

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



~~DELETED~~
JAN 4 1999
~~DELETED~~

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET 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] 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

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

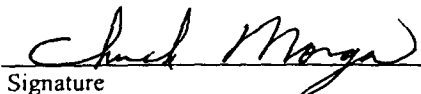
- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
[B] ☒ Offset Operators, Leaseholders or Surface Owner
[C] ☐ Application is One Which Requires Published Legal Notice
[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Certification

I hereby certify that I, or personnel under my supervision, have reviewed the applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common.

I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Chuck Morgan Print or Type Name  Signature Engri Title Date

e-mail Address

SDX RESOURCES, INC.

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

NMOCD
1220 S. St. Francis Drive
Santa Fe, NM 87504

Aug. 22, 2001

Attention: Mr. Dave Catanach

RE: Down Hole commingling application
Boggy State # 1
Sec. 36 T17S R26E
Eddy County, New Mexico

Dear Mr. Catanach,

SDX Resources respectfully request permission to downhole commingle production from the Red Lake Yeso Glorietta pool with production from the Red Lake Qn Gb Sa pool in their Boggy # 1 well. Ownership is identical for both pools in the well. The oil from both pools is sour and is close to the same gravity. There should therefore be no difference in revenue to the interest owners including the State government. Downhole commingling will improve the economics of the well, extending its life, resulting in the recovery of additional reserves.

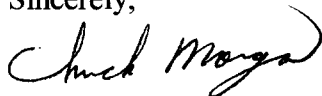
The following formula, based on actual production test, is proposed to account for the production from each pool:

San Andres zone:	12 BOPD	60%
	15 MCFGD	50 %
	200 BWPD	83%
Yeso/ Glorietta zone:	8 BOPD	40%
	15 MCFGD	50%
	42 BWPD	17%

The following data is submitted for your information:

Attachment 1: Lease Map
Attachment 2: Downhole Diagram
Attachment 3: Well Plat and Completion Data
Attachment 4: Offset Operators Notified
Attachment 5: C-107

Sincerely,



Chuck Morgan

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South t. Francis Dr.
Santa Fe, NM 87505

Form C-107
Revised March 17, 1999

Filing Instructions
At Bottom of Page

APPLICATION FOR MULTIPLE COMPLETION

SDX Resources, Inc.

PO Box 5061, Midland, TX 79704

Operator

Address

Boggy State #1

P

36-17S-26E

Eddy

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

All applicants for multiple completion must complete Items 1 and 2 below.

1. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Red Lake QN-GB-SA San Andres		Red Lake, GL-Yeso Yeso
b. Top and Bottom of Pay Section (Perforations)	1529 - 1750		2751 - 2813
c. Type of production (Oil or Gas)	Oil		Oil
d. Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
e. Daily Production <input checked="" type="checkbox"/> Actual <input type="checkbox"/> Estimated Oil Bbls. Gas MCF Water Bbls.	12 15 200		8 15 42

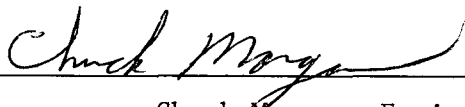
2. The following must be attached:

- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A.)

OPERATOR:

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

Signature



Printed Name & Title Chuck Morgan, Engineer

Date 8/23/01

Telephone 915/685-1761

OIL CONSERVATION DIVISION

Approved by

Title

Date

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

FILING INSTRUCTIONS:

- District Approval - See rule 112-A-B - Submit 4 copies of Form C-107 with attachments to appropriate district office.
- Division Director Administrative Approval - See Rule 112-C - Submit 2 copies of Form C-107 with attachments to Division office in Santa Fe and 2 copies of Form C-107 with attachments to appropriate district office.
- Multiple completions not qualifying for District or Division Director approval may be set for hearing as outlined in Rule 112-A-E.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South t. Francis Dr.
Santa Fe, NM 87505

Form C-107
Revised March 17, 1999

Filing Instructions
At Bottom of Page

APPLICATION FOR MULTIPLE COMPLETION

SDX Resources, Inc.

PO Box 5061, Midland, TX 79704

Operator

Address

Boggy State #1

P

36-17S-26E

Eddy

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

All applicants for multiple completion must complete Items 1 and 2 below.

1. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Red Lake QN-CB-SA San Andres		Red Lake, GL-Yeso Yeso
b. Top and Bottom of Pay Section (Perforations)	1529 - 1750		2751 - 2813
c. Type of production (Oil or Gas)	Oil		Oil
d. Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
e. Daily Production <input checked="" type="checkbox"/> Actual <input type="checkbox"/> Estimated Oil Bbls. Gas MCF Water Bbls.	12 15 200		8 15 42

2. The following must be attached:

- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A.)

OPERATOR:

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

Signature



Printed Name & Title Chuck Morgan, Engineer

Date 8/23/01 Telephone 915/685-1761

OIL CONSERVATION DIVISION

Approved by

Title

Date

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

FILING INSTRUCTIONS:

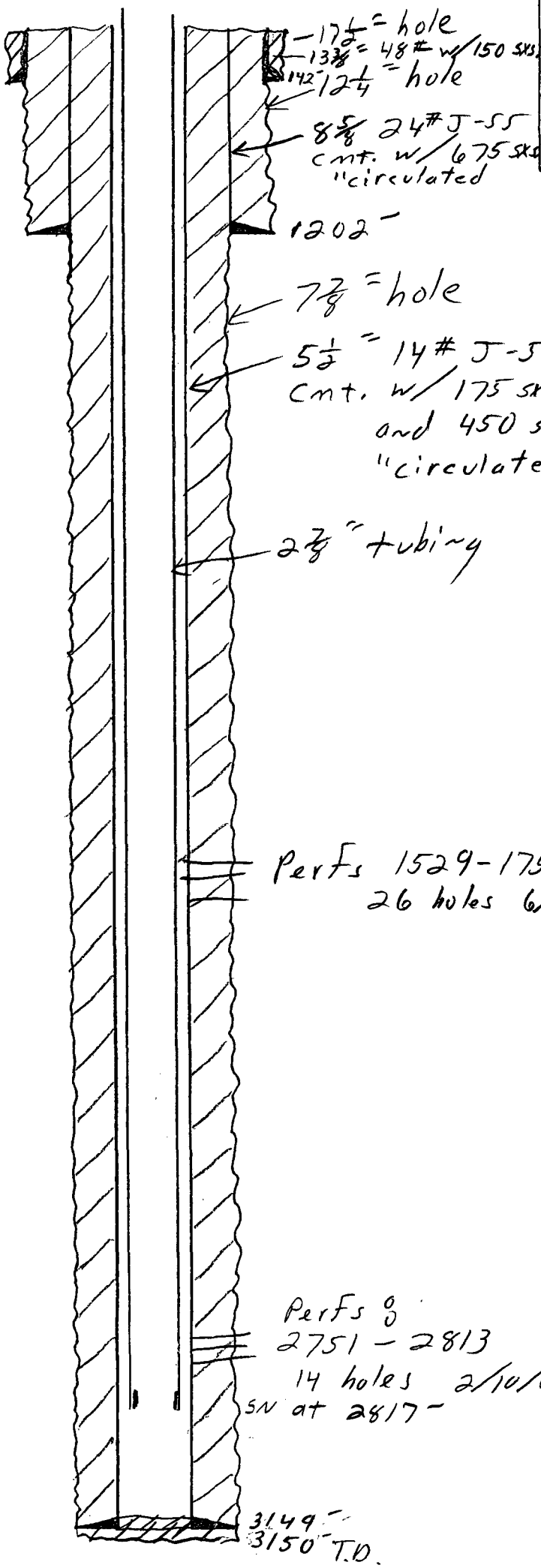
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- Multiple completions not qualifying for District or Division Director approval may be set for hearing as outlined in Rule 112-A-E.

[illegible]

WELL NAME: Boggy ST. #1 FIELD AREA: Red Lake
 LOCATION: Sec. 36 T17S R26E 330 FSL + 500 FEL
 GL: _____ ' ZERO: _____ ' AGL: _____ '
 KB: _____ ' ORIG. DRLG./COMPL. DATE: _____
 COMMENTS: _____

CASING PROGRAM:

SIZE/WT./GR./CONN.	DEPTH SET



{ acidized w/ 3500 gals. 15%
 Frac'd at 35 BPM w/
 60,000 gals w/ 95,000# 16/30
 + 35,000# 12/20

{ acidize w/ 3500 gals. 15%
 Frac'd at 25 BPM w/ 35,000 gal.
 w/ 60,000# 16/30 + 36,000# 12/20

DISTRICT I

Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

 Revised February 10, 1994
 Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	51300	Red Lake QN-GB-SA
Property Code	Property Name	Well Number
	BOGGY STATE	1
OGRID No.	Operator Name	Elevation
020451	SDX RESOURCES, INC.	3337

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	36	17 S	26 E		330	SOUTH	500	EAST	EDDY

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
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
40									

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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Bonnie Atwater Printed Name Regulatory Tech Title 11/27/00 Date
	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. OCTOBER 21, 2000 Date Surveyed JLP Signature & Seal of Professional Surveyor W.O. Num. 00-11-1310 Certificate No. RONALD J. EIDSON, 3239 GARY E. EIDSON, 12841

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

Form C-105
Revised 1-1-89

WELL API NO. 30-015-31482
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG	
1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Lease Name or Unit Agreement Name Boggy State
b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR <input type="checkbox"/> OTHER <input type="checkbox"/>	
2. Name of Operator SDX Resources, Inc.	8. Well No. 1
3. Address of Operator PO Box 5061, Midland, TX 79704	9. Pool name or Wildcat Red Lake, QN-GB-SA

4. Well Location Unit Letter <u>P</u> <u>330</u> Feet From The <u>South</u> Line and <u>500</u> Feet From The <u>East</u> Line Section <u>36</u> Township <u>17S</u> Range <u>26E</u> NMPM <u>Eddy</u> County					
10. Date Spudded 01/03/01	11. Date T.D. Reached 01/13/01	12. Date Compl. (Ready to Prod.) 03/19/01	13. Elevations (DF & RKB, RT, GR, etc.) 3337 GR	14. Elev. Casinghead	
15. Total Depth 3152	16. Plug Back T.D. 3121	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By Rotary Tools <input checked="" type="checkbox"/>	Cable Tools	
19. Producing Interval(s), of this completion - Top, Bottom, Name 2751-2813				20. Was Directional Survey Made Yes	
21. Type Electric and Other Logs Run LDT-CNL-GR, DLL-GR				22. Was Well Cored Yes	

23. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"	48#	142	12-1/4"	50 sx Thick Set + 100 C	--
8-5/8"	24#	1202	12-1/4"	425 sx 35/65 + 250 sx C	--
5-1/2"	14#	3149	7-7/8"	175 35/65 POZ + 450 C	--

24. LINER RECORD					25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8"	2817	

26. Perforation record (interval, size, and number) 2751, 52, 56, 64, 78, 82, 84, 90, 97, 98, 99, 2809, 11, 13 (14 shots, 1 spf, 4" select fire)	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	2751-2813	A: 3500 gal 15% HCL
		F: 35000 gal Viking 30 + 60160# 16/30 + 36280# 12/20 Brady

28. PRODUCTION							
Date First Production 02/23/01		Production Method (Flowing, gas lift, pumping - Size and type pump) Pmp 2-1/2" x 2" x 12' RWAC				Well Status (Prod. or Shut-in) Prod	
Date of Test 03/19/01	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - Bbl. 21	Gas - MCF ~60	Water - Bbl. 83	Gas - Oil Ratio
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl. 21	Gas - MCF ~60	Water - Bbl. 83	Oil Gravity - API - (Corr.)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Has not been connected as of this date.	Test Witnessed By Chuck Morgan
---	-----------------------------------

30. List Attachments Logs, Deviation Survey
--

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Bonnie Atwater Printed Name Bonnie Atwater Title Regulatory Tech Date 03/27/01

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

Form C-105
Revised 1-1-89

WELL API NO.
30-015-31482

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Boggy State

8. Well No.
1

9. Pool name or Wildcat
Red Lake, QN-GB-SA

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐
b. Type of Completion:
NEW WELL ☐ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF RESVR ☒ OTHER ☐

2. Name of Operator
SDX Resources, Inc.

3. Address of Operator
PO Box 5061, Midland, TX 79704 915/685-1761

4. Well Location
Unit Letter P 330 Feet From The South Line and 500 Feet From The East Line
Section 36 Township 17S Range 26E NMPM Eddy County

10. Date Spudded
11. Date T.D. Reached
12. Date Compl. (Ready to Prod.)
13. Elevations (DF & RKB, RT, GR, etc.)
3648' GR
14. Elev. Casinghead

15. Total Depth
3152'
16. Plug Back T.D.
RBP @ 2057'
17. If Multiple Compl. How Many Zones?
18. Intervals Drilled By
Rotary Tools
Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name
1529' - 1750'
20. Was Directional Survey Made

21. Type Electric and Other Logs Run
22. Was Well Cored

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED

24. LINER RECORD

25. TUBING RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8"	2877'	

26. Perforation record (interval, size, and number)

RBP @ 2057'
1529', 32, 38, 42, 50, 53, 57, 71, 83, 96, 1611, 23, 25, 30, 41, 47,
1710, 12, 14, 18, 22, 26, 40, 47, 48, 50 (60 holes, 1 spf)

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
1529' - 1750'	A: 3500 gal 15% NEFE
	F: 60,000 gal Viking 25 &
	100,040# 16/30 & 35,360# 12/20 Brady

28. PRODUCTION

Date First Production 07/01/01	Production Method (Flowing, gas lift, pumping - Size and type pump) 2-1/2" x 2" x 12' RWAC pmp					Well Status (Prod. or Shut-in) Prod	
Date of Test 07/14/01	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - BbL. 12	Gas - MCF 15	Water - BbL. 200	Gas - Oil Ratio 1250
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - BbL. 12	Gas - MCF 15	Water - BbL. 200	Oil Gravity - API - (Corr.)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
Sold

Test Witnessed By
Chuck Morgan

30. List Attachments

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Bonnie Atwater

Printed Name Bonnie Atwater

Title Regulatory Tech

Date 08/22/01

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all specific tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup _____	T. Ignacio Otzte _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Delaware Sand _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Bone Springs _____	T. Entrada _____	T. _____
T. Abo _____	T. _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from _____ to _____
No. 2, from _____ to _____
No. 3, from _____ to _____
No. 4, from _____ to _____

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from to feet

No. 2, from to feet

No. 3, from to feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology

From	To	Thickness in Feet	Lithology

SDX Resources, Inc.

Boggy State #1
Sec. 36, T17S, R26E
Eddy County, New Mexico

Offset Operators:

Yates Petroleum Corporation
105 S. 4th St. Yates Building
Artesia, New Mexico 88210

Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, Texas 79701

Perry & Perry Inc.
P.O. Box 3667
Midland, Texas 79702

Devon Energy Production Company, L.P.
20 N. Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260

Exxon Mobil Production U. S. West
P.O. Box 4697
Houston, Texas 77210-4697

Copies of the Downhole Commingling justification letter, OCD form C-107 and plat were sent to the above stated parties by certified mail on this the 28th day of August, 2001.



Ann E. Ritchie, Regulatory Agent
SDX Resources, Inc.
P.O. Box 5061
Midland, TX 79704
(915) 684-6381

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

SDX Resources, Inc. P.O. Box 5061, Midland, TX 79704
Operator Address
Boggy State 1 Sec. 36, T-17-S, R-26-E (P) Eddy
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 020451 Property Code 26975 API No. 30-015-31482 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Red Lake - QN - GB - SA		Red Lake - GL - Yeso
Pool Code	03230		97086
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	1529-1750		2751-2813
Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	680		750
Oil Gravity or Gas BTU (Degree API or Gas BTU)	39.3		41
Producing, Shut-In or New Zone	Producing		Shut-in
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 7-14-01 Rates: 12 BOPD 15 MCFD	Date: Rates:	Date: 6-11-01 Rates: 8 BOPD 15 MCFD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 60 % 50 %	Oil Gas % %	Oil Gas 40 % 50 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☐ No ☒

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE  TITLE Regulatory Agent DATE 9-11-01

TYPE OR PRINT NAME Ann E. Ritchie TELEPHONE NO. (915) 684-6381