SDX RESOURCES, INC.

100 mm

P.O. BOX 5061 MIDLAND, TEXAS 79704 (915) 685-1761 OIL CONSERVATION DIVISION RECEIVED

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N.M.O.C.D. P.O. Box 2088 Santa Fe, N.M. 87504-2088 Attn. Mr. Stogner

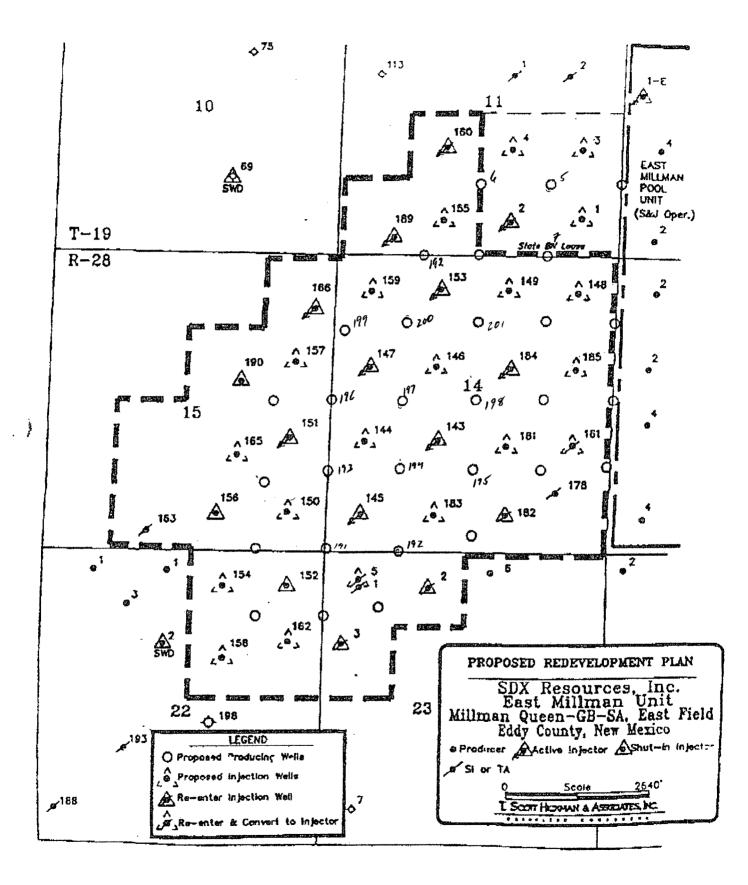
Mr. Stogner,

This letter is intended to serve as an application for administrative approval of unorthodox drilling locations on our State B.N. lease. The locations requested will be the State B.N. #5, #6, &#7. Survey plats and O.C.D. forms C-101 accompany this letter. A lease map detailing the project is also enclosed. The purpose of these locations is to convert the existing waterflood project on our East Millman and State B.N. leases from an 80 acre 5 spot pattern to a 40 acre 5 spot pattern. This reduced spacing will result in the recovery of additional reserves that will other wise be lost. An application for approval of unorthodox locations in our East Millman lease will follow this application. Ownership in both of these leases is identical and no other offset operators are affected by any of the proposed unorthodox locations. Thanks for your prompt attention.

Sincerely,

Chuck Morgan, P.E.

Chuck Morgan





## RAST MILLMAN UNIT

	191	10′	FNL	Š.	10'	FEL	Sec.	27,	T19S	_	R28E
	192	10′	FSL	ξ	1330'	FWL	Sec.	14,	T195	-	<b>R28E</b>
	193	10'	FWL	5	1310	FSL			T198		
•	194	1330'	FSL	£	1330'	FWL.	Sec.	14,	T195		R28E
	195	2630'	FEL	£	1310′	FSL			T195		
	196	10'	FWL	&	2630'	FSL	Sec.	14,	T198	-	R28E
Core	197	1310′	FWL	£	26301	FSL	Sec.	14,	T198		<b>R28E</b>
	198	2630'	FSL	£	2630	FWL	Sec.	14,	T195	- 100	R28E
	199	100'	FWL	<b>&amp;</b>	1330'	PNL	Sec.	14,	T19S	-	R28E
	200	1330	FWL	8	1310'	FNL	Sec.	14,	T198	_	R28E
	201	2630'	FMI.	E.	13304	FMT.	Sec-	14.	1719S	-	R28E

## STATE BY

5	1330′	<b>FSL</b>	<b>&amp;</b> :	1330'	FEL	Sec.	11,	T198	_	R28E
6	1310′	FSL	S.	26304	FEL	Sec.	11,	T19S	-	R28E
7	10'	FSL	£	1330'	FEL	Sec.	11.	T19S	_	R28B

Sibmit to Appropriate District Office State Lease - 6 copies

CONDITIONS OF APPROVAL, IF ANY:

## State of New Mexico

Form C-101

Energy, Minerals and Natural Resources Department Revised 1-1-89 Fee Lease - 5 copies OIL CONSERVATION DIVISION API NO. (assigned by OCD on New Wells) DISTRICT I P.O. Box 1980, Hobbs, NM 88240 P.O. Box 2088 Santa Fe, New Mexico 87504-2088 DISTRICT II 5. Indicate Type of Lease P.O. Drawer DD, Artesia, NM 88210 STATE X FEE DISTRICT III 1000 Rio Brazos Rd., Aziec, NM 87410 6. State Oil & Gas Lease No. E-1051 APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK la. Type of Work: 7. Lease Name or Unit Agreement Name DRILL X RE-ENTER DEEPEN PLUG BACK b. Type of Well: MULTIPLE SINCEP METT X ZONE State BN 2. Name of Operator Resources, INC. 5061 Midland, Tr. 79704-5061 Millman Q 4. Well Location : 1330 Feet From The East Line and 1265 Feet From The South **NMPM** County 10. Proposed Depth 11. Formation Rotary 14. Kind & Status Plug. Bond 13. Elevations (Show whether DF, RT, GR, etc.) 6. Approx. Date Work will start 15. Drilling Contractor Blankot Capstar 17. PROPOSED CASING AND CEMENT PROGRAM SIZE OF HOLE SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH SACKS OF CEMENT 350+ 2650 Plan to drill a 124 hole to = 350 and set 85 24# casing. Circulate "C" cement. Drill out with 78 = bit to 2650. Run open hole logs (LDT-CNL, DLL-GR). Run 55 15.5# casing and circulate 50/50 Poz "C" cement. Perforate Grayburg - Queen and stimulate as necessary for optimum production.

Mud Program & Fresh water mud 0-350 5017.D,

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE, GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my SKINATURE	knowledge and belief. TITLE PE	DATE 1/25/93
TYPE OR PRINT NAME		TELEPHONE NO.
(This space for State Use)		
APTROVED BY	TITLE	DATE

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

### State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

# OIL CONSERVATION DIVISION P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

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

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator					Lease				Well No.	
	SOURC	ES, INC.			STAT	TE BN			5	
Unit Letter	Section		Township		Range			County	1	
0		11	19	SOUTH	28 I	EAST	NMPM	EI	DY COUNTY, NM	
Actual Footage Lo	cation of	Well:					* *****			
1330		rom the	EAST	line and	126	5	feet from	the SC	OUTH line	
Ground level Elev	·		Formation		Pool				Dedicated Acreage:	
3420.		QN-C	b		East	Millman	Q.~G.	- <i>5 A</i>	40 Acres	
1. Outli	ine the ac	reage dedicated	to the subject we	ll by colored per	icil or hachure	marks on the plat b	elow.			
2. If me	ore than o	one lease is ded	cated to the well,	outline each and	identify the o	wnership thereof (bo	th as to worki	ng interest and	i royalty).	
		one lease of diff		s dedicated to the	e well, have the	e interest of all own	ers been conso	lidated by con	nmunitization,	
	Yes		No If an	swer is "yes" ty					12.	
			and tract descript	tions which have	actually been	consolidated. (Use	reverse side of	<del>,</del>		
	m if necc wable wi		the well until all	interests have b	een consolidat	ed (by communitizat	ion, unitizatio	, forced-pooli	ng, or otherwise)	
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Submit to Appropriate
District Office
State Lease - 6 copies

CONDITIONS OF APPROVAL, IF ANY:

## State of New Mexico Energy, Minerals and Natural Resources Department

Form	C	-1	01	
Revise	be	1-	1-8	

Fee Lease - 5 copies	OTT O	ONSERVATIO	N DYVICTON		
DISTRICT I P.O. Box 1980, Hobbs, NM	88240	API NO. (assigned by	OCD on New Wells)		
DISTRICT II P.O. Drawer DD, Artesia, N	Sa M 88210	5. Indicate Type of L	STATE FEE		
DISTRICT III 1000 Rio Brazos Rd., Aztec	, NM 87410			6. State Oil & Gas Lo E-1051	ease No.
ADDLICAT	ON FOR REDMIT TO	O DRILL, DEEPEN, O	D DI LIC BACK	(17/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/	
12 Type of Work:	ION FOR FERIVITI I	O DRILL, DEEFEN, O	N TEOG BAOK	7. Lease Name or Un	nit Agreement Name
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DRILL b. Type of Well: OIL GAS	• 1	SINGLE	PLUG BACK	State B N	
MET MET	OTHER	ZONE	ZONE		
2. Name of Operator				8. Well No.	
	JRCES, INC.			6	
3. Address of Operator P.O. BOX	FOR1 Midle	- J TV TOTO	5004	9. Pool name or Wild	
	SUGI MIGIAI	nd, TX. 79704-	5061	E.Millman	Q-G-SA
4. Well Location Unit Letter O	: 2513 Feet Fr	om The East	Line and 1310	Feet From Th	South Line
Section 11	Townst	nip 19-S Rar	age28-E	NMPM Eddy	County
		10. Proposed Depth		//////////////////////////////////////	12. Rotary or C.T.
		2600		ayburg	Rot
13. Elevations (Show whether 3433		4. Kind & Status Plug. Bond Blanket	15. Drilling Contractor	16. Apr	prox. Date Work will start
17.		OPOSED CASING AN	Capstar  D CEMENT PROG		b. 01
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT		SACKS OF CEMI	ENT EST. TOP
12-1/4"	8-5/8"	24#	350'+		_
7-7/8"	5-1/2"	15.50#	350 + 2600'	300 500	surf
			2000	300	surf
casing. Ci hole logs 50/50 POZ as necessa	rculate "C" of (LDT-CNL-GR & "C" cement. Here of the continue  "Exp. for optimue	hole to apprement. Drill DLL). Run 5-Perforate the mm production.	7-7/8" hole 1/2" casing a Grayburg-Que	to TD. Run	open te
ZONE. GIVE BLOWOUT PREV	ENTER PROGRAM, IF ANY.	te to the best of my knowledge and		ON PRESENT PRODUCTIVE 2	DATE 1/27/93 TELEPHONE NO. 748-981
(This space for State Use)					
APPROVED BY		π	TLE		DATE

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

## State of New Mexico Energy, Minerals and Natural Resources Department

**OIL CONSERVATION DIVISION** 

Form C-102 Revised 1-1-89

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088 Santa Fe, New Mexico 87504-2088

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

DISTRICT III 1000 Rio Brazos Rd., Aziec, NM 87410

### WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator				Lease				Well No.	
CUA DE	COIDORC	TNC		STATE	DW .			<b>C</b>	
Unit Letter	SOURCES, Section	INC. Township		Range	DM		County		
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Ground level Elev.	Pr	oducing Formation	line and	Pool		feet from	me 1	Dedicated Acrea	ge:
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	Yes	. No If		pe of consolidation					
		owners and tract descr	iptions which have	actually been conse	olidated. (Use rev	erse side of			
	if neccessary.	igned to the well until	all interests have h	ideted (he					
or until a	non-standard u	nit, eliminating such in	all interests have b terest has been an	een consolidated (by	onumumuzzuon	, uniuzauon	i, forced-poolin	g, or otherwise)	
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Submit to Appropriate (1)  Mistrict Office  State Lease — 6 copies	Energy, 1	State of New Me: Minerals and Natural Re			Form C-101 Revised 1-1-89		
Fee Lease - 5 copies  DISTRICT I P.O. Box 1980, Hobbs, NM 8		CONSERVATIO P.O. Box 208	—	API NO. ( assigned by OC	CD on New Wells)		
DISTRICT II P.O. Drawer DD, Artesia, NM	Sa	anta Fe, New Mexico		5. Indicate Type of Leas	tate X fee		
DISTRICT III 1000 Rio Brazos Rd., Aziec, I				6. State Oil & Gas Lease  E ~ 1051			
APPLICATIO	N FOR PERMIT T	O DRILL, DEEPEN, C	B PILIC BACK				
1a. Type of Work:	DIVI CIVI LIMIN, 1	O DITICL, DELI LIV, C	T LOG BAOK	7. Lease Name or Unit A	//////////////////////////////////////		
b. Type of Well:	RE-ENTER	DEEPEN	PLUG BACK	State B	<b>/</b>		
OIL GYZ GYZ	OTHER	SINOLE ZONE	MULTIPLE ZONE				
2. Name of Operator $SDX Ros$	ources, I	vc.		8. Well No. 7			
3. Address of Operator		nd, Tx. 797	04 = 5061	9. Pool name or Wildcat  East M;	11 mar QGSA.		
4. Well Location	. 1220 F.A.F.	T. F.		<b>.</b>			
Unit Letter	_ : <u>/330</u> Feet Fr	om the East	Line and /C	Feet From The	South Line		
Section //	Towns	nip /95 Rar	18 28E 1	VMPM E	County		
		10. Proposed Depth		ormation	12. Rotary or C.T.		
		265			1 2 7		
13. Elevations (Show whether	DE PT CP 4(c)	4. Kind & Status Plug. Bond	15. Drilling Contractor	rayburg	Rotary  Date Work will start		
3410 G.L.	Dr. KI, OK, Elc.)	Blanket	Caps + ar		Date work will start		
17.	PR	OPOSED CASING AN	7				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP		
1214	8 58 -	24#	350+	250	Surface		
73	5士=	15.5 #	2650-	500	Surface		
Plan to drill a 124 hole to = 350 (plus), set 8% Surface easing and circulate class "C" cement to the surface. Drill out with a 7% bit to 2650. Run LDT-CNL and OLL-GR open hole logs. Run 55 casing to 2650. Circulate 50/50 Poz "C" cement to the surface. Perforate the Grayburg and Queon and stimulate as necessary for optimum production. Mud Program & Fresh water mud 0-350 Salt water mud 350-7.0.							
ZONE_ GIVE BLOWOUT PREVEN	TER PROGRAM, IF ANY.			N PRESENT PRODUCTIVE ZONE	AND PROPOSED NEW PRODUCTIVE		
I hereby certify that the informat	ion above is true and complet	e to the best of my knowledge and	belief.		,		
SKINATURE Churc	& Morga	<u> </u>	LE P.E.	D	ATE 1/25/93		
TYPE OR PRINT NAME				т	ELEPHONE NO.		

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\_\_\_ DATE .\_\_

CONDITIONS OF APPROVAL, IF ANY:

(This space for State Use)

APPROVED BY ....

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

## State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

## **OIL CONSERVATION DIVISION**

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

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

## WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

~···		All Distatices Host	be from the other boundaries of the		TAYOU N.
Operator			Lease		Well No.
SDX RES	OURCES, INC.		STATE BN		
Unit Letter	Section	Township	Range	County	
O	11	19 SOUTH	28 EAST	NMPM EDI	DY COUNTY, NM
Actual Footage Loca	ation of Well:				
1330	feet from the	EAST line an	d 10	feet from the SO	TTH line
Ground level Elev.	Producin	g Formation	Pool		Dedicated Acreage:
3410.	10	~ <i>l</i>	E M:11	0-0-01	40 Acres
1 Outline	e the armane dedicates	d to the subject well by colored	East Millman pencil or hachure marks on the plat	$\sim 4$ , $\sim 2.7$	70 Acres
			and identify the ownership thereof (b		
	e than one lease of dif- tion, force-pooling, etc	-	the well, have the interest of all own	ners been consolidated by con	mmunitization,
	Yes		type of consolidation		
If answer	<u> </u>		ave actually been consolidated. (Use	reverse side of	
this form	if neccessary.				
			e been consolidated (by communitiza	tion, unitization, forced-poo	ling, or otherwise)
or until a	non-standard unit, eli	minating such interest, has been	approved by the Division.	~ · · · · · · · · · · · · · · · · · · ·	
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