OIL CONSERVATION DIVISION SDX RESOURCES, INC. RECEIVED

MIDLAND, TEXAS 79704 (915) 685-1761

'94 JUL 12 AM 8 50

May 1,1994

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 for three unorthodox drilling locations on SDX's Dunn B Federal lease. The locations constitute a pilot project for an infill well project on this lease. The proposed locations are in sections 10, 11,& 12 of T18S, R28E, Eddy county. Survey plats, BLM 3160 forms, and a lease map accompany this letter. The purpose of this pilot is to evaluate the potential of an infill project that would convert the existing waterflood from an 80 acre 5 spot pattern to a 40 acre 5 spot pattern. This reduced spacing should result in the recovery of additional reserves that will other wise be lost. Ownership surrounding the proposed locations is similar and no other offset operators are affected by any of the proposed unorthodox locations. If you have any questions or need any additional information please contact me at (505) 748-9724 or (505) 365-7691. Thanks for your consideration.

Sincerely.

Chuck May

Chuck Morgan, P.E.

Form 3160-3 (July 1989) (formerly 9-3310		UNITED ST ARTMENT OF T		ONTACT REC OFFICE FOR I OF OOPLES RJ (Other Instruc reverse B	MMBER EQUIRED	Mod1[1ed F NMD60-3160	
<u> </u>	В	UREAU OF LAND N	ANAGEMENT			NM54184	
APPLICA	TION FOR	PERMIT TO DRI	LL, DEEPEN, O	<u>r plug b</u>	ACK		LOTTER OR TRIBE NAME
1a. TYPE OF WORK	DRILL	DEE	pen 🗌	PLUG BAG	кП	7. UNIT AGBEEM	ENT NAME
b. TYPE OF WELL						N . A .	
WELL X	WELL	OTHER		MULTIP ZONE		8. FARM OR LEA.	
	ources, I	ne	-	Ares Code 6		Dunn B 9. WELL NO.	Fed.
3. ADDRESS OF OPT	CRATOR	<u>nc</u> .		007740	J 7 2 "F	36	
<u>P.O. Bo</u>	<u>x 5061. M</u>	idland, TX. 7 on clearly and in accorda	79704				YOOL, OR WILDCAT
At surface				(rements.*)		Art-Qn- 11. sec., t., R., K	
At proposed pr		L,unit M,Sec.	. 12			AND BUBVEY Sec. 12	OR AREA T188
Same						R28E	
		ON FROM NEAREST TOWN					PARISH 13. STATE
15 mile 15. DISTANCE FROM		<u>Artesia, N.M</u> 330'	1. 16. NO. OF ACRE	S IN LEASE	117 NO (Eddy	<u>N.M.</u>
LOCATION TO 2	FAREST LEASE LINE, FT. est drlg. unit line,		124			HIS WELL	40
18. DISTANCE PRO	M FROPOSED LOCAT M FROPOSED LOCAT VELL, DRILLING, COS ON THIS LEASE, FT.	If any)	19. PROPOSED DI		20. ROTA	RY OR CABLE TOOL	9
			400)0 <i>'</i>			rot.
21. ELEVATIONS (S)	36/5 G					22. APPROX. DA 6/1	TE WOBE WILL START*
23.		PROPOSE	D CASING AND CEMEN	TING PROGRAM		_ <u></u>	
HOLE SIZE	CASING SIZE						
		WEIGHIZFOOI I	GRADE	THREAD	IYPE	BETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	WE IGHT/FOOT 24#	J-55	THREAD 1 8rd.	TYPE	350'	350 °C"
			and the second s				350 °C" 350 POZ
12-1/4"	8-5/8"	24#	J-55	<u>8</u> rd.		350'	350 °C"
<u>12-1/4"</u> 7-7/8" Plan to Circulat CNL-GR & Andres-G Specific	8-5/8" 5-1/2" drill a 1 e "C" cem DLL). Ru rayburg-Q	24# 14# 2-1/4" hole t ent. Drill 7- n 5-1/2" cast ueen and stir as per Onsho	J-55 J-55 to approx. 35 -7/8" hole to ing and circu nulate as nee	8rd. 8rd. 50'; set 50 TD. Ru plate centres cessary	8-5/ n ope ment. for o	350' 4000' 8" surfac n hole lo Perforat ptimum pr	350 °C" 350 POZ 400 LITE e casing. gs (LDT- e the San oduction.
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Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

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

<u>DISTRICT II</u> P.O. Drawer DD, Artesia, NM 88210

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

State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator					Lease			Well No.	·····
-	ESOURC	ES, IN	с.			N B FEDE	RAL	36	
Unit Letter	Sectio	n	Township		Range			County	
M		12	18 S	OUTH	28 1	EAST	NM	EDDY COUNTY, NM	
Actual Footage L	ocation of	Well:							
330		rom the	SOUTH	line and	10		feet fr	om the WEST line	
Ground level Elev	v.	Produ	cing Formation		Pool	L.	* *	Dedicated Acreage:	
3615.		QN-	<u>-66 - 54</u>		Art.	esia -	QN~61	6-3A, 70 Ac	cres
1. Out	line ine ac	reage dedic	ated to the subject well	by colored per	icii or nachure	marks on the j	hat below.		
2. If m	ore than o	one lease is	dedicated to the well, o	outline each and	l identify the o	wnership there	of (both as to wo	orking interest and royalty).	
		ne lease of rce-pooling,		dedicated to the	e well, have the	interest of all	owners been co	nsolidated by communitization,	
	Yes		No If ans		pe of consolida				
	ver is "no" rm if necc		ners and tract descripti	ons which have	actually been	consolidated.	(Use reverse side	e of	
No allo	owable wi	ll be assigne	ed to the well until all	nterests have b	een consolidate	d (by commu	utization, unitiza	tion, forced-pooling, or otherwise)	
			eliminating such intere					-	
·			1					OPERATOR CERTIFICAT	ION
		1						I hereby certify that the in	
							,	contained herein in true and comple	ete to the
								best of my knowledge and belief.	
		1						Signature / //	
								Church Man	1
		1				1		Printed Name	<i>µ</i>
						+		Chuck Mor	90N
								Position	/
		1						Engri	
								Company Conv O	
								SDX Resour	225
i. I		1				l i		Date 5.3.94	
						1	1		
		 ∤				 		SURVEYOR CERTIFICAT	ΠΟΝ
j		j				j		I hereby certify that the well locat	ion shown
						Ì		on this plat was plotted from field	d notes of
		1 I				i		actual surveys made by me or	
		I I				i		supervison, and that the same is correct to the best of my knowl	
		1				Ì		belief.	0
		i				i		Date Surveyed	
						Ļ	(· ·	
		-; F -				1	/	APRIL 25 1994	
						i		Signature & Spal pf E D' Professional Surveyor D D	
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1		i	X			i			
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P		i				i.		LE K Ked AIE	
330		1						MM PERPS NO. 5412	
	140V					1		NM PK&PS NO: 5412	·····
0 330 660	, 990	1320 165	50 1980 2310 26	40 20	00 1500	1000	500 0	TUFESSIO	

Form 3160-3 (July 1989) (formerly 9-3310	DEP/ B	UREAU OF LAND	THE INTERIO		MMBER EQUIRED tions on de)	Modified I N1060-3160 5. LEASE DEBIGN NM54184	D-2
		PERMIT TO D	RILL, DEEPEN,	OR PLUG B	ACK	1	LOTTER OR TRIBE NAME
D. TYPE OF WORK	DRILL	DI	EEPEN	PLUG BAG		N.A. 7. UNIT AOBEEM	
WELL X	OAS WELL	OTHER	SINGLE ZONE			S. FARM OR LEA	
				3a. Area Code δ		Dunn B	Fed.
SDX Hes 3. Address of op	<u>ources.</u> I	nc.		(505)748 -	9124	34	
At surface		idland. TX. on clearly and in acco FEL.unit B	79704 rdance with any State of , Sec. 10	equirements.*)		10. FIELD AND F Art-Qn- 11. SEC., T., B., J AND SUBVEY	M., OR BLK. OR ABEA
At proposed p	rod. zone					Sec.10 R28E	1185
Same 14. DIRTANCE IN	MILES AND DIRECT	ION FROM NEAREST TOU	WH OR POST OFFICE.				PARISH 13. STATE
15 mile	s S.E. of	Artesia, N	.М.			Eddy	N.M.
15. DISTANCE FRO LOCATION TO	M PROPUSED*	1310'	16. NO. OF	ACRES IN LEASE		NT ACRES ASSIGNED His Well	4 ()
TO NEAREST V OR APPLIED FOR	N PROPOSED LOCAT Vell, Drilling, Co , on this lease, ft	MPLETED 919'	19. PROPOSE 2	р рерти 1000 '	20. ROTA	RY OR CABLE TOOL	rot.
	how whether DF, R						/94
2		PROPO	SED CASING AND CEM	IENTING PROGRAM	4		• ····
HOLE SIZE	CASING SIZE	WE IGHT/FOOT	GRADE	THREAD	TYPE	BETTING DEPTH	QUANTITY OF CEMENT
$\frac{12-1/4}{77}$	8-5/8"	24#	J-55 J-55	<u>8rd.</u> 8rd.		<u>350'</u> 4000'	<u>350 "C"</u> 350 POZ
7-7/8"	5-1/2:"	14#	<u> </u>	<u> </u>		4000	400 LITE
-			to approx. 7-7/8" hole				e casing.
CNL-GR & Andres-G Specific	DLL). Ru rayburg-Q	n 5-1/2" ca ueen and st as per Ons	sing and cir imulate as r hore Oil and	rculate ce necessary	ment. for op	Perforat ptimum pr	e the San oduction.
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	is to drill or dee						roposed new productive depths. Give blowout
						······································	
SIGNED	hack 1	nonga	E	gr.		DATE	30/94
	huch M	Office use)	<u>TITLE</u>	gr.		DATE	30/94

____ DATE _____

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Title 18 U.S.C. Section 1003	makes it a crime for any nerson	knowingly and willfully	to make to any demastment	or according of the
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TITLE .

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY :

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

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

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

State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

DISTRICT III 1000 Rio Brazos Rd.	., Aziec, NM 87410		ND ACREAGE DEDICA from the outer boundaries of the		
Operator	<u></u>		Lease		Well No.
SDX RES	SOURCES, INC.		DUNN B FEDER	AT.	34
Unit Letter	Section	Township	Range	County	
В	10	18 SOUTH	28 EAST	EDDI	COUNTY, NM
Actual Footage Loca	-			NMPM EDD	
1310		ORTH line and	1350		
Ground level Elev.	noon and	g Formation	Pool	feet from the EAS	Dedicated Acreage:
3619.				- CI-CA	4.0
	the acreade dedicated	$(5b^{-})A$	$\frac{Artosia - Q_{\Lambda}}{\text{ncil or hachure marks on the plat t}}$	r = 66 - 5A	<u>40</u> Acres
2. If more 3. If more unitizat If answer	e than one lease is ded e than one lease of diff tion, force-pooling, etc Yes	icated to the well, outline each an erent ownership is dedicated to th .? No If answer is "yes" ty	d identify the ownership thereof (b e well, have the interest of all own	oth as to working interest and ers been consolidated by com	
No allow:		o the well until all interests have t ninating such interest, has been ap	peen consolidated (by communitiza	tion, unitization, forced-poolir	ng, or otherwise)
			1350	I hereby contained here best of my know Signature Printed Name Position Company S D Date SUR VE	FOR CERTIFICATION certify that the information in in true and complete to the vledge and belief. <u>March Morgan</u> <u>huck Morgan</u> <u>yff</u> <u>X Resources</u> <u>3 94</u> YOR CERTIFICATION
				on this plat actual survey supervison, au correct to th belief. Date Surveyed APRIL 25 Signature & S Professional S Continues New NM PEGEPS	$\frac{1994}{1000}$
0 330 660	990 1320 1650	1980 2310 2640 20	000 1500 1000 5		OFESSIONAL

Form 3160-3 (July 1989) (formerly 9-331C	DEP	UNITED S	THE INTERIOR	OONTACT REA OFFICE FUR OF COPLES R (Other Instru- reverse s	MMBFR EQUIRED ctions on	Mod1f1ed 1 NM060-3160	
		UREAU OF LAND			ACV	NM54184	LOTTER OR TRIBE NAME
APPLICA 1a. TYPE OF WORK		- <u></u>	ILL, DEEPEN, C	JR PLUG E	ACK	N.A.	
b. TYPE OF WELL	DRILL	DEI	epen 🗌	PLUG BA		7. UNIT AGREEM	LENT NAME
WELL X	GAS WELL	OTHER	SINGLE ZONE			S. FARM OR LEA	
	ources, I	nc.	-	n. Aren Code 6 505)748-		Dunn B 9. WELL NO.	Fed.
3. ADDRESS OF OPE	RATOR					35	
P.O. BO 4. LOCATION OF W	<u>x 5061, M</u> ELL (Report locati	idland. TX.	79704	ulrements.*)		Art-Qn-	GD-Sa
At surface 2630' F	SL, 1310'	FWL,unit L,	Sec. 11			11. SEC., T., R., I	M., OR BLK.
At proposed pr Same	od. zone					Sec.11 R28E	T18S
14. DISTANCE IN 1		ON FROM NEAREST TOWN				12. COUNTY OF I	
15. DISTANCE FROM	A PROPUSED*	<u>Artesia, N.</u> 2630'	M . 16. NO. OF AC	LES IN LEASE		Eddy of acees assigned	N.M.
LOCATION TO N PROPERTY OR I (Also to dear	LEASE LINE, FT.	lf any) (10')	12	40	TOTI	HIS WELL	40
18. DISTANCE FROM TO NEAREST W OR APPLIED FOR,	M PROPOSED LOCAT ELL, DRILLING, CO. ON THIS LEASE, FT.	ION [•] MPLETED919;	19. ркорозер 4 ()	ос '	20. ROTA	RY OR CABLE TOOL	srot.
_	now whether DF, R	-			<u>.</u>	1	TE WOBE WILL START*
<u></u>	<u>632</u> G	·····	ED CASING AND CEMER	TING PROGRAM	4		
HOLE SIZE	CASING SIZE	HE IGHT/FOOT	GRADE	THREAD	TYPE	BETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	J-55	8rd.		350'	350 °C"
7-7/8"	5-1/2:"	14#	J-55	<u>8rd.</u>		4000'	<u>350 POZ</u> 400 LITE
		•	• to approx. 3				
Circulat CNL-GR & Andres-G Specific the foll Dri Sur	e "C" cem DLL). Ru rayburg-Q programs owing att: lling Pro face Use ibit #1 B #2 L #3 P #4 O	ent. Drill 7 n 5-1/2" cas ueen and sti as per Onsh achments: gram: and Operatin lowout Preve ocation and lanned Acces ne Mile Radi	-7/8" hole t ing and circ mulate as ne ore Oil and g Plan nter Equipme Elevation Pl s Roads	o TD. Ru ulate ce cessary Gas Orde nt #	n open ment. for op r #1 a 6 Dril	h hole lo Perforat stimum pr are outli lling Rig	gs (LDT- e the San oduction. ned in
	is to drill or deep		to deepen or plug back pertinent data on subsur	face locations an			
(This space fo	r Federal or State	office use)		·			·
PERMIT NO.			APPROVA	L DATE			
APPROVED BY CONDITIONS OF A	PPROVAL, IF ANY :		TITLE		يو "	DATE	

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

DISTRICT 1 P.O. Box 1980, Hobbs, NM 88240

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

State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

I., Aziec, NM 87410						
- a <u></u>	<u> </u>	1	ease			Well No.
SOURCES, INC.	•		DUNN B F	EDERAL		35
Section	Township				County EDDY	COUNTY, NM
				NMPM		
	COUTTU		1210		LIFCT	
				feet from t	he WEST	line Dedicated Acreage:
		1		$\rho = C I_{\sigma}$	00	40
the acreage dedicated	$6 b^{-} A^{+}$ to the subject well	by colored pencil	or hachure marks on	the plat below.	54,	7 U Acres
re than one lease is dedi	icated to the well, o	utline each and id	entify the ownership	hereof (both as to workin	g interest and r	oyalty).
ation, force-pooling, etc Yes	.? No If ans	wer is "yes" type	of consolidation		dated by comm	unitization,
if neccessary.		·····				
				nmunitization, unitization,	forced-pooling	, or otherwise)
non-standard unit, elin	ninating such intere	st, has been appro	ved by the Division.		<u> </u>	
]			I hereby intained herein st of my knowl gnature inted Name Chu position	ck Morgan ck Morgan
				[0 4 57 6	SURVEY hereby certify in this plat w ctual surveys upervison, and prrect to the	OR CERTIFICATION that the well location shown as plotted from field notes of made by me or under my that the same is true and best of my knowledge and
					APRIL 25 signature & Se rofessional Str	ALPOLE D D L MEXICO ALZ ALZ ALZ ALZ ALZ ALZ ALZ ALZ ALZ ALZ
	SOURCES, INC Section 11 ation of Well: feet from the Producing Producing e the acreage dedicated re than one lease is ded re than one lease of diff ation, force-pooling, etc Yes r is "no" list the owners t if neccessary. rable will be assigned to	All Distance All	All Distances must be from the SOUTH Interest and identified to the well, outline each and identified to the well, outline each and identified to the well on the subject well by colored penciling formation is in the subject well by colored penciling formation is dedicated to the subject well by colored penciling for the acreage dedicated to the well, outline each and identified to the well on the subject well by colored penciling for the acreage dedicated to the well on the subject well by colored penciling for the acreage dedicated to the well on the subject well by colored penciling for the acreage dedicated to the well on the subject well by colored penciling for the acreage dedicated to the well on the subject well by colored penciling for the acreage dedicated to the well on the subject well by colored penciling for the acreage dedicated to the well on the subject well by colored penciling for the acreage dedicated to the well on the subject well by colored penciling for the acreage dedicated to the subject well by colored penciling for the acreage dedicated to the subject well by colored penciling for the acreage dedicated to the subject well by colored penciling for the acreage dedicated to the well on the subject well by colored penciling for the acreage dedicated to the well on the subject well by colored penciling for the acreage dedicated to the well on the subject well by colored penciling for the subject well by colored	In Aziec, NM 87410 All Distances must be from the outer boundation of the outer boundation of Well: Section Township 11 18 SOUTH Reage 28 EAST ation of Well: 11 feet from the SOUTH Producing Formation Pool $QN - Gb - SA$ Pool ate the acreage dedicated to the subject well by colored pencil or hachure marks on re than one lease is dedicated to the well, outline each and identify the ownership to re than one lease of different ownership is dedicated to the well, have the interest of ation, force-pooling, etc.? Yes No If answer is "yes" type of consolidation r is "no" list the owners and tract descriptions which have actually been consolidated to the interest of the force-sary.	All Distances must be from the duel boundaries of the section SOURCES, INC. Dunn B FEDERAL Section 11 Township ation of Well: 28 EAST NMPM feet from the SOUTH line and 1310 feet from the feet from the feet from the feet from the subject well by colored pencil or hachure marks of the plat below. $Q_{M} = G_{M} = S_{M}$ Artestia - Q_{m} - G_{M} - G_	All Distances must be from the outer boundaries of the section SOURCES, INC. Lase Section 11 11 18 SOUTH 28 EAST County ation of Well: 28 EAST Feet from the SOUTH Ities and 1310 Producing Formation Pool Artsside - Or - Ch - SA e the acreage dedicated to the subject well by colored pencil or hachuse for the plat below. The the acreage dedicated to the subject well by colored pencil or hachuse the interest of all owners been consolidated by communication, force-pooling, etc.? Yes No If answer is "yes" (type of consolidation 'i' no costsary. The assegged to the well until all interests have been consolidated by communication, unitization, force-pooling non-standard unit, eliminating such interest, has been approved by the Division. OPERATI I hareby I hareby Signature I hareby I hareby I hareby carlif Signature I hareby I hareby I hareby carlif Signature I hareby I hareby carlif I hareby carlif Signature I hareby I hareby carlif I hareby carlif Signature I hareby I hareby carlif I ha

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2. NAME OF OPER				Area Code 6		Dunn B	Fed.
3. ADDRESS OF OP	ROUFCES, II	<u>nc.</u>		505)748-	-9724	36	
<u> P.O. Bc</u>	<u>x 5061. M</u>	idland, TX.	79704				POOL, OR WILDCAT
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		PROPOSE	D CASING AND CEMEN	ITING PROGRA	м		
HOLE SIZE	CASING SIZE	PROPOSE	GRADE	THREAD		RETTING DEPTH	QUANTITY OF CEM
12-1/4"	8-5/8"	WE IGHT/FOOT 24#	GRADE J-55	THREAD 8rd.	TYPE	350'	350 °C"
<u>12-1/4"</u> 7-7/8" Plan to	8-5/8" 5-1/2:" drill a 1:	WEIGHT/FOOT 24# 14# 2-1/4" hole	GRADE J-55 J-55 to approx. 3	THREAD 8rd. . 8rd. 50'; set	TYPE 8-57	350' 4000' 8° surfac	350 °C° 350 POZ 400 LITE e casing.
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Appropriate Office Jease - 4 copies	Energy, Minerals	and Natural Resources D	epartment	Revised 1-1-89
<u>/ease - 3 copies</u> <u>/STRICT I</u> /.O. Box 1980, Hobbs, NM 88240	-	ERVATION DIV P.O. Box 2088	ISION	
DISTRICT II	Santa Fe, 1	New Mexico 87504-20	88	
P.O. Drawer DD, Artesia, NM 88210 DISTRICT III	WELL LOCATION A	ND ACREAGE DEDIC	ATION PLAT	
1000 Rio Brazos Rd., Aztec, NM 87410 Operator	All Distances must be	from the outer boundaries o	of the section	Well No.
SDX RESOURCES, INC.		DUNN B FEDER		36
Unit Letter Section M 12	Township 18 SOUTH	Range 28 EAST	NMPM ED	DY COUNTY, NM
Actual Footage Location of Well: 330 feet from the	SOUTH line and	10	feet from the WE	ST line
Ground level Elev. Producing	g Formation	Pool	Dia Cha SA	Dedicated Acreage:
	$\frac{5b}{1} - \frac{5A}{2}$	Artesia - G	at below.	/U Acres
2. If more than one lease is ded	icated to the well, outline each and	l identify the ownership thereof	(both as to working interest an	i royalty).
3. If more than one lease of diff unitization, force-pooling, etc	erent ownership is dedicated to the	e well, have the interest of all o	wners been consolidated by cor	nmunitization,
Yes	No If answer is "yes" ty and tract descriptions which have		Jse reverse side of	
this form if neccessary.	o the well until all interests have b			ng, or otherwise)
or until a non-standard unit, elin	ninating such interest, has been ap	proved by the Division.		
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		<u>†</u>	Ch Position	vet Morgan ~gr:
		1	Company	-
			Date	DX Resources
				3/94
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		l	correct to t belief.	he best of my knowledge and
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BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 3202 Order No. R-2869

APPLICATION OF INTERNATIONAL OIL & GAS CORPORATION FOR A WATERFLOOD PROJECT, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 27, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this <u>llth</u> day of February, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, International Oil & Gas Corporation, seeks permission to institute a waterflood project in the Artesia Pool by the injection of water into the Queen, Grayburg, and San Andres formations through nine injection wells in Sections 10 and 11, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

-2-CASE No. 3202 Order No. R-2869

IT IS THEREFORE ORDERED:

(1) That the applicant, International Oil & Gas Corporation, is hereby authorized to institute a waterflood project in the Artesia Pool by the injection of water into the Queen, Grayburg, and San Andres formations through nine wells at the followingdescribed locations in Eddy County, New Mexico:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

WELLS	LOCA	FION SECTION
International-Yates-Dunn "	B" Federal	
Well No. 13	NE/4	NE/4 10
Well No. 17	NE/4	NW/4 10
Well No. 15	SW/4	NW/4 10
Well No. 19	SW/4	NE/4 10
Well No. 24	NE/4	SE/4 10
Well No. 18	NE/4	NW/4 11
Well No. 21	SW/4	NW/4 11
Well No. 29	SW/4	NE/4 11
Well No. 30 (u	ndrilled) NE/4	SW/4 11

(2) That the subject waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

SEAL

esr/

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A. L. PORTER, Jr., Member & Secretary

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 3747 Order No. R-2869-A

APPLICATION OF DEPCO, INC., FOR AN AMENDMENT TO ORDER NO. R-2869, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 17, 1968, at Hobbs, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 29th day of April, 1968, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-2869, International Oil & Gas Corporation was authorized to institute a waterflood project in the Artesia Pool by the injection of water into the Queen, Grayburg, and San Andres formations through nine wells in Sections 10 and 11, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(3) That the applicant, Depco, Inc., as successor to International Oil & Gas Corporation, seeks the amendment of said Order No. R-2869 to substitute the following-described water injection wells: -2-CASE No. 3747 Order No. R-2869-A

> EDDY COUNTY, NEW MEXICO TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

WELL	LOCATION	SECTION
Dunn "B" No. 5	NE/4 SE/4	11
Dunn "A" No. 1	SW/4 NE/4	12
Dunn "B" No. 6	SW/4 SW/4	12

in lieu of the following-described wells which were included in the originally-authorized water injection wells:

EDDY COUNTY, NEW MEXICO TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

WELL				LOCATION	SECTION	
Dunn	"B"	No.	15	SW/4 NW/4	10	
Dunn	"B"	No.	19	SW/4 NE/4	10	
Dunn	"B"	No.	21	SW/4 NW/4	11	

(4) That approval of the subject application will not violate correlative rights and should increase the efficiency of the waterflood project and result in greater ultimate recovery of oil, thereby preventing waste.

IT IS THEREFORE ORDERED:

(1) That Order No. R-2869 is hereby amended by deleting from the water injection wells authorized therein the following-described wells:

EDDY COUNTY, NEW MEXICO									
	TOWNS	<u>SHIP</u>	18	SOUTH,	RANGI	<u> 28</u>	EAST,	NMPM	
,	WELL				LOCA	<u>rion</u>	SE	CTION	
	Dunn	"B"	No.	15	SW/4	NW./4	, 	10	
	Dunn	"B"	No.	19	SW/4	NE/4	b .	10	
	Dunn	"B"	No.	21	SW/4	NW/4	ŀ	11	

and substituting in lieu thereof as water injection wells the following-described wells:

-3-CASE No. 3747 Order No. R-2869-A

> EDDY COUNTY, NEW MEXICO TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

WELL		LOCATION	SECTION
Dunn "B"	No. 1	NE/4 SE/4	11
Dunn "A"		SW/4 NE/4	12
Dunn "B"		SW/4 SW/4	12

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

r :

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

A. L. PORTER, Jr., Member & Secretary

SEAL

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE No. 3887 Order No. R-3546

APPLICATION OF KERSEY & COMPANY FOR A WATERFLOOD PROJECT, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 23, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>31st</u> day of October, 1968, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Kersey & Company, seeks authority to institute a waterflood project in the Artesia Pool by the injection of water into the Premier Sand of the Grayburg formation through two injection wells to be drilled in the centers of Units E and K of Section 12, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(3) That the applicant proposes to dually complete said wells in such a manner as to permit the production of oil from the Metex and Loco Hills zones of the Grayburg formation, if said zones prove productive, from perforations above a packer separating said zones from the Premier zone, through 2 3/8-inch tubing, and to permit the injection of water for secondary -2-CASE No. 3887 Order No. R-3546

recovery purposes into the Premier zone in the perforated interval below said packer through a parallel string of 2 3/8-inch tubing.

(4) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(5) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(7) That approval of the proposed dual completion will prevent the drilling of unnecessary wells, and will otherwise prevent waste and protect correlative rights.

(8) That the subject application should be approved and the waterflood project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Kersey & Company, is hereby authorized to institute a waterflood project in the Artesia Pool by the injection of water into the Premier Sand of the Grayburg formation in its Dunn "B" Well No. 3 to be drilled in the center of Unit K and its Dunn "B" Well No. 4 to be drilled in the center of Unit E, both in Section 12, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(2) That the applicant is further authorized to dually complete said wells in such a manner as to permit the production of oil from the Metex and Loco Hills zones of the Grayburg formation from perforations above a packer separating said zones from the Premier zone through 2 3/8-inch tubing, and to permit the injection of water for secondary recovery purposes into the Premier zone in the perforated interval below said packer through a parallel string of 2 3/8-inch tubing.

(3) That the subject waterflood project is hereby designated the Kersey Artesia Dunn Waterflood Project and shall be governed

-3-CASE No. 3887 Order No. R-3546

by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(4) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

A. L. PORTER, Jr., Member & Secretary

SEAL