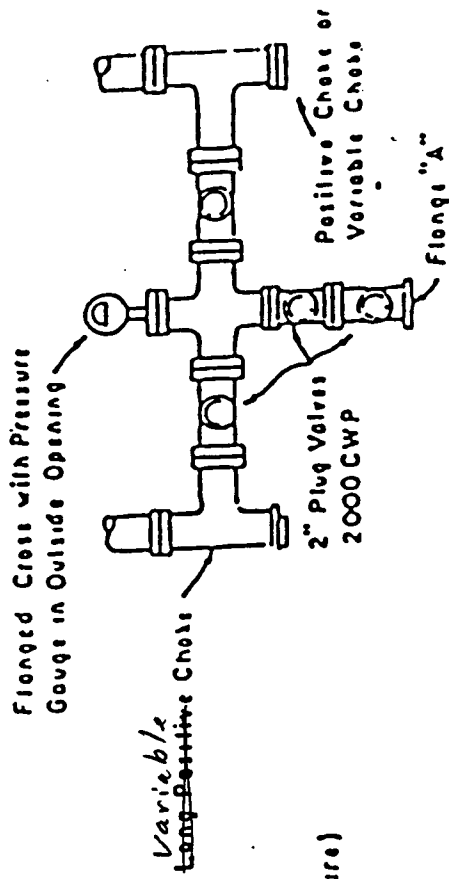
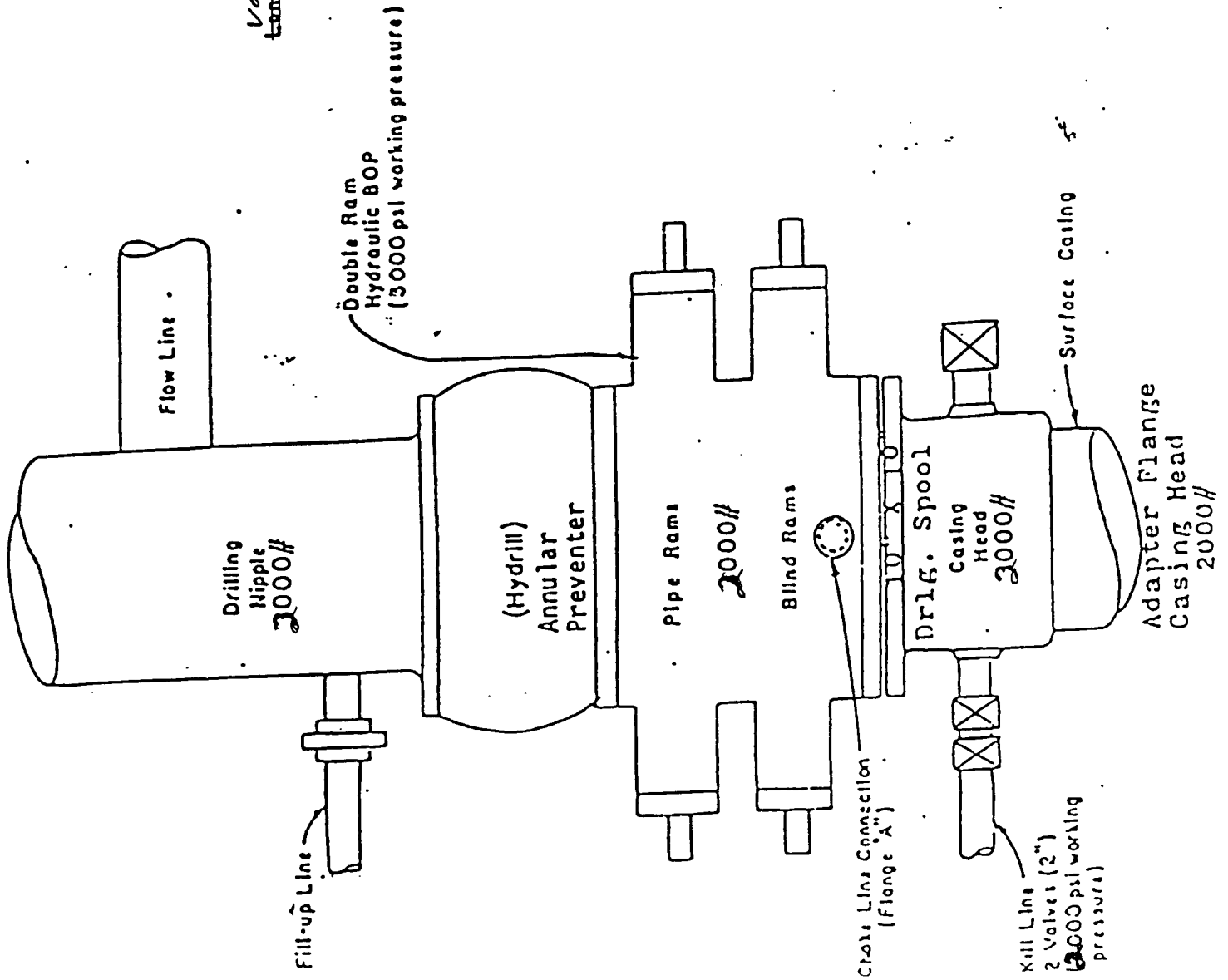
16										17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Janice Courtney Printed Name Regulatory Tech Title Date 1/29/96
										18 SURVEYOR CERTIFICATION I hereby certify that the well location 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 belief. JANUARY 22, 1996 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number 5412 NM PEAPS NO. 5412

EXHIBIT 2
BLOWOUT PREVENTER
DIAGRAM



PLAN VIEW-CHOKE MANIFOLD

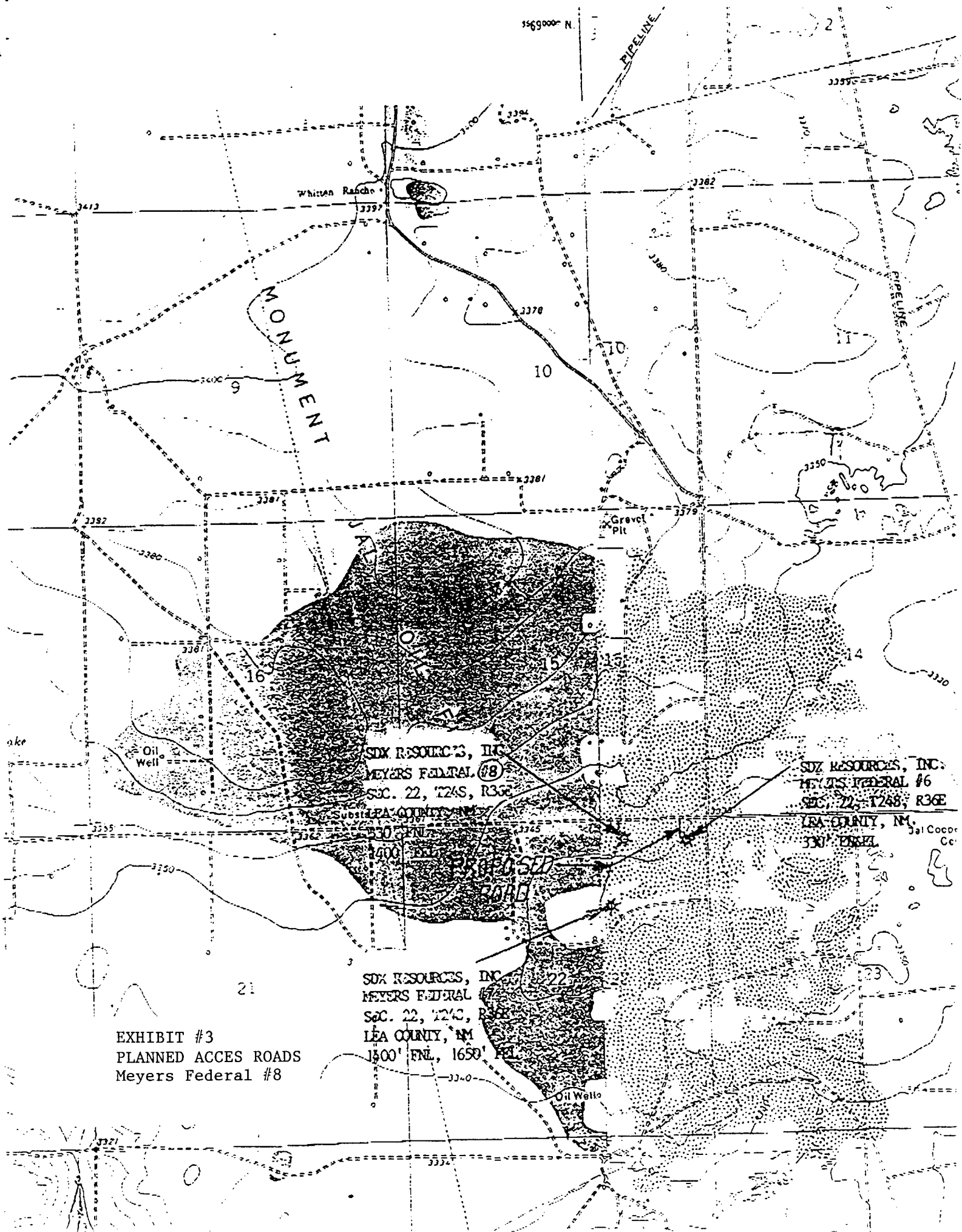
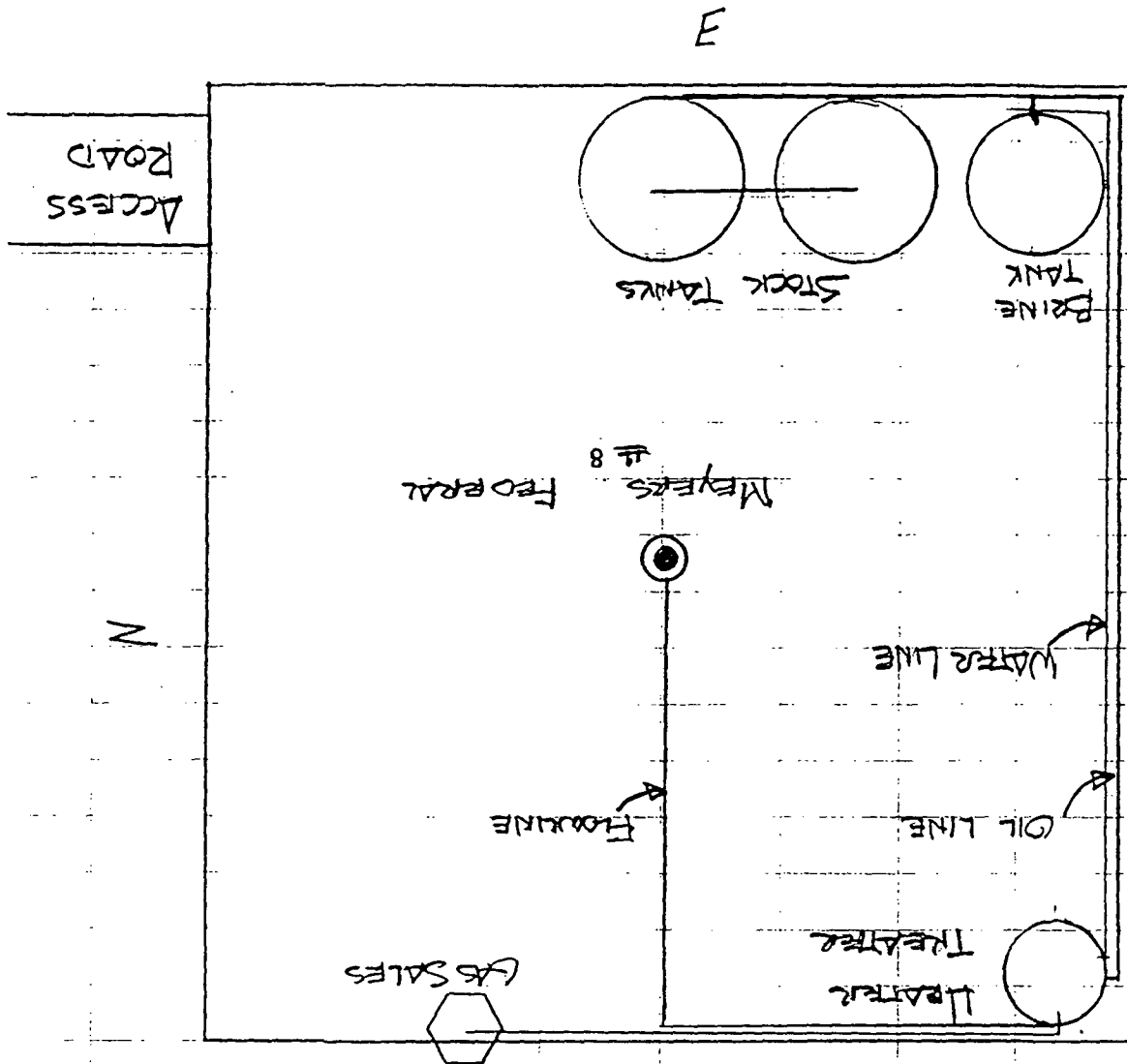


EXHIBIT #5

PLANNED PRODUCTION FACILITIES AND
ACCESS

Meyers Federal, Well No. 8

SCALE: 1" = 20'

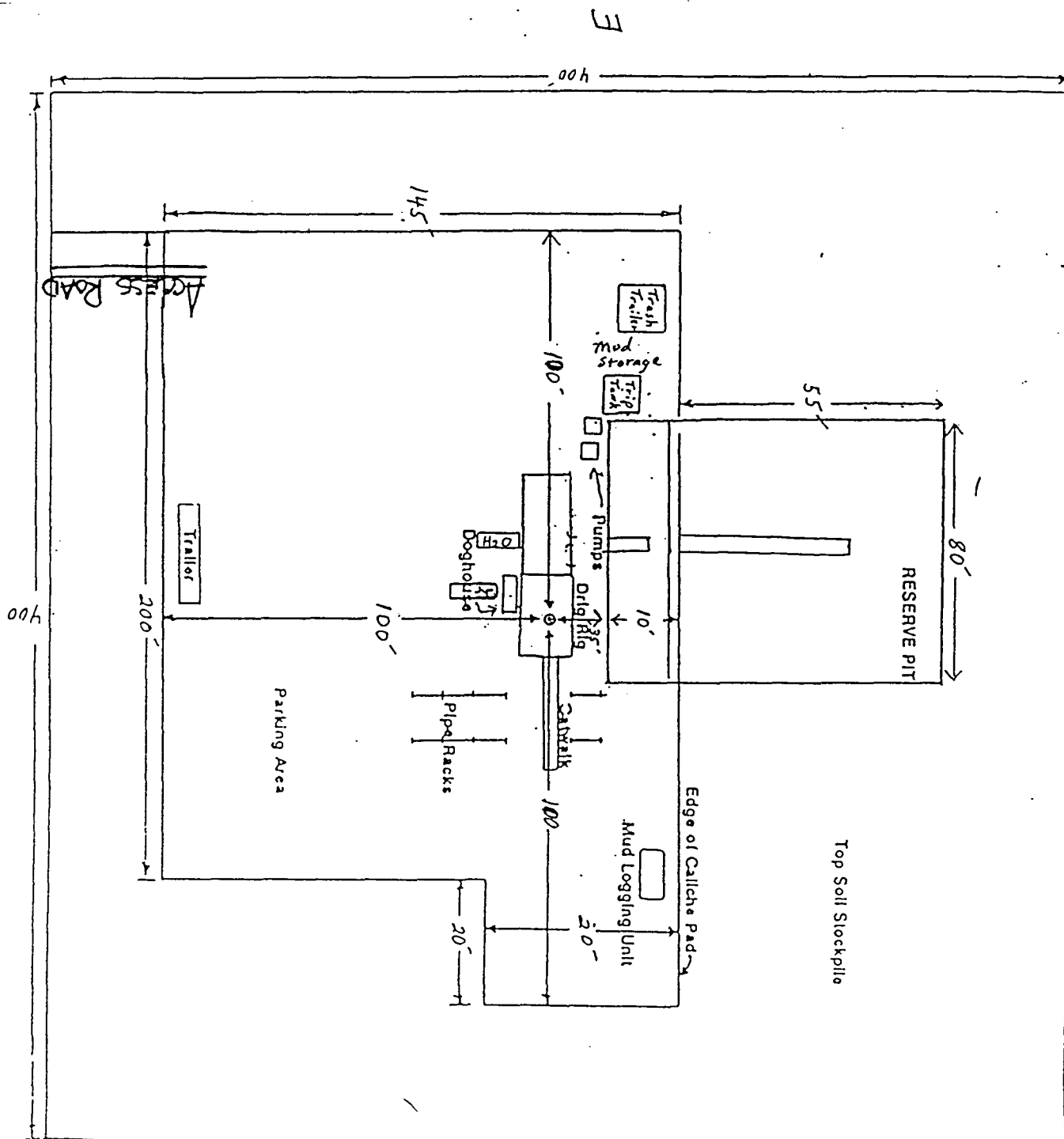


PLANNED PRODUCTION FACILITIES & ACCESS

W

DRILLING RIG LAYOUT - Meyers Federal
Well No. 8

EXHIBIT #6



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL ☒ DEEPEN ☐		5. LEASE DESIGNATION AND SERIAL NO. LC-032451-C	
b. TYPE OF WELL OIL WELL ☒ GAS WELL ☐ OTHER ☐		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
SINGLE ZONE ☒ MULTIPLE ZONE ☐		7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR SDX Resources, Inc.		8. FARM OR LEASE NAME, WELL NO. Meyers Federal #7	
3. ADDRESS AND TELEPHONE NO. P. O. Box 5061, Midland, TX. 79704 915/685-1761		9. API WELL NO.	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) At surface 1650' FEL & 1400' FNL, Unit G		10. FIELD AND POOL, OR WILDCAT Jalmat, Tan-Yates-7 Rvrs	
At proposed prod. zone Same		11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA Sec. 22, T24S, R36E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 5 mi. NW from Jal, NM		12. COUNTY OR PARISH Lea	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1400' 80'		13. STATE NM	
16. NO. OF ACRES IN LEASE 160		17. NO. OF ACRES ASSIGNED TO THIS WELL 40	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1070'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) GR 3334'		22. APPROX. DATE WORK WILL START* 4/01/96	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8", J-55	24#	350'	350 sxs C1 "C"
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- EXHIBIT #2 - BOP Equipment
- EXHIBIT #3 - Planned Access Roads
- EXHIBIT #4 - One Mile Radius Map
- EXHIBIT #5 - Planned Production Facilities & Access
- EXHIBIT #6 - Drilling Rig Layout

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM. If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to deepen, give pertinent data on surface locations and measured and true vertical depths. Give blowout preventer program, if any.

24

SIGNED


Janice Courtney

TITLE

Regulatory Tech

DATE

2/09/96

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant has legal or equitable title to those rights in the subject lease which would entitle the applicant to production therefrom.

CONDITIONS OF APPROVAL, IF ANY

APPROVED BY

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PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
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State of New Mexico
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Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 79240	³ Pool Name JALMAT, TAN- YATES-7 RVRS
⁴ Property Code 017002	⁵ Property Name MEYERS FEDERAL	⁶ Well Number 7
⁷ OGRID No. 020451	⁸ Operator Name SDX RESOURCES, INC.	⁹ Elevation 3334.

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	22	24-S	36-E		1400	NORTH	1650	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

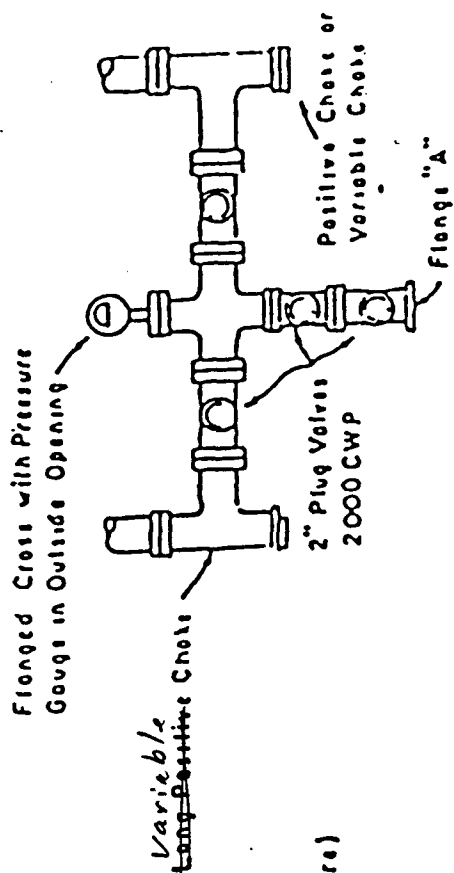
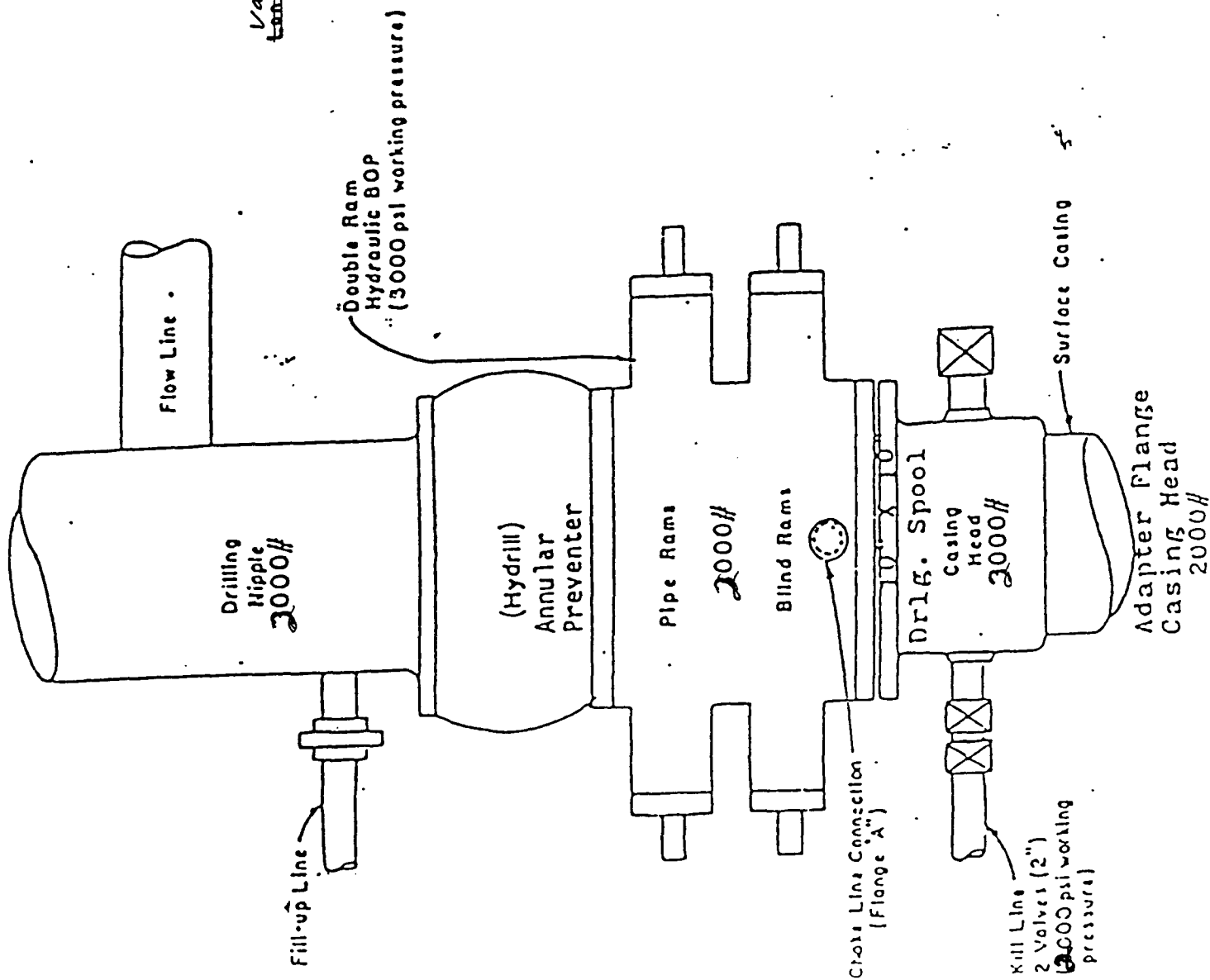
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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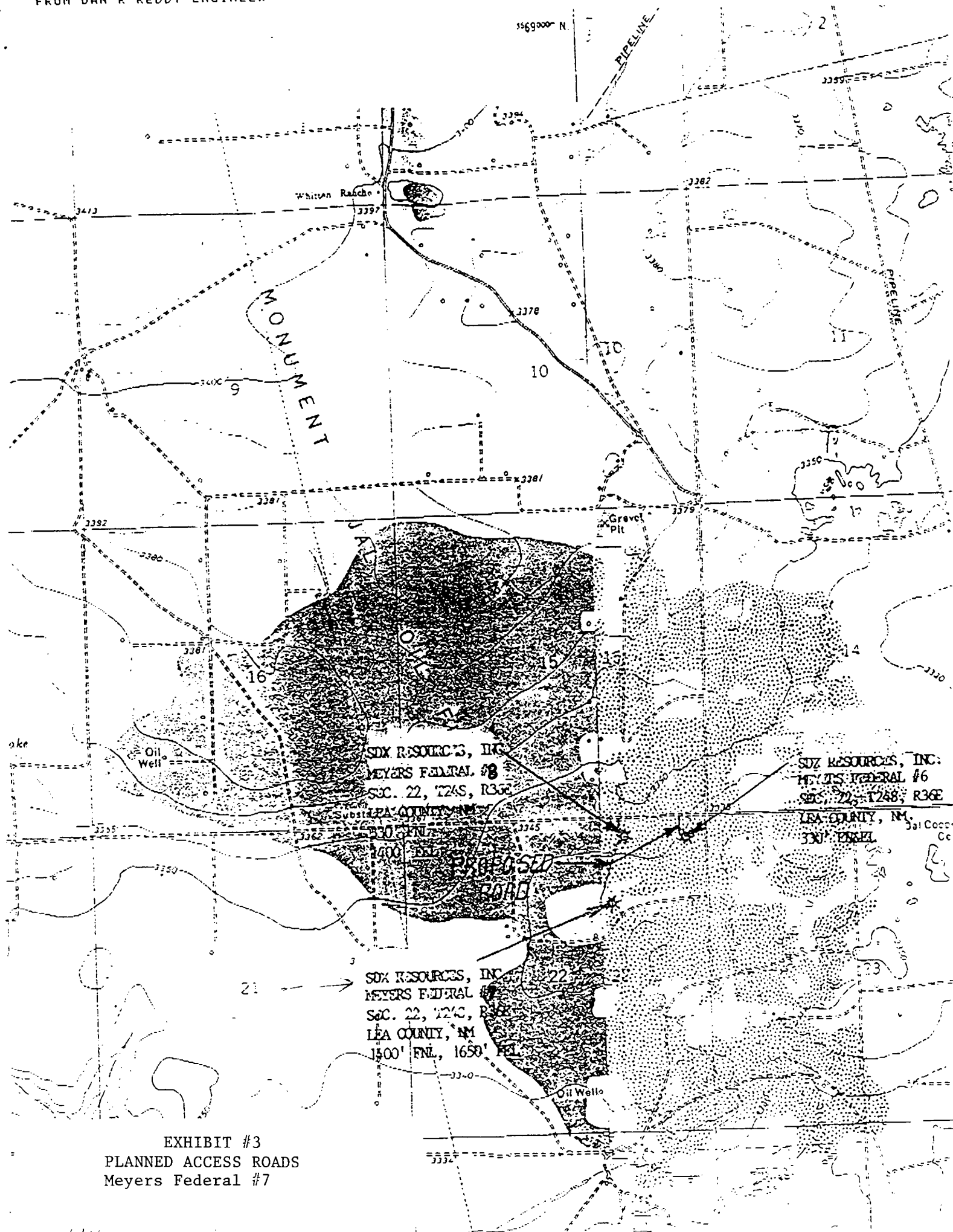
16	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Janice Courtney</i> Signature Janice Courtney Printed Name Regulatory Tech Title 1/29/96 Date	
	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location 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 belief. JANUARY 22, 1996 Date of Survey Signature and Seal of Registered Professional Engineer 5412 REGISTERED PROFESSIONAL ENGINEER NEW MEXICO Certificate Number NM PE&PS NO. 5412	

EXHIBIT 2
BLOWOUT PREVENTER
DIAGRAM

Meyers Federal #7



PLAN VIEW - CHOKE MANIFOLD



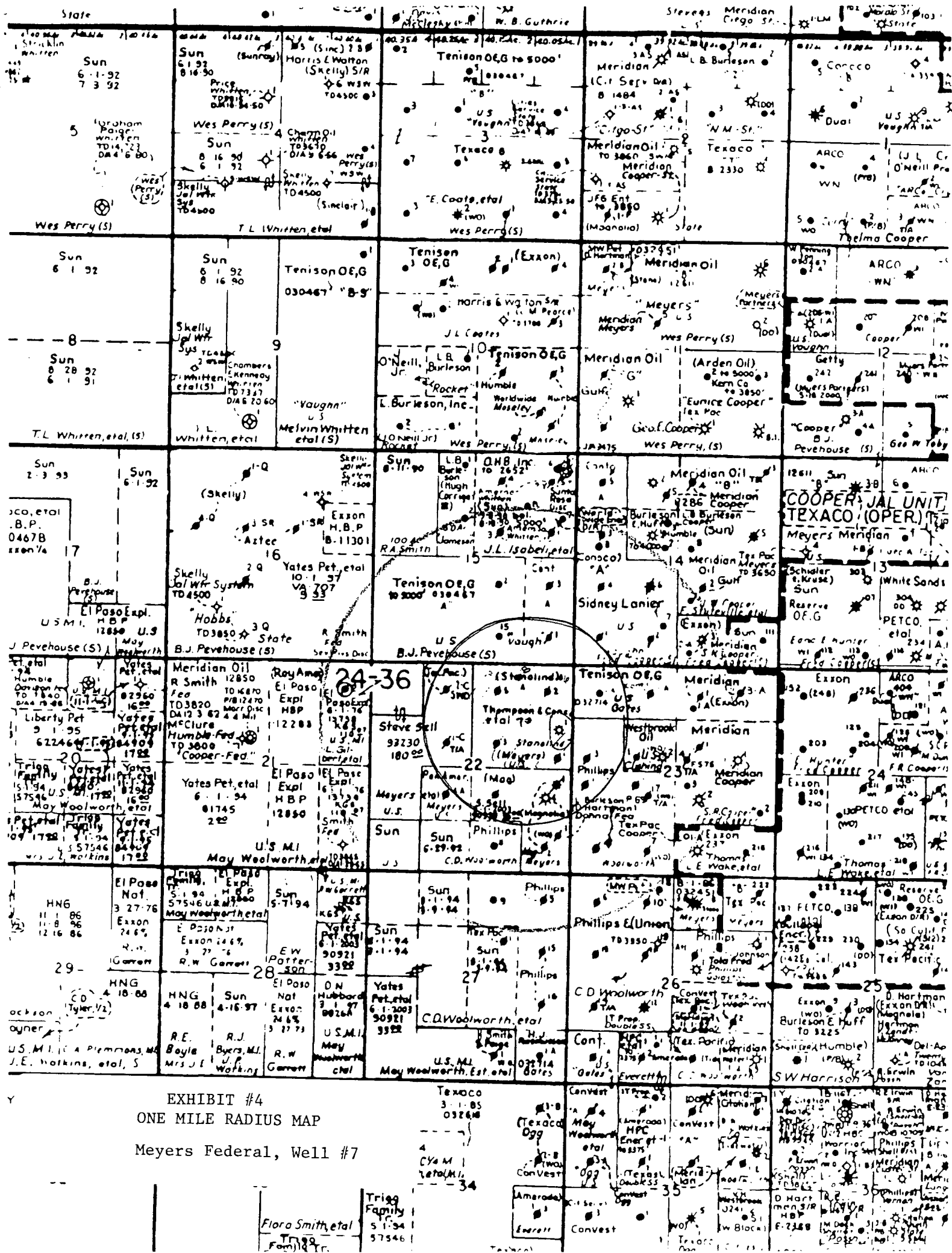
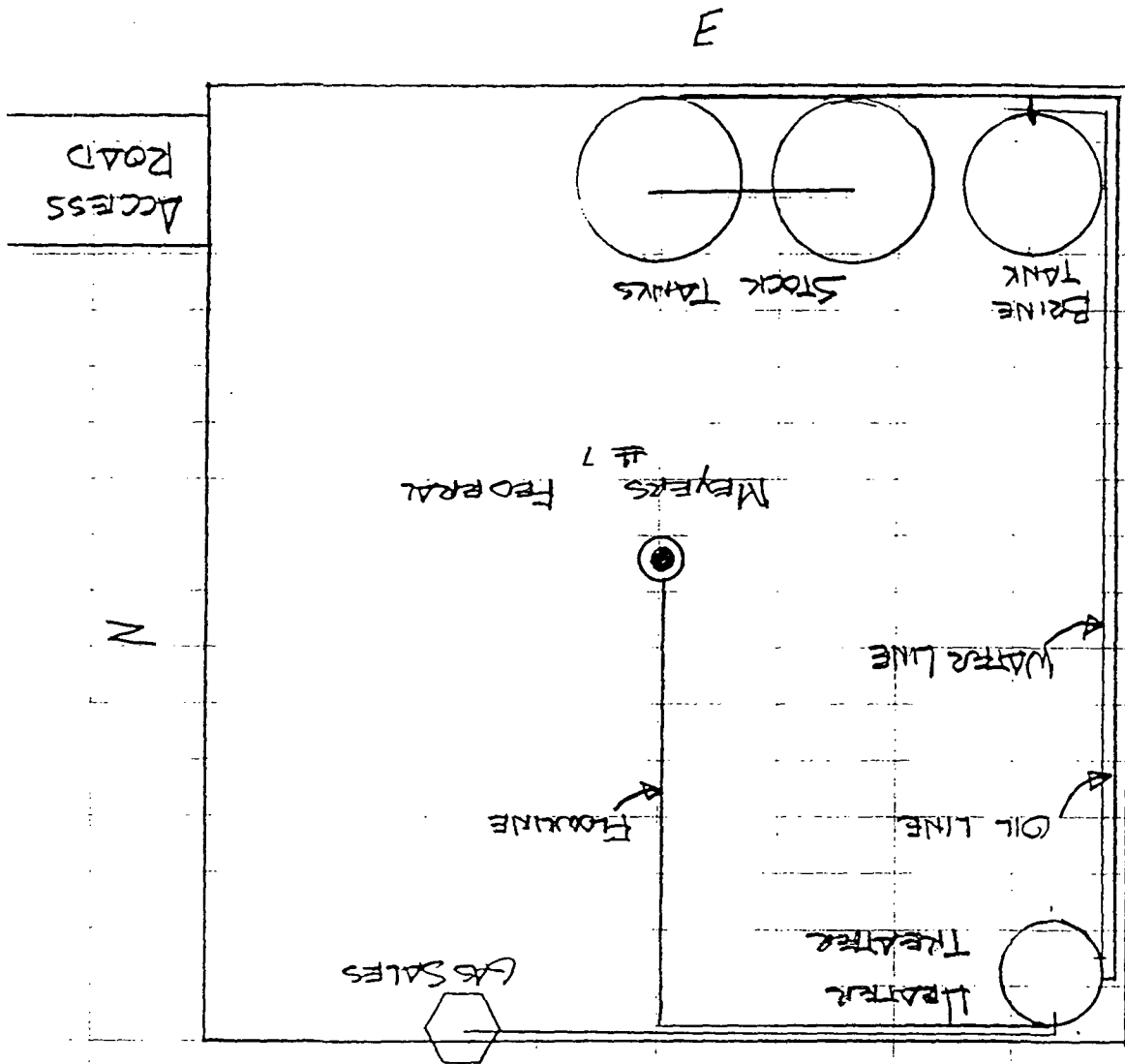


EXHIBIT #5

PLANNED PRODUCTION FACILITIES AND
ACCESS

Meyers Federal, Well No. 7

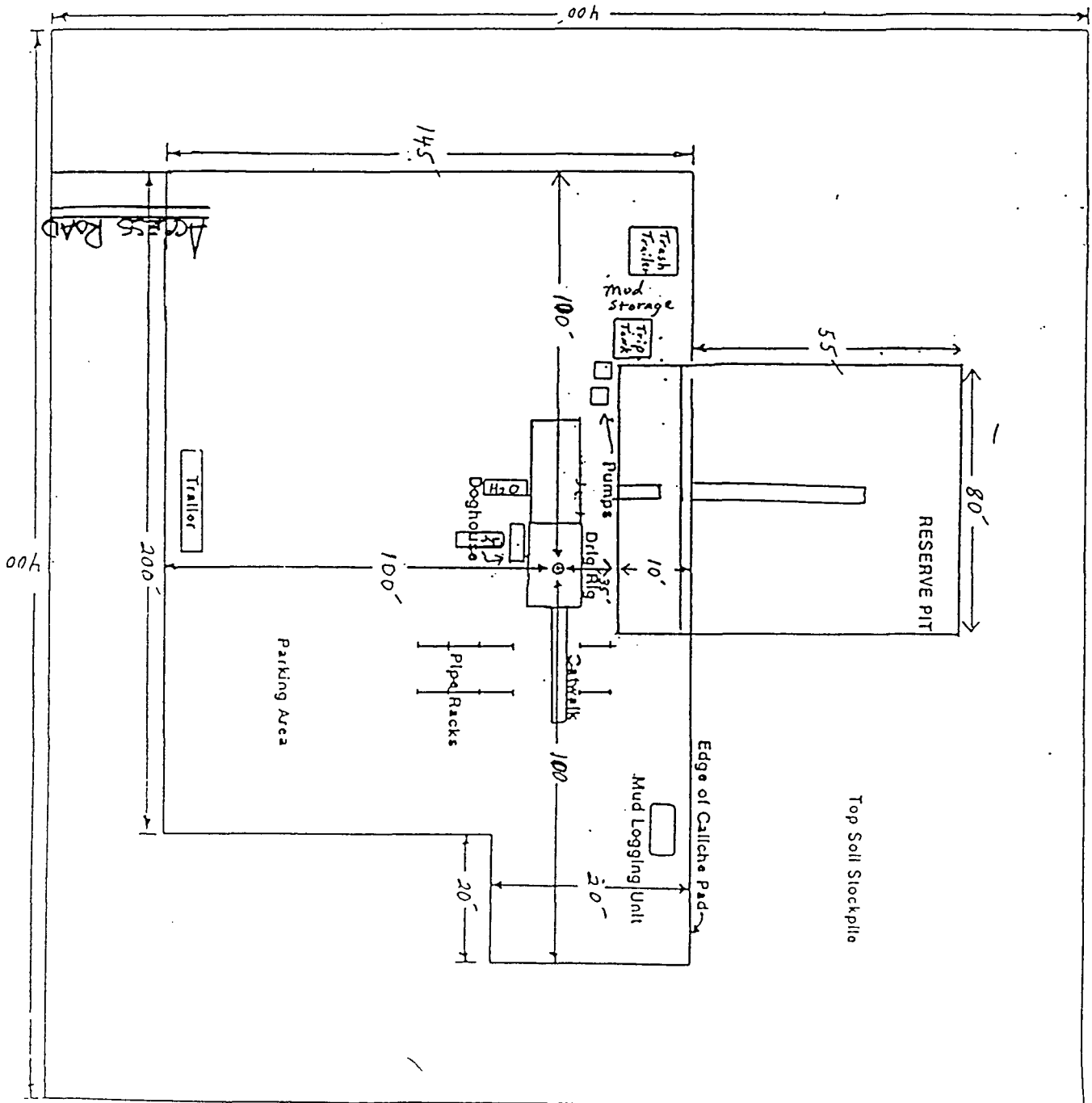
SCALE: 1" = 20'



PLANNED PRODUCTION FACILITIES & ACCESS

DRILLING RIG LAYOUT - Meyers Federal
Well No. 7

EXHIBIT #6



*Information Only*SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

SDX Resources, Inc.

3. ADDRESS AND TELEPHONE NO.

P. O. Box 5061, Midland, TX. 79704 915/685-1761

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface 330' FNL & 330' FEL, Unit A

At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

5 mi. NW from Jal, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

330'

330'

16. NO. OF ACRES IN LEASE

160

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1070'

19. PROPOSED DEPTH

4,000'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

GL 3338'

22. APPROX. DATE WORK WILL START*

4/01/96

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
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EXHIBIT #3 - Planned Access Roads

EXHIBIT #4 - One Mile Radius Map

EXHIBIT #5 - Planned Production Facilities & Access

EXHIBIT #6 - Drilling Rig Layout

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24.

SIGNED

Janice Courtney
Janice Courtney

TITLE

Regulatory Tech

DATE

2/09/96

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

DATE

*See Instructions On Reverse Side

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
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State of New Mexico
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☐ AMENDED REPORT

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1 APT Number		2 Pool Code 79240		3 Pool Name JALMAT, TAN-YATES-7 RVRS	
4 Property Code 017002		5 Property Name MEYERS FEDERAL			6 Well Number 6
7 OGRID No. 020451		8 Operator Name SDX RESOURCES, INC.			9 Elevation 3338.

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	22	24-S	36-E		330	NORTH	330	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

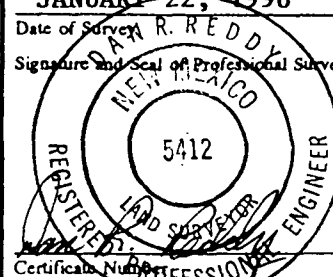
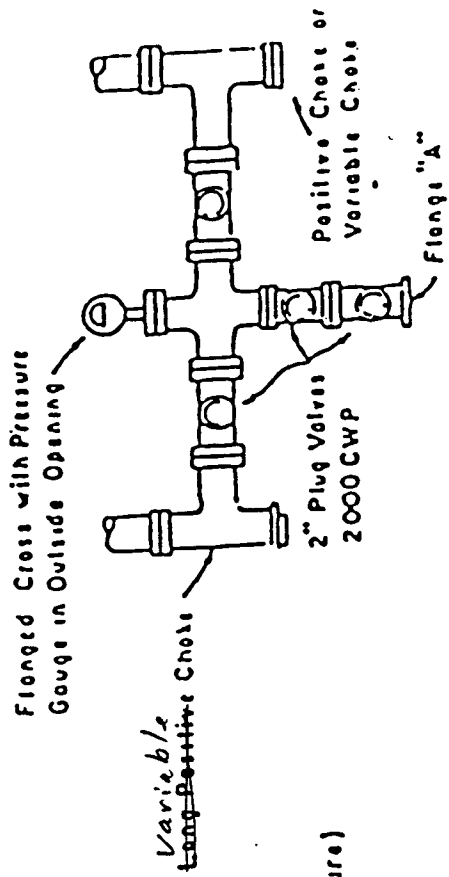
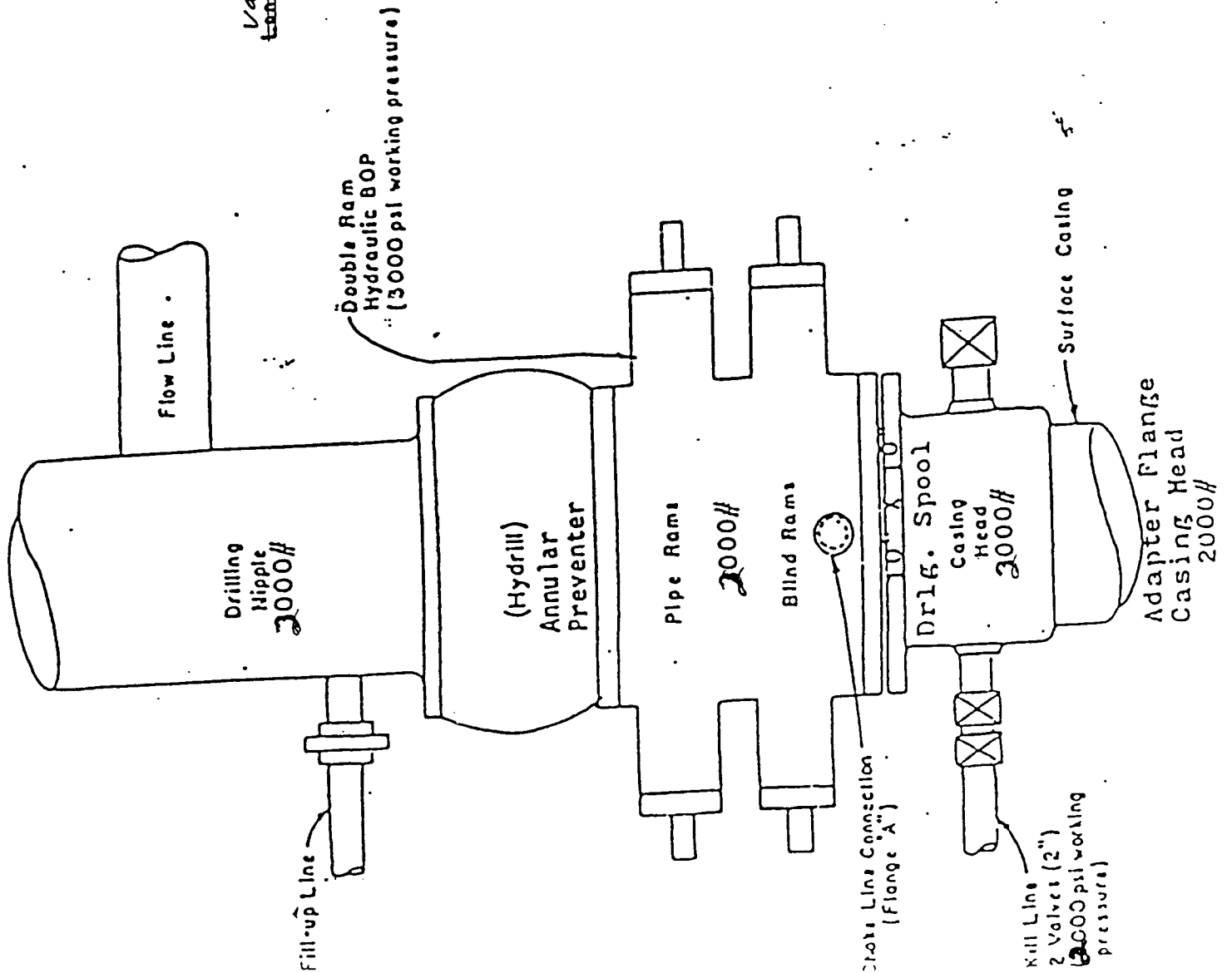
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EXHIBIT 2
BLOWOUT PREVENTER
DIAGRAM
MEYERS FEDERAL #6



PLAN VIEW - CHOKE MANIFOLD

1569000 N.

LINE

EXHIBIT #3
Planned Access Roads

Meyers Federal, Well No. 6

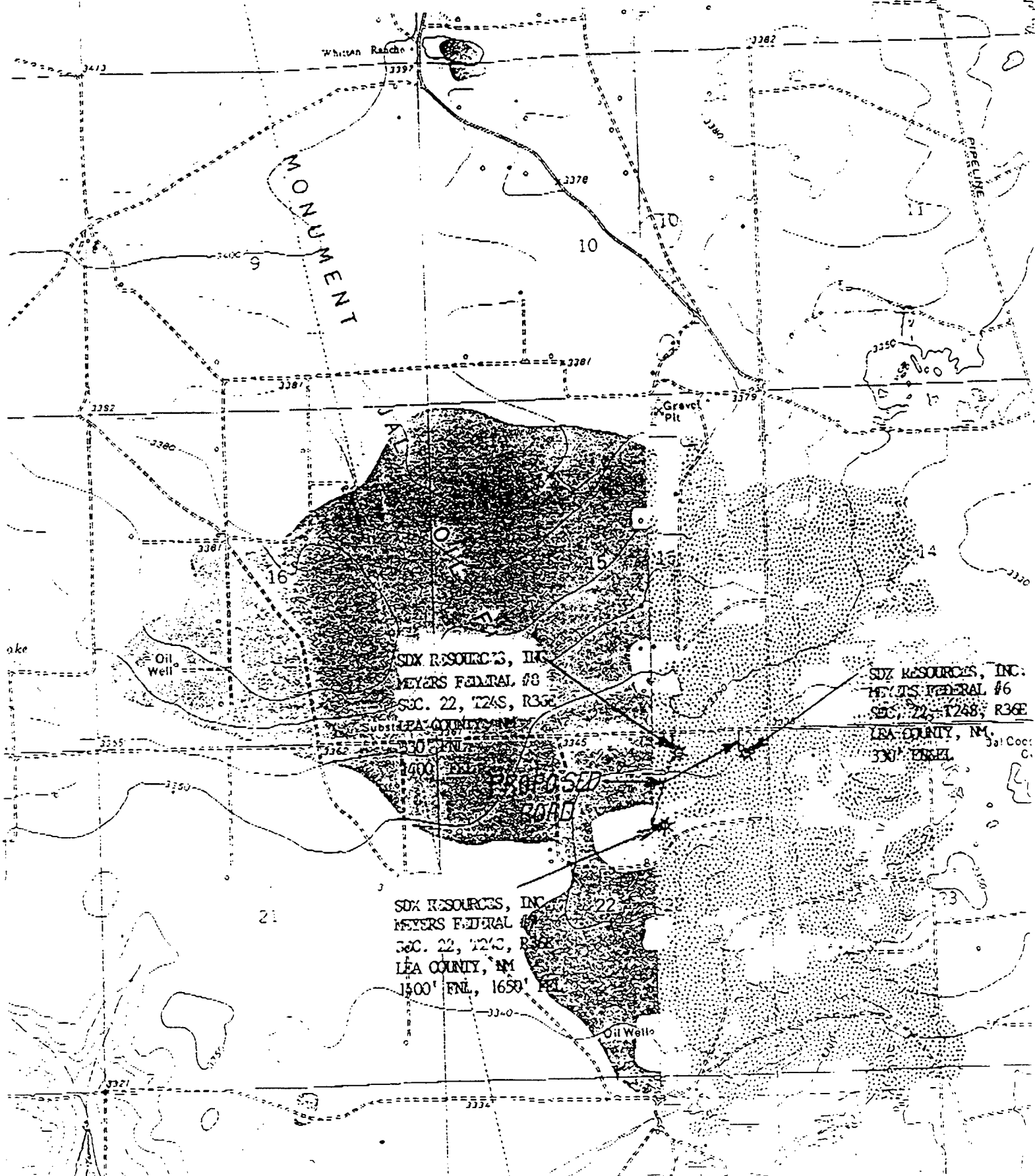
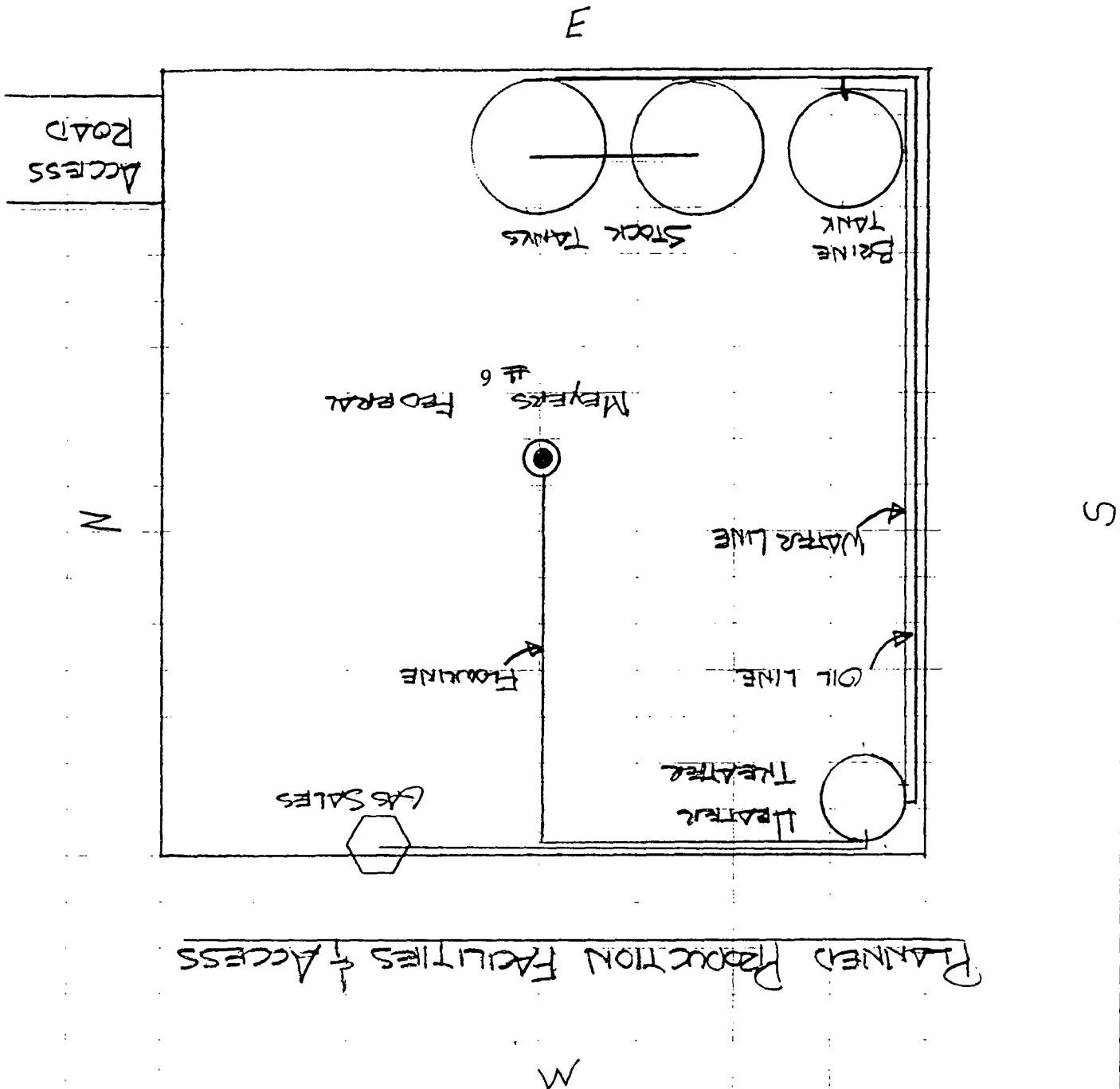


EXHIBIT #5

PLANNED PRODUCTION FACILITIES AND
ACCESS

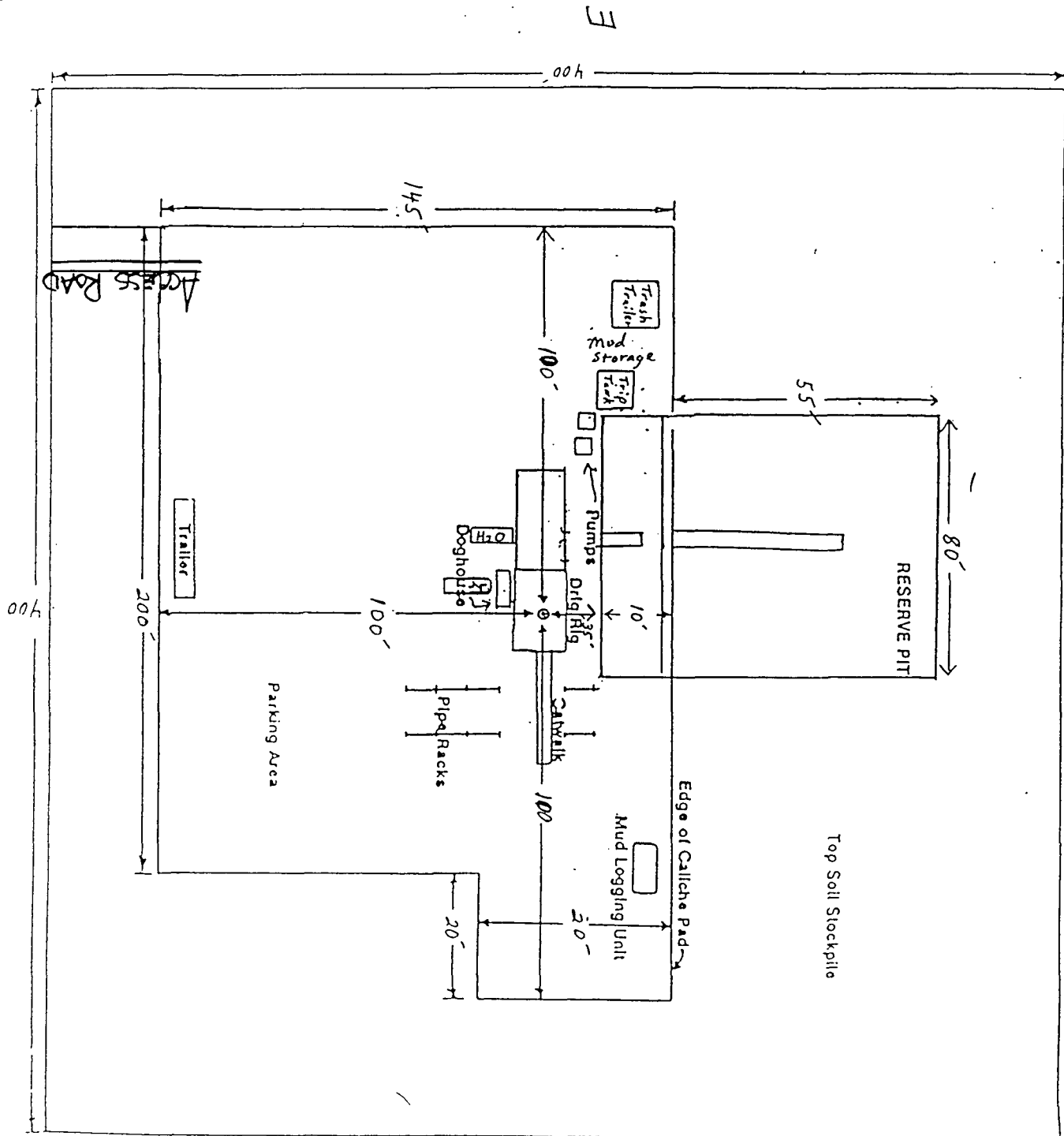
Meyers Federal, Well No. 6

SCALE: 1" = 20'



DRILLING RIG LAYOUT - Meyers Federal
Well No. 6

EXHIBIT #6



SDX RESOURCES, INC.

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

February 9, 1996

Phillips Petroleum Co.
4001 Penbrook Street
Odessa, TX. 79760

Attention: Land Department

RE: Non Standard Locations
Meyers Federal #7
1400' FNL & 1650' FEL, Unit Letter G
Sec. 22, T24S, R36E, Lea Co., NM

Meyers Federal #8
330' FNL & 1400' FEL, Unit Letter B
Sec. 22, T24S, R36E, Lea Co., NM

Gentlemen:

SDX Resources, Inc. is planning to drill the captioned wells at the described locations. Division General Rule 104.F (4) requires all operators offsetting the location(s) be notified of the NSL and a waiver be requested before work can be commenced.

This letter serves as notice by SDX Resources, Inc. of its intent to drill the captioned wells at the described locations. As an offset operator, please indicate your approval below and return this letter as soon as possible.

Thank you for your prompt reply to this matter.

Sincerely,


John Pool
Vice President

Attachments

AS AN OFFSET OPERATOR, WE HAVE NO OBJECTION TO THE DRILLING OF THE ABOVE CAPTIONED WELLS AT THE NON STANDARD LOCATIONS.

PHILLIPS PETROLEUM COMPANY

BY: _____

DATE: _____

SDX RESOURCES, INC.

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

February 9, 1996

Tenison Oil Company
8140 Walnut Lane, Suite 601
Dallas, TX. 75231

Attention: Mr. Walter V. Pelepchan, Vice President
Land Department

RE: Non Standard Locations
Meyers Federal #7
1400' FNL & 1650' FEL, Unit Letter G
Sec. 22, T24S, R36E, Lea Co., NM

Meyers Federal #8
330' FNL & 1400' FEL, Unit Letter B
Sec. 22, T24S, R36E, Lea Co., NM

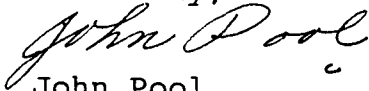
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Thank you for your prompt reply to this matter.

Sincerely,



John Pool
Vice President

Attachments

AS AN OFFSET OPERATOR, WE HAVE NO OBJECTION TO THE DRILLING
OF THE ABOVE CAPTIONED WELLS AT THE NON STANDARD LOCATIONS.

TENISON OIL COMPANY

BY: _____

DATE: _____

SDX RESOURCES, INC.

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

February 9, 1996

Mr. Sidney Lanier
P. O. Box 755
Hobbs, NM. 88241

RE: Non Standard Locations
Meyers Federal #7
1400' FNL & 1650' FEL, Unit Letter G
Sec. 22, T24S, R36E, Lea Co., NM

Meyers Federal #8
330' FNL & 1400' FEL, Unit Letter B
Sec. 22, T24S, R36E, Lea Co., NM

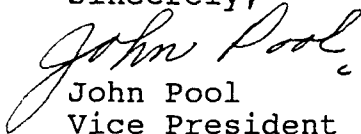
Dear Mr. Lanier:

SDX Resources, Inc. is planning to drill the captioned wells at the described locations. Division General Rule 104.F (4) requires all operators offsetting the location(s) be notified of the NSL and a waiver be requested before work can be commenced.

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TENISON OIL COMPANY

BY: _____

DATE: _____