



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

October 15, 1999

**SDX Resources, Inc.
P. O. Box 5061
Midland, Texas 79704**

Attention: Chuck Morgan

Re: Administrative application for an exception to Division Rule 104.B(1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, to drill the proposed NW State Well No. 9 at an unorthodox infill oil well location 2310 feet from the South line and 270 feet from the East line (Unit I) of Section 31, Township 17 South, Range 28 East, NMPM, Artesia-Queen-Grayburg-San Andres Pool, Eddy County, New Mexico.

Dear Mr. Morgan:

It appears that your application is incomplete: (i) with respect to notice, the 40-acre tract to the northeast of the subject unit is considered to be an adversely affected offsetting tract; also (ii) please submit a detailed topographic/surface plat that identifies the features mentioned and explain why no other location within the standard drilling window for this particular 40-acre tract is suitable for a well site. I am therefore returning this application at this time.

Sincerely

Michael E. Stogner
Chief Hearing Officer/Engineer

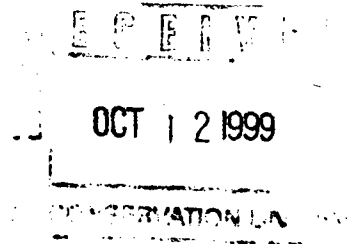
cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
Kathy Valdes, NMOCD - Santa Fe

NSL 11/11/99

SDX RESOURCES, INC.

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

Sept. 30, 1999



NMOCD
2040 South Pacheco Street
Santa Fe, NM 87505

Attention: Mr. Mike Stogner

RE: NW State # 9
Sec. 31 T17S R28E
2310 FSL, 270 FEL
Eddy County, New Mexico

Dear Mr. Stogner,

SDX Resources, Inc. is the operator of the NW State lease covering 560 acres of State Lease # 647, located in the NE/4 & SW/4 of Sec. 32, SE/4 SE/4 of sec. 29, E/2 E/2 of sec. 31 T17S R28E, and the NE/4 NE/4 of Sec. 6 T18S R28E. The NW St. # 9 well has been staked at a non-standard location of 270' FEL and 2310' FSL of Sec. 31 T17S R28E. The location was moved to avoid existing power lines and a county road. This will only encroach on an internal proration unit line within the lease. No offset operators will be effected. SDX request that this letter serve as an application for administrative approval of the NW State # 9 location. A survey plat and a lease map accompany this application. Your assistance in this matter is greatly appreciated.

Sincerely,

Chuck Morgan

Enclosures

1999

District I
1025 N. French Dr., Hobbs, NM 88240
District II
611 South First, Artesia, NM 88210
District III
1000 Rio Grande Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code 03230	Pool Name Artesia (QN-GB-SA)
Property Code 24439	Property Name NW STATE		Well Number 9
OGED No. 020451	Operator Name SDX RESOURCES, INC.		Elevation 3689.

10 Surface Location

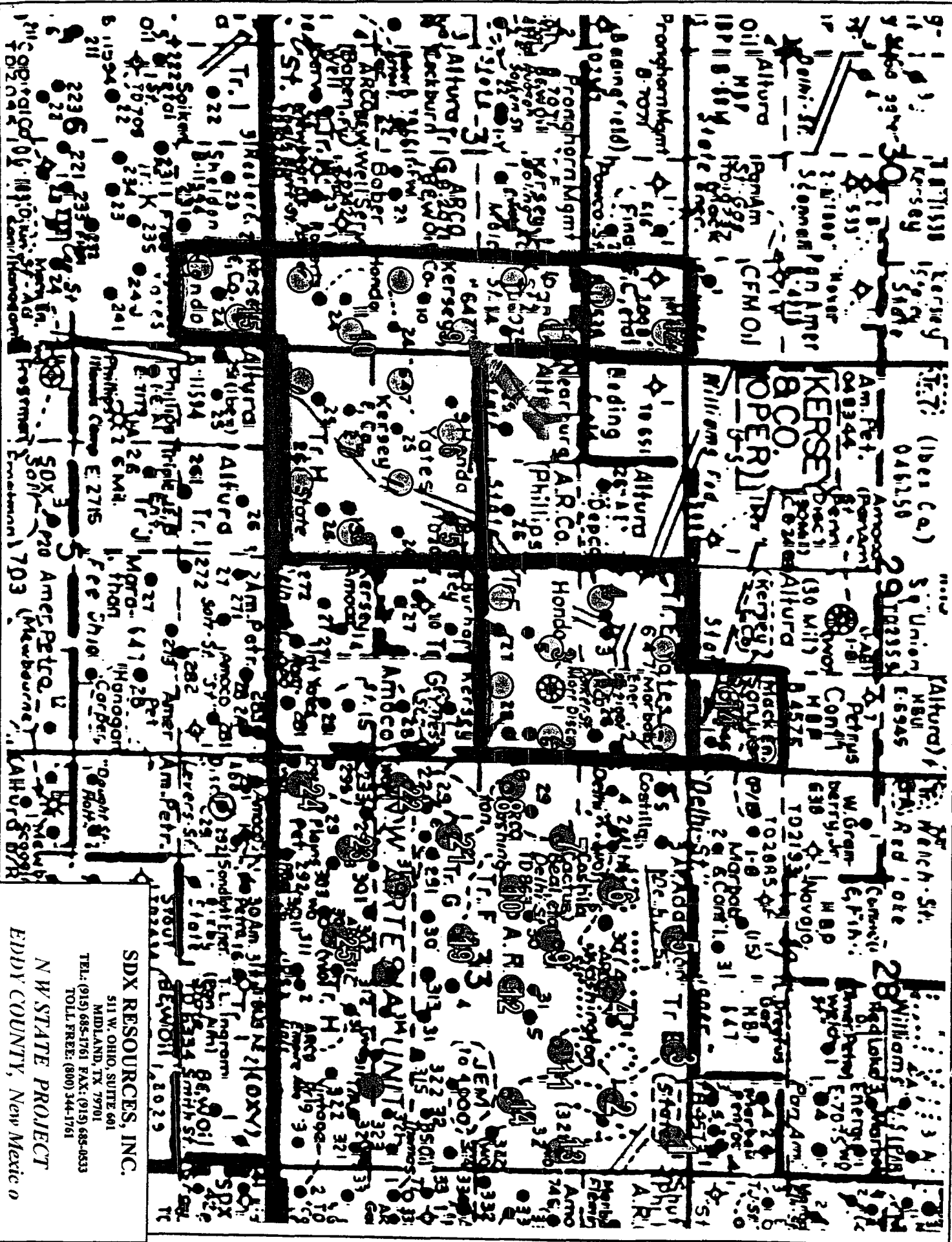
UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
I	31	17-S	28-E		2310	SOUTH	270	EAST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40		Joint or Infill		Consolidation Code		Order No.			

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

10					<p>270'</p> <p>2310'</p>	<p>12 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature: <u>Bonnie Atwater</u></p> <p>Printed Name: Bonnie Atwater</p> <p>Title: Regulatory Tech.</p> <p>Date: 10/8/99</p>
						<p>13 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>SEPTEMBER 24, 1999</p> <p>Date of Survey: <u>SEP 24 1999</u></p> <p>Signature and Seal of Professional Engineer:</p>
						<p>5412</p> <p>REGISTERED PROFESSIONAL ENGINEER</p> <p>NEW MEXICO</p>
						<p>5412</p> <p>REGISTERED PROFESSIONAL ENGINEER</p> <p>NEW MEXICO</p>



SDX RESOURCES, INC.
511 W. OHIO, SUITE 601
MIDLAND, TX 79701

TEL: (915) 685-1761 FAX: (915) 685-0633
TOLL FREE: (800) 344-1761

NW STATE PROJECT
EDDY COUNTY, New Mexico

District-I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 88210

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address SDX Resources, Inc. PO Box 5061 Midland, TX 79704 915/685-1761		OGRID Number 020451
		API Number 30 - 0
Property Code 24439	Property Name NW State	Well No. 9

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
I	31	17S	28E		2310	South	270	East	Eddy

Proposed 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
Proposed Pool 1 Artesia (QN-GB-SA) (03230)					Proposed Pool 2				

Work Type Code N	Well Type Code O	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3689
Multiple No	Proposed Depth 3500	Formation QN-GA-SA	Contractor Capstar	Spud Date 10-21-99

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#	450	350 sx Class C	Surface
7-7/8"	5-1/2"	14#	3500	350 POZ + 400 Lite	Surface

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Plan to drill a 12-1/4" hole to appx 450'. Circ Class C cmt. Drill 7-7/8" hole to TD (3500'). Run OH logs. Run 5-1/2" csg & circ cmt. Perf the QN-GB-SA zone & stimulate as necessary for optimum production.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Bonnie Atwater

Printed name: Bonnie Atwater

Title: Regulatory Tech.

10/8/99

OIL CONSERVATION DIVISION

Approved By:

Title:

Approval Date:

Expiration Date:

CMD : ONGARD 10/28/99 14:55:27
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPSC

API Well No : 30 15 10833 Eff Date : 07-01-1999 WC Status : A
Pool Idn : 3230 ARTESIA;QUEEN-GRAYBURG-SAN ANDRES
OGRID Idn : 20451 SDX RESOURCES INC
Prop Idn : 24875 NORTHWEST ARTESIA UNIT

Well No : 010
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	I	31	17S	28E	FTG 1980 F S FTG	660 F E	P

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : S

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/14/99 16:14:08
OGOMES -TPFC
PAGE NO: 2

Sec : 31 Twp : 17S Rng : 28E Section Type : NORMAL

3 43.67 CS X00647 0322 11/32 BARNEY COCKBURN U A A	K 40.00 CS B07966 0016 01/49 AMOCO PROD CO & H U A	J 40.00 CS B02071 0028 08/43 AMER PETRO & SOUT U A A	I 40.00 CS X00647 0394 11/32 BOGERT OIL COMPAN U U A A
4 43.76 CS X00647 0322 11/32 BARNEY COCKBURN U A A	N 40.00 CS B07966 0024 01/49 ALTURA ENERGY LTD U A A	O 40.00 CS B02071 0028 08/43 AMER PETRO & SOUT U A A	P 40.00 CS X00647 0394 11/32 BOGERT OIL COMPAN U U A A P

PF01 HELP
PF07 BKWD

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PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

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PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/14/99 16:14:04
OGOMES -TPFC
PAGE NO: 1

Sec : 31 Twp : 17S Rng : 28E Section Type : NORMAL

1 43.50 CS B05862 0021 02/46 ALTURA ENERGY LTD A	C 40.00 CS B07071 0023 06/47 ASTON FAMILY LTD A	B 40.00 CS B11538 0013 10/54 FINA OIL & CHEMIC A A	A 40.00 CS X00647 0394 11/32 BOGERT OIL COMPAN A
2 43.59 CS B05862 0017 02/46 MILDRED & WILLIAM U A A	F 40.00 CS B07071 0023 06/47 ASTON FAMILY LTD U A A	G 40.00 CS B10021 0005 01/53 AMOCO PRODUCTION U A A	H 40.00 CS X00647 0394 11/32 BOGERT OIL COMPAN U U A

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

10/14/99 16:14:34
OGOMES -TPFC

API Well No : 30 15 10833 Eff Date : 07-01-1999 WC Status : A
Pool Idn : 3230 ARTESIA;QUEEN-GRAYBURG-SAN ANDRES
OGRID Idn : 20451 SDX RESOURCES INC
Prop Idn : 24875 NORTHWEST ARTESIA UNIT

Well No : 010
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
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B.H. Locn : I	31	17S	28E	FTG 1980	F S FTG	660 F E	P

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Dedicated Acre: 40.00
Lease Type : S
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

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PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC