



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

May 8, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Mr. Jim Pierce
Suite 859
Petroleum Building
200 West First
Roswell, New Mexico 88203

Re: Ready Oil & Gas Management
Kenwood Well No. 3 (API No. 30-015-10095)
Section 29, T-18 South, R-31 East, NMPM,
Eddy County, New Mexico

Dear Mr. Pierce:

I have reviewed your recent request to re-instate injection authority for the Kenwood Well No. 3. It is our understanding that this well was originally approved as a waterflood injection well by Division Order No. R-3431 dated June 18, 1968.

Please be advised that the permitting requirements for obtaining authorization to inject are much more stringent now than they were in 1968, and that the Division believes that a thorough review of all technical data associated with disposal operations within this well is necessary.

Your request to re-instate injection authority for the Kenwood Well No. 3 is therefore **denied**.

If you wish to permit the Kenwood Well No. 3 as a disposal or injection well, please file Division Form C-108 with the Santa Fe and Artesia Offices of the Division.

If you should have any questions, please contact me at (505) 476-3466.

Sincerely,

David Catanach
Engineer

Xc: OCD-Artesia
Case File-3779 ✓

Petroleum Building
200 West First Street, Suite 850
Roswell, New Mexico 88203
Telephone No. 505-622-7343
Facsimile No. 505-622-1711

facsimile transmittal

To: Mr. David Catanach Fax: (505)476-3462/476-3471

From: Jim Pierce Date: April 5, 2001

Re: Approval to Inject
Kenwood #3
Eddy County, NM
CC: Ready Oil and Gas Management

Pages:

☒ Urgent ☒ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

Dear Mr. Catanach:

Included herewith is a facsimile copy of letter set to your attention regarding the captioned.

I realize that you are Swamped, and appreciate your help and consideration.

Sincerely,


Jim Pierce

ILLEGIBLE

JIM PIERCE

OIL AND GAS PROPERTIES
SUITE 852
PETROLEUM BUILDING
200 WEST FIRST
ROSWELL NEW MEXICO 86201

PHONE 505 622 7746
FAX 505 622 1711

April 4, 2001

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87504

Attention: Mr. David Catanach

Re: Request for Reinstatement of Approval for Water Injection
Kenwood #3/API#30-015-10095
Section 29: Unit Letter F
T16S, R31E, NMPM,
Eddy County, NM

Dear Mr. Catanach:

Per my previous correspondence with Energy, Minerals and Natural Resources Department and my recent conversations with Ms. Kathy Valdez, Ready Oil and Gas Management requests permission and approval to again utilize the captioned well for water disposal/injection.

Subject well has previously been approved for water injection in Case#3779, R-3431, however, been shut-in by the previous owner, SDX Resources, Inc. since 1999.

Ready Oil and Gas Management recently purchased subject well, has reconditioned the wellbore to take water, subject wellbore apparently has passed recent MIT and other required tests witnessed by the District IT office in Artesia, NM.

On behalf of "Ready" we appreciate your consideration in this matter.

Please contact us should you have questions or need additional information.

Sincerely,



Jim Pierce

JP

encl.

cc: Ready Oil and Gas Management/Operator
P. O. Box 361
Artesia, NM 88211-0361

ILLEGIBLE

Form 3100-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

S.M. Oil & Gas Division

811 S. 1st St.

Albuquerque, NM 87102-02834

FORM APPROVED

Budget Bureau No. 1004-0135
Expires: March 31, 19935. Lease Designation and Serial No.
NML0029387C

6. If Indian, Allocated or Tribe Name

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals.

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other WIW

2. Name of Operator

SDX Resources, Inc.

3. Address and Telephone No.

PO Box 5601, Midland, TX 79704

4. Location of Well (Postage Sec., T., R., M., or Survey Description)

2310' FNL 1850' FWL

Sec. 29, T18S, R31E, Unit F

7. If Unit or CA Agreement Designation

8. Well Name and No.

Kerwood #3

9. API Well No.

30-015 10095

10. Field and Pool, or Exploratory Area

Shugart, YT, 7R

11. County or Parish, State

Eddy Co., NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment☐ Recompletion☐ Plugging Back☐ Casing Repair☐ Altering Casing☒ Other Temporarily Abandon☐ Change of Plans☐ New Construction☐ Non-Routine Fracturing☐ Water Shut-Off☐ Conversion to Injection☐ Deepening Well

*Check Report results of multiple completion on "Well Completion or Recommendation Report and Log (Form 3100-10)"

13. Describe Proposed or Completed Operations (Clearly state all pertinent details and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Propose to TA well as follows:

Test casing to 500' for 90 min and submit chart to BLM

Wellbore diagram attached



14. I hereby certify that the foregoing is true and correct

Signed

Bonnie C. Lister

Title Regulatory Tech

Date 04/15/99

(This space for Federal or State office use)

Approved by

(ORIG. SGD.) DAVID R. GLASS

Title

PETROLEUM ENGINEER

Date

APR 28 1999

Conditions of approval, if any

SEE ATTACHED FOR

Title 18 U.S.C. Section 1001 makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations or to any matter within its jurisdiction.

ILLEGIBLE

*See instruction on Reverse Side

108248120

SWD

4/3/01

JIM PIERCE

OIL AND GAS PROPERTIES
SUITE 859
PETROLEUM BUILDING
200 WEST FIRST
ROSWELL, NEW MEXICO 88203

PHONE 505-622-7246
FAX 505-622-1711

MAR 19 2001

March 16, 2001

New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87504

Attention: Mr. Ben Stone

Re: Water Injection/Disposal Approval Request
Kenwood #3/API#30-015-10095
Shugart Yates-7RS-Queen -Grayburg
Eddy County, NM

Dear Mr. Stone:

On behalf of Ready Oil and Gas Management, proposed Operator of the captioned shut-in water disposal well, we hereby request approval, administrative and otherwise, to commence disposal of water from subject lease.

Subject well is part of a 20± well package purchased from "SDX Resources", and apparently has been shut-in or TA' for some time now.

We have repaired subject well and it recently passed its MIT last year prior to purchase (chart provided). Water will be disposed of in offset producing zone.

We appreciate your help and consideration in this matter.

Please contact us if you have questions or should need additional information.

Truly,



Jim Pierce

JP

encl.

xc: Ready Oil and Gas Management

xc: Momentum Operating Company, Inc. (via fax)

WELLS INVOLVED IN OPERATOR CHANGE
FINAL LIST WITH C-104A

FEB 7, 2001

This is a final list of wells being transferred. If all bonding requirements are satisfied, submit this list to the OCD District with your C-104A.

PREVIOUS OPERATOR: 20451 SDX RESOURCES INC

NEW OPERATOR: READY OIL AND GAS MANAGEMENT

OCD DISTRICT: ARTESIA

PROP- PRTY WELL NAME	USTR	API	WELL TYPE	POOL ID POOL NAME	LAST PROD/INT
-------------------------	------	-----	--------------	----------------------	------------------

19239 GULF FEDERAL #002	O-20-18S-31E	30-015-21694	O	56439 SHUGART;YATES-7RS-QU-GRAYBURG	10-2000
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19126 HICKLE F #001	F-27-18S-31E	30-015-05617	I	56439 SHUGART;YATES-7RS-QU-GRAYBURG	10-2000
HICKLE F #004	K-27-18S-31E	30-015-10593	O	56439 SHUGART;YATES-7RS-QU-GRAYBURG	10-2000
HICKLE F #005	D-27-18S-31E	30-015-10594	O	56439 SHUGART;YATES-7RS-QU-GRAYBURG	10-2000
HICKLE F #006	K-27-18S-31E	30-015-10607	O	56439 SHUGART;YATES-7RS-QU-GRAYBURG	10-2000
HICKLE F #010	D-27-18S-31E	30-015-24586	O	56439 SHUGART;YATES-7RS-QU-GRAYBURG	10-2000
HICKLE F #011	C-27-18S-31E	30-015-25551	O	56439 SHUGART;YATES-7RS-QU-GRAYBURG	09-1999

19241 GULF #001	A-28-18S-31E	30-015-20172	O	56439 SHUGART;YATES-7RS-QU-GRAYBURG	10-2000
GULF #002	M-28-18S-31E	30-015-20196	I	56439 SHUGART;YATES-7RS-QU-GRAYBURG	03-1995

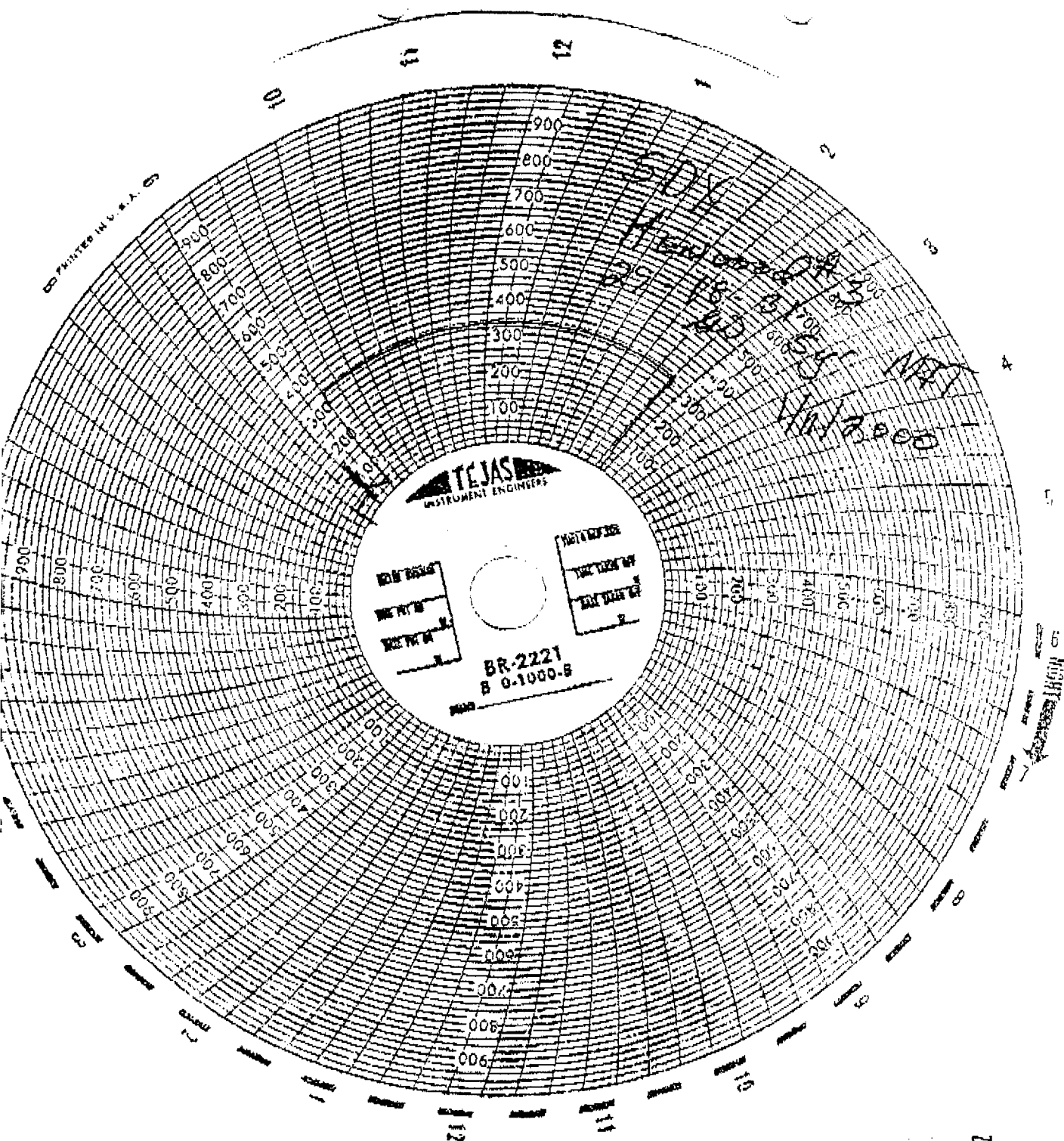
19240 KENWOOD #001Y	E-29-18S-31E	30-015-10130	O	56439 SHUGART;YATES-7RS-QU-GRAYBURG	10-2000
KENWOOD #002	D-29-18S-31E	30-015-10133	O	56439 SHUGART;YATES-7RS-QU-GRAYBURG	10-2000
KENWOOD #003	F-29-18S-31E	30-015-10095	I	56439 SHUGART;YATES-7RS-QU-GRAYBURG	06-1996
KENWOOD #005	R-29-18S-31E	30-015-22411	O	56439 SHUGART;YATES-7RS-QU-GRAYBURG	10-2000

19127 SHUGART D #005	B-30-18S-31E	30-015-10224	O	56439 SHUGART;YATES-7RS-QU-GRAYBURG	10-2000
SHUGART D #006	C-30-18S-31E	30-015-10225	O	56439 SHUGART;YATES-7RS-QU-GRAYBURG	10-2000
SHUGART D #007	1-30-18S-31E	30-015-10163	I	56439 SHUGART;YATES-7RS-QU-GRAYBURG	12-1992
SHUGART D #010	G-30-18S-31E	30-015-22199	I	56439 SHUGART;YATES-7RS-QU-GRAYBURG	09-1982
SHUGART D #011	H-30-18S-31E	30-015-22357	O	56439 SHUGART;YATES-7RS-QU-GRAYBURG	10-2000
SHUGART D #012	F-30-18S-31E	30-015-22432	O	56439 SHUGART;YATES-7RS-QU-GRAYBURG	10-2000
SHUGART D #013	D-30-18S-31E	30-015-22436	O	56439 SHUGART;YATES-7RS-QU-GRAYBURG	10-2000

C 104 A - EXHIBIT

SDX SALE PROPERTIES - MOMENTUM OPERATING / READY OIL & GAS MANAGEMENT

Field	API	Lease	Well #	STATUS	CO	U	S	T	R	COMMENTS
'SHUGART	'30015100950000	'KENWOOD	'3	W/W	'EDDY	'F	'29	'18S	'31E	
'SHUGART	'30015101300000	'KENWOOD	'1Y	PROD.	'EDDY	'E	'29	'18S	'31E	
'SHUGART	'30015101330000	'KENWOOD	'2	PROD.	'EDDY	'D	'29	'18S	'31E	
'SHUGART	'30015224310000	'KENWOOD	'5	PROD.	'EDDY	'E	'29	'18S	'31E	
'SHUGART	'30015101690000	'SHUGART D	'7	S/I W/W	'EDDY	'D	'30	'18S	'31E	BONDING REQUIRED
'SHUGART	'30015102240000	'SHUGART D	'5	PROD.	'EDDY	'B	'30	'18S	'31E	
'SHUGART	'30015102250000	'SHUGART D	'6	PROD.	'EDDY	'C	'30	'18S	'31E	
'SHUGART	'30015221990000	'SHUGART D	'10	S/I W/W	'EDDY	'G	'30	'18S	'31E	BONDING REQUIRED
'SHUGART	'30015224320000	'SHUGART D	'12	PROD.	'EDDY	'F	'30	'18S	'31E	
'SHUGART	'30015224360000	'SHUGART D	'13	PROD.	'EDDY	'B	'30	'18S	'31E	
'SHUGART	'30015223570000	'SHUGART D	'11	PROD.	'EDDY	'H	'30	'18S	'31E	
'SHUGART	'30015105930000	'HINKLE F	'4	PROD.	'EDDY	'E	'27	'18S	'31E	
'SHUGART	'30015105940000	'HINKLE F	'5	PROD.	'EDDY	'D	'27	'18S	'31E	
'SHUGART	'30015106070000	'HINKLE F	'6	PROD.	'EDDY	'K	'27	'18S	'31E	
'SHUGART	'30015056170000	'HINKLE F	'1	W/W	'EDDY	'F	'27	'18S	'31E	
'SHUGART	'30015245860000	'HINKLE F	'10	PROD.	'EDDY	'D	'27	'18S	'31E	
'SHUGART	'30015255540000	'HINKLE F	'11	S/I PROD.	'EDDY	'C	'27	'18S	'31E	BONDING REQUIRED
'SHUGART	'30015201720000	'GULF	'1	PROD.	'EDDY	'A	'28	'18S	'31E	
'SHUGART	'30015201960000	'GULF	'2	S/I W/W	'EDDY	'H	'28	'18S	'31E	BONDING REQUIRED
'SHUGART	'30015216940000	'GULF FEDERAL	'2	PROD.	'EDDY	'O	'20	'18S	'31E	



RECEIVED

2000 JUN 29 11:28

U.S. AIR FORCE AREA

Surface
 $8578'' \approx$
 $750' \text{ cont}$
 $\text{w/ } 50 \text{ sk}$

750'

119 JA
 $2\frac{3}{8}'' \text{ } 4.7''$
 P.C. Tubing

RECEIVED
 1000 JUN 29 11:28
 LAND MGMT
 RESOURCE AREA

$2\frac{3}{8}'' \times 5\frac{1}{8}''$
 Tension
 Pkr @
 3688'

Grayburg (3774-3792)
 Perfs (3799-3825)
 (Lower A, B)

Production
 $5\frac{1}{2}'' \text{ } 14''$
 $\approx 3895'$
 $\text{cont w/ } 150$

3895'

T.D. 3895'

ENGINEERING CALCULATION SHEET

Mendenhall

MOBILE 11-48'

Page
 Date
 By

26 25 24 23 22 21 20 19 18 17 16 15 14 13 12 11 10 9 8 7 6 5 4 3 2

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
NMLC029387C

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Kenwood #3

9. API Well No.

30-015-10095

10. Field and Pool, or Exploratory Area

Shugart YT-7R (56439)

11. County or Parish, State

Eddy Co., NM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

SDX Resources, Inc.

3. Address and Telephone No.

PO Box 5061, Midland, TX 79704 915/685-1761

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2310' FNL 1650' FWL
Sec. 29, T18S, R31E, Unit F

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Request for TA Status
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

SDX Resources, Inc. requests TA status on this well.

MIT test was run 1/11/00. Was witnessed by Gary Williams of the OCD - Artesia. A copy of the chart is attached (original chart on file @ OCD - Artesia). Well Bore Diagram Attached.

Note to Operator:
Further TA approval
will require justification
for not plugging well.

TA Approved For 3 Month Period
Ending 10/17/2000

Subject to
Like Approval
By State

RECEIVED
2000 JUN 29 A 11:28
BUREAU OF LAND MANAGEMENT
NEW MEXICO

14. I hereby certify that the foregoing is true and correct

Signed Chris May

Title Engineer

Date 06/28/00

(This space for Federal or State price use)

Approved by Lara

Title

Petroleum Engineer

Date 7/17/2000

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

JIM PIERCE

OIL AND GAS PROPERTIES
SUITE 859
PETROLEUM BUILDING
200 WEST FIRST
ROSWELL, NEW MEXICO 88203

PHONE 505-622-7246
FAX 505-622-1711

April 27, 2001

MAY - 7 2001

Mr. David Catanach
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87504

Re: Request for Reinstatement of Approval to Inject
Kenwood #3/API #30-015-10095
Section 29, T-18-S, R-31-E, NMPM,
Eddy County, NM

Dear Mr. Catanach:

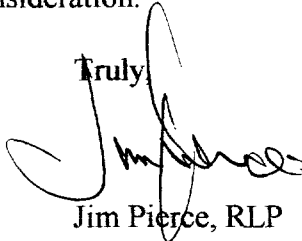
Per my conversation with Mr. Ben Stone and his directive, please accept this additional correspondence and formal request to reinstate the captioned well to injection well status.

As discussed with Mr. Stone, the records of the NMOCD reflect that the AOR has not been altered, no new wells, no plugged wells, since this well was first approved for water injection and last shut-in by the previous operator, SDX Resources, Inc.

Ready Oil and Gas Management, present operator, has reworked subject well, which has passed all applicable tests, and is ready to take on water pending your approval.

Again, we appreciate your help and consideration.

Truly,



Jim Pierce, RLP

JP

Xc: Ready Oil and Gas Management
Xc: Momentum Operating Company

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
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-104A
August 11, 2000

Submit 1 copy of the final affected wells
list along with 2 copies of this form per
number of wells on that list to appropriate
District Office

Change of Operator

Previous Operator Information:

OGRID: 020451
Name: SDX Resources, Inc.
Address: P. O. Box 5061
Address: _____
City, State, Zip: Midland, Texas 79704

New Operator Information:

Effective Date: November 1, 2000
New Ogrid: 153653
New Name: Ready Oil and Gas Management
Address: P. O. Box 381
Address: _____
City, State, Zip: Artesia, NM 88211-0381

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the attached list of wells is true and complete to the best of my knowledge and belief.

New Operator

Signature: H. E. "Buddy" DeLong

Printed name: H. E. "Buddy" DeLong

Title: Proprietor

Date: 12/14/00 Phone: (505) 746-4716

Previous operator complete below:

Previous
Operator: SDX Resources, Inc.
Previous
OGRID: 020451
Signature: [Signature]
Printed Name: John Pool

NMOCD Approval	
Signature:	<u>[Signature]</u>
Printed Name:	<u>District Supervisor</u>
District:	
Date:	<u>APR 08 2001</u>

27557

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CCW - Artesia

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
NMLC029387C

6. If Indian, Allottee or Tribe Name

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Shugart YT-7R (56439)

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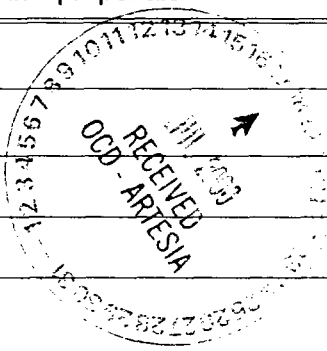
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PO Box 5061, Midland, TX 79704 915/685-1761

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Sec. 29, T18S, R31E, Unit F



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☐ Altering Casing
☒ Other Request for TA Status

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☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

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MIT test was run 1/11/00. Was witnessed by Gary Williams of the OCD - Artesia. A copy of the chart is attached (original chart on file @ OCD - Artesia). Well Bore Diagram Attached.

TH approved for 3 Month Period

Ending 10/17/2000

Approval
By State

RECEIVED
2000 JUN 29 A 11:29
BUREAU OF LAND MANAGEMENT
OCD - ARTESIA

14. I hereby certify that the foregoing is true and correct

Signed Chad May

Title Engineer

Date 06/28/00

(This space for Federal or State office use)

Approved by
Conditions of approval, if any:

JOHN J. LARA

Title

Determination Engineer

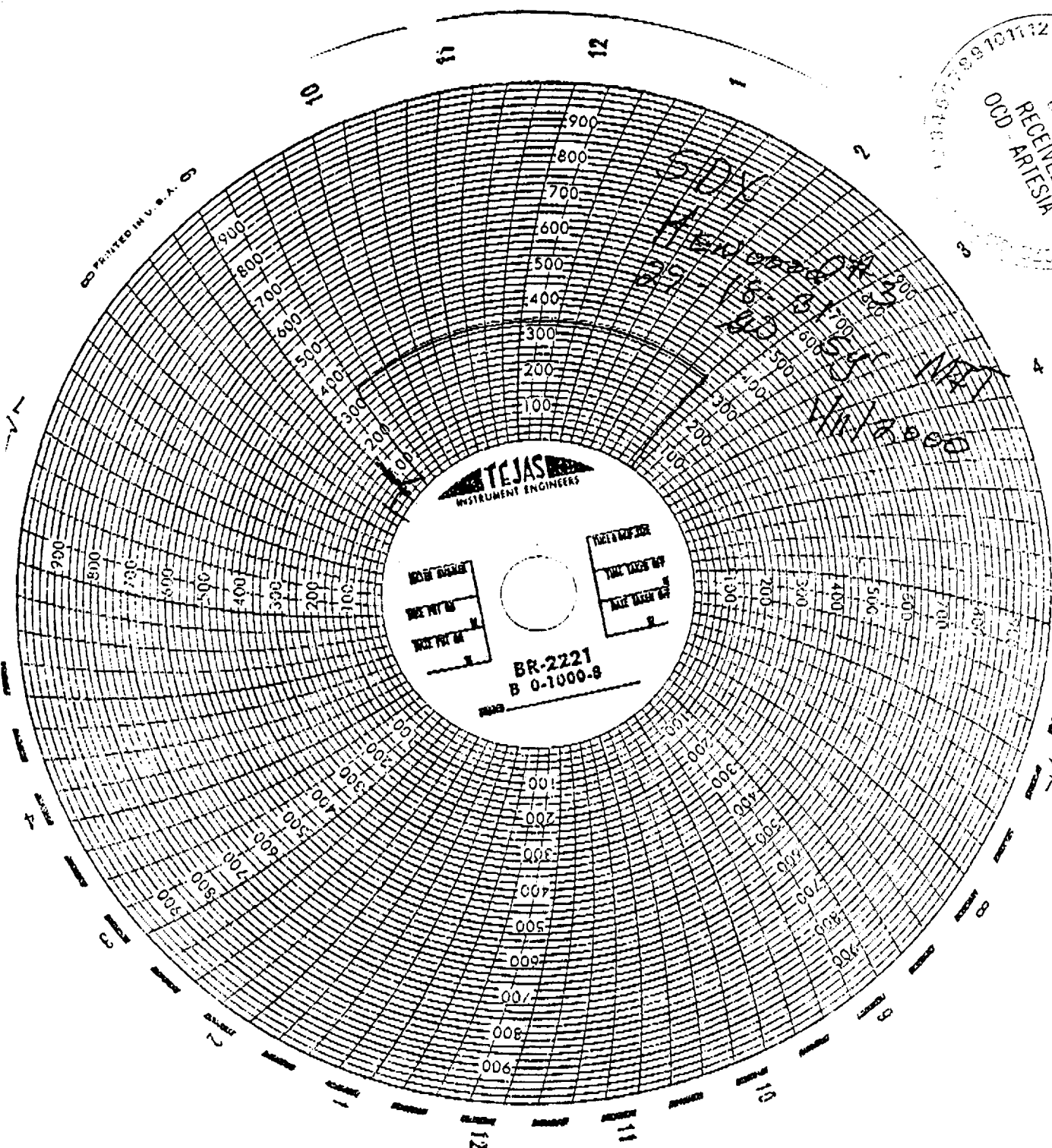
Date

7/17/2000

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*See Instruction on Reverse Side

JUN 2000
 RECEIVED
 OGD - ARTESIA
 1 2 3 4 5 6 7 8 9 10 11 12



RECEIVED
 2000 JUN 29, A 11:29
 11 AND 12
 13 AND 14
 15 AND 16
 17 AND 18
 19 AND 20
 21 AND 22
 23 AND 24
 25 AND 26
 27 AND 28
 29 AND 30
 31 AND 32
 33 AND 34
 35 AND 36
 37 AND 38
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 77 AND 78
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 81 AND 82
 83 AND 84
 85 AND 86
 87 AND 88
 89 AND 90
 91 AND 92
 93 AND 94
 95 AND 96
 97 AND 98
 99 AND 100

Surface
8 5/8"
750' cm.
w/ 50 sk

Page
Date
By

750'

119 JA
2 3/8" 4.7 #
P.C. Tubing



RECEIVED
2000 JUN 29 A 11:29
OGD - ARTESIA

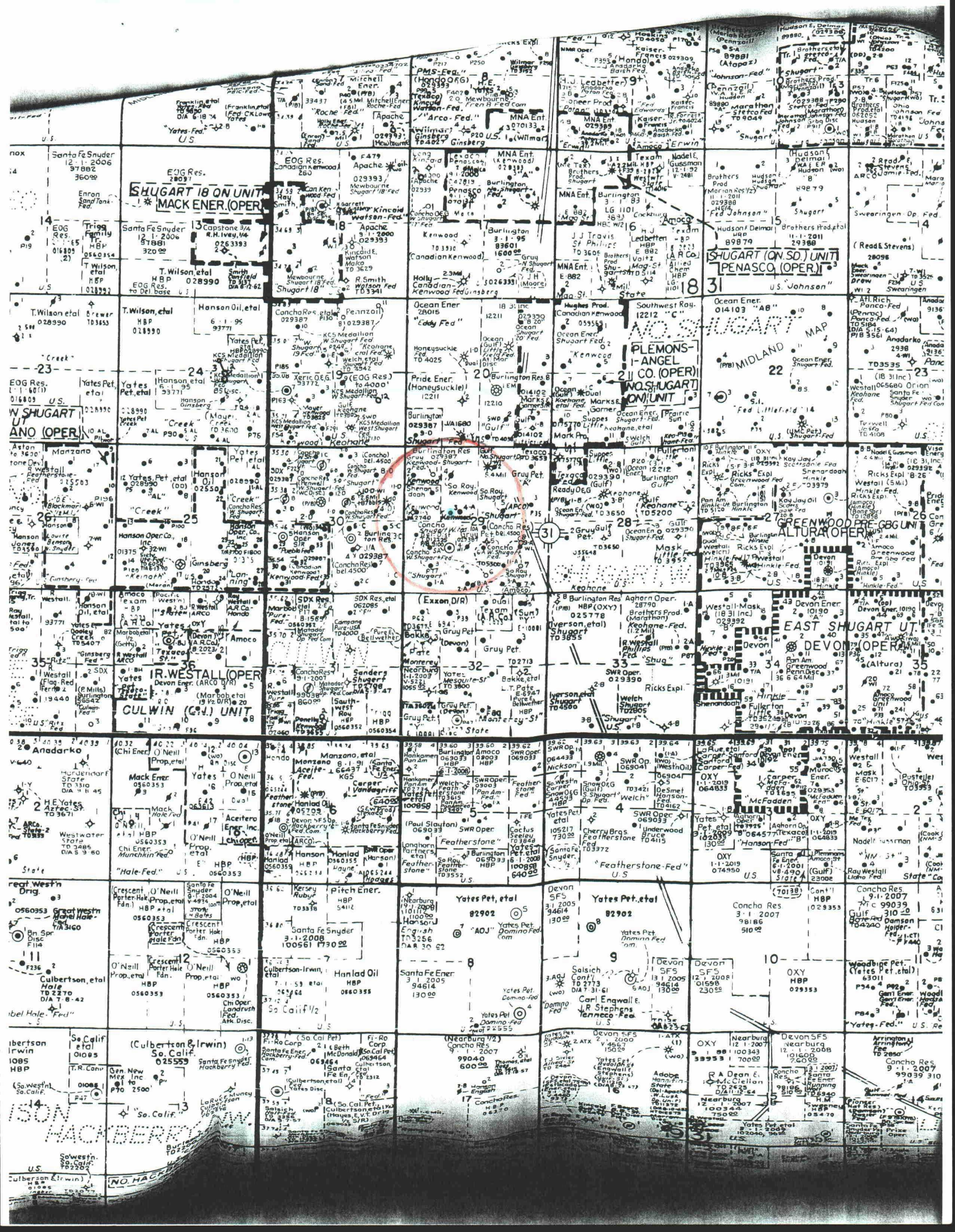
2 3/8" x 5 1/8"
Person
PKr @
3688'

Greyburg (3774-3792)
Perfs (3799-3825)
(Lower Hs B)

Production
5 1/2" 14 #
@ 3895'
mt w/ 150
sk

3895'

T.D. 3895'



REISSUE
EDDY S E NEW MEXICO SHUGART WEST WSD

CONCHO RESOURCES
1 WEST SHUGART '29' FEDERAL (API 30-015-29948)

STATUS: OIL

LOC'N: SEC 29 T18S R31E NE SW 1650 FSL 1650 FWL SEC, 8 MI SE LOCO HILLS, NM ;
(VERTICAL) WELL ID CHANGES: OPER CHGD FROM PENWELL ENERGY FINAL CLASS CHGD
FROM D FINAL STATUS CHGD FROM TEMP ABND

SPUD: 01/04/98 COMP: 11/21/98 EL: 2591 GR DTD: 12225 (BARNETT) PBTD: 9100 CONTR:
TMBR SHARP DRLG RIG #22

CSG/LNR/TBG: 13 3/8 @ 534 W/395 SX, 9 5/8 @ 2547 W/1100 SX, 5 1/2 @ 10308 W/2285 SX, 2 7/8
@ 4972;

RESULT: 100 BOPD, 37 MCFGPD, 129 BWPD, 20/64 CK, GTY (NR), GOR 370, FTP 200, FCP PKR
PROD ZONE - DELAWARE 4968-4976 NO CORES OR DSTS RPTD

COMP INFO: LOG TYPES: CBL, CCL, GR, ULSE, VD; PROD TEST(S): PERF (WOLFCAMP),
9824-9828, 9840-9844, 9864-9898, W/35 SHOTS, ACID (9824-9898) W/ 5000 GALS, 15% NEFE
TREATING CO: HALLIBURTON, S 46 BO, 465 BW, SWAB GAUGE BASED ON TOTAL RECOVERY FOR
THE PERIOD FROM 3/17/98-3/31/98 BRPG 9700 PERF (BONE SPRING), 9168-9192, W/25 SHOTS,
ACID (9168-9192) W/ 3000 GALS, 15% NEFE TREATING CO: BJ SERVICES, F 168 BOPD, 467 MCFD,
132 BW, 48/64 CK, 24 HR, PERF (BONE SPRING), 9168-9192, ACFR (9168-9192)

(OVER)

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DATE 05/24/99CARD #00036-N MEX

W/ 15000 GALS, 15% NEFE KCL (9168-9192) W/ 150 BBLS, 2% TREATING CO: BJ SERVICES P 2000
BO, PENWELL ENERGY FILED C-104 TO MOVE 2000 BO PRODUCED WHILE TSTG. WELL WAS SI
7/8/98 PENDING POSSIBLE PB & RECOMPLETION ATTEMPT BRPG 9100 PRODUCING
INTERVAL(S) DATA: PERF (BRUSHY CANYON), 4968-4976, W/32 SHOTS, ACID (4968-4976) W/
200 GALS, 10% SOFR (4968-4976) W/ 55000 GALS, 44800 LBS SAND, DIESEL W/ 16/30 MESH RESIN
SD FCP PKR, RESV: DELAWARE, RIG REL: 02/15/98 (TD REACHED: 02/12/98) DELAWARE
DISCOVERY - SHALLOW POOL

LOG TOPS: CHERRY CANYON 4688, BRUSHY CANYON 4922, BONE SPRING 6116, BONE SPRING 1
SS 7738, BONE SPRING 2 SS 8288, WOLFCAMP 9710, STRAWN 10850, ATOKA 11120, BARNETT
12038;

REISSUE TO CORRECT OPER,FINAL CLASS/STATUS & ADD COMP DATA
REPLACEMENT FOR CARD DATED 2/99

DATE 05/24/99CARD #00036-N MEX

STATE: NEW MEXICO
COUNTY: EDDY
API: 30-015-31221
FIELD: SHUGART WEST
WELL CLASS: D
CONCHO RESOURCES INC

29-18S-31E
NW SW SE
1880 FSL 2210 FEL SEC
STATUS: D&A

5 WEST SHUGART '29' FEDERAL

SPUD : 08/09/2000 COMP : 08/21/2000 RIG REL : 08/21/2000 ELEV : 3608 GR
TD : 5300 FM/TD : BRUSHY CANYON DTD : 5300
CONTR : JW DRILLING RIG # 1 (VERTICAL)
PROJ DEPTH/FM : 6100 DELAWARE (ST APPD PMT: 06/29/2000) LEASE TYPE: FEDERAL
TARGET OBJ: OIL

5300 DTD COMP:08/21/2000 D&A;

LOCATION DATA : 10 MI SE LOCO HILLS, NM;
CASING : 13 3/8 IN @ 785 W/650 SACK, 8 5/8 IN @ 2805 W/900 SACK;
LOG TOPS : YATES 2140, SEVEN RIVERS 2565, QUEEN 3260, GRAYBURG 3905, SAN ANDRES
4130, DELAWARE 4885, BRUSHY CANYON 5045;
DRLG COMMENTS : FTG CHGD FROM 880 FSL 2210 FEL OF SEC;

(OVER)

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02/14/2001

CARD# 0013-NM

CONCHO RESOURCES INC

5 WEST SHUGART '29'
FEDERAL

API: 30-015-31221, 29-18S-31E

(CONTINUED)

OPER ADD : 110 W LOUISIANA, STE 410, MIDLAND, TX 79701, (915)683-7443;

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02/14/2001

CARD# 0013-NM

STATE: NEW MEXICO
COUNTY: EDDY
API: 30-015-30798
FIELD: SHUGART WEST
WELL CLASS: DO
CONCHO RESOURCES INC

29-18S-31E
NE NW SW
2080 FSL 460 FWL SEC
STATUS: OIL

2 WEST SHUGART '29' FEDERAL

SPUD: 01/23/2000 COMP: 03/16/2000 ELEV: 3586 GR
TD: 5350 FM/TD: DELAWARE INTERPRETED PBTD: 5278 DTD: 5350
CONTR: W E K DRILLING INCORPORATED RIG # 3 (VERTICAL)
PROJ DEPTH/FM: 6100 DELAWARE (ST APPD PMT: 04/10/2000) LEASE TYPE: FEDERAL
TARGET OBJ: OIL

5350 DTD 5278 PB COMP:03/16/2000 # 001 IPP OIL: 40 BPD GAS: 71 MCFD WTR: 175 BBL
GOR 1775 PROD ZONE: PERF (DELAWARE) 5000-5024 ; NO CORES CUT , NO DST RUN

LOCATION DATA: 10 MI SE LOCO HILLS, NM;
WELL ID CHANGES: FTG CHGD FROM 2080 FSL 560 FWL SEC
CASING: 13 3/8 IN @ 787 W/700 SACK, 8 5/8 IN @ 2839 W/764 SACK, 5 1/2 IN @ 5348 W/575
SACK;

(OVER)

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05/17/2000

CARD# 0020-NM

CONCHO RESOURCES INC

2 WEST SHUGART '29'
FEDERAL

API: 30-015-30798, 29-18S-31E

(CONTINUED)

PRODUCING INTERVALS DATA: # 001 PERF (DELAWARE) 5000-5024; OIL: 40 BPD GAS: 71
MCFD WTR: 175 BBL GOR: 1775
OPER ADD: 110 W LOUISIANA, STE 410, MIDLAND, TX 79701, (915)683-7443;

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05/17/2000

CARD# 0020-NM

STATE: NEW MEXICO
COUNTY: EDDY
API: 30-015-30774
FIELD: SHUGART WEST
WELL CLASS: DO
CONCHO RESOURCES INC

29-18S-31E
NE SW SW
990 FSL 990 FWL SEC
STATUS: OIL

3 WEST SHUGART '29' FEDERAL

SPUD : 01/07/2000 COMP : 02/21/2000 ELEV : 3577 GR
TD : 6193 FM/TD : DELAWARE INTERPRETED PBTD : 6147 DTD : 6193
CONTR : W E K DRILLING INCORPORATED RIG # 3 (VERTICAL)
PROJ DEPTH/FM : 6100 DELAWARE (ST APPD PMT: 08/24/1999) LEASE TYPE: FEDERAL
TARGET OBJ: OIL

6193 DTD 6147 PB COMP:02/21/2000 # 001 IPP OIL: 77 BPD GAS: 25 MCFD WTR: 165 BBL
GOR 325 PROD ZONE: PERF (DELAWARE) 4980-5014 ; NO CORES CUT , NO DST RUN

LOCATION DATA : 10 MI SE LOCO HILLS, NM;
CASING : 13 1/8 IN @ 762 W/700 SACK, 8 5/8 IN @ 2826 W/1200 SACK, 5 1/2 IN @ 6193 W/660
SACK;
PRODUCING INTERVALS DATA: # 001 PERF (DELAWARE) 4980-5014; OIL: 77 BPD GAS: 25

(OVER)

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04/26/2000

CARD# 0011-NI

CONCHO RESOURCES INC

3 WEST SHUGART '29'
FEDERAL

API: 30-015-30774, 29-18S-31E

(CONTINUED)

MCFD WTR: 165 BBL GOR: 325
OPER ADD : 110 W LOUISIANA, STE 410, MIDLAND, TX 79701, (915)683-7443;

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04/26/2000

CARD# 0011-NM

STATE: NEW MEXICO
COUNTY: EDDY
API: 30-015-30870
FIELD: SHUGART WEST
WELL CLASS: DO
CONCHO RESOURCES INC

29-18S-31E
NE SE SW
822 FSL 2310 FWL SEC
STATUS: OIL

4 WEST SHUGART '29' FEDERAL

SPUD: 07/21/2000 COMP: 08/27/2000 ELEV: 3583 GR
TD: 5300 (08/24/2000) FM/TD: DELAWARE PBTD: 5269 DTD: 5300
CONTR: JW DRILLING RIG # 1 (VERTICAL)
PROJ DEPTH/FM: 6100 DELAWARE (ST APPD PMT: 11/16/1999) LEASE TYPE: FEDERAL
TARGET OBJ: OIL

5300 DTD 5269 PB COMP:08/27/2000 # 01 IPP OIL: 2 BPD GAS: 8 MCFD WTR: 180 BBL PROD
ZONE: PERF (DELAWARE) 5018-5030 ;

LOCATION DATA: 10 MI SE LOCO HILLS, NM;
CASING: 13 3/8 IN @ 760 W/670 SACK, 8 5/8 IN @ 2804 W/950 SACK, 5 1/2 IN @ 5300 W/500
SACK;
PRODUCING INTERVALS DATA: # 01 PERF (DELAWARE) 5018-5030; OIL: 2 BPD GAS: 8 MCFD

(OVER)
© 2000 Petroleum Information/Dwights LLC d/b/a IHS Energy Group 11/15/2000 CARD# 0005-NM

CONCHO RESOURCES INC

4 WEST SHUGART '29'
FEDERAL

API: 30-015-30870, 29-18S-31E

(CONTINUED)

WTR: 180 BBL
OPER ADD: 110 W LOUISIANA, STE 410, MIDLAND, TX 79701, (915)683-7443;

© 2000 Petroleum Information/Dwights LLC d/b/a IHS Energy Group 11/15/2000 CARD# 0005-NM

Bureau of Land Management
(July 1992) Received
MAY 31 2000
Carlsbad Field Office
California

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N. M. Oil & Gas
SUBMIT IN TRIPLICATE
(Other instructions on reverse side)
ARTESIA, NM 87003-2334

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995



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
CONCHO RESOURCES, INC. (JIM BLOUNT) 915-683-7443 166111

3. ADDRESS AND TELEPHONE NO.
110 WEST LOUISIANA SUITE 410 MIDLAND, TEXAS 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
990' FSL & 2210' FEL SEC. 29 T18S-R31E EDDY CO. NM
At proposed prod. zone SAME 660 FSL Unit 0

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
Approximately 10 miles Southeast of Loco Hills New Mexico

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
660

16. NO. OF ACRES IN LEASE
1280

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.
330'

19. PROPOSED DEPTH
6100'

20. ROTARY OR CABLE TOOLS
ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3594' GR.

22. APPROX. DATE WORK WILL START
When approved

5. LEASE DESIGNATION AND SERIAL NO.
LC-029387-A C/SI

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
24317

8. FARM OR LEASE NAME WELL NO.
WEST SHUGART "29" FEDERAL #

9. API WELL NO.
30-015-31301

10. FIELD AND POOL OR WILDCAT
WEST SHUGART-DELAWARE

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SECTION 29 T18S-R31E

12. COUNTY OR PARISH
EDDY CO.

13. STATE
NM

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	20" conductor	NA	40'	Cement to surface with Redi-mix
17 1/2"	H-40 13 3/8"	48	760' 650'	700 Sx. cement to surface
11"	K-55 8 5/8"	32	2800'	750 Sx. " " "
7 7/8"	K-55 5 1/2"	15.5	6100'	550 Sx. Estimate top of cement 3400'

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17 1/2" hole to 760'. Run and set 760' of 13 3/8" 48# H-40 ST&C casing. Cement with 700 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
3. Drill 11" hole to 2800'. Run and set 2800' of 8 5/8" 32# K-55 ST&C casing. Cement with 550 Sx. of 35/65 POZ Class "C" + 12% Salt, + 1/2# Flocele/Sx., + 1# Gilsonite/Sx., + 6% Bentonite, tail in with 200 Sx. of Class "C" + 2% CaCl, circulate cement to surface.
4. Drill 7 7/8" hole to 6100'. Run and set 6100' of 5 1/2" 15.5# K-55 ST&C casing. Cement with 200 Sx. of 35/65 POZ +12% Salt, + 1/2# Flocele/Sx. + 1# Gilsonite/Sx. + 6% Bentonite, tail in with 350 Sx. of Class "C" Premium + additives. Estimate top of cement 3400' from surface.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
SPECIAL STIPULATIONS
ATTACHED

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

24. SIGNED [Signature] TITLE Agent DATE 05/26/00

(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 /S/LARRY D. BRAY TITLE Assistant Field Manager, Lands And Minerals DATE AUG 15 2000
*See Instructions On Reverse Side APPROVED FOR 1 YEAR

Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(Other instructions on
reverse side)

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

1b. TYPE OF WELL

OIL ☐ GAS ☒
WELL WELL

SINGLE ☐

MULTIPLE ☐

OTHER ZONE

ZONE

2. NAME OF OPERATOR

Gruy Petroleum Management Co.

3. ADDRESS AND TELEPHONE NO

P.O. Box 140907 Irving TX 75014 972-401-3111

4. LOCATION OF WELL

(Report location clearly and in accordance with any State requirements)

990' FNL & 990' FWL

Unit D

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

5. LEASE DESIGNATION AND SERIAL NO.

LC 029387C

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

N/A Single Lease

8. FARM OR LEASE NAME, WELL NO.

Kenwood Shugart Federal No. 1

9. API WELL NO.

30-015-

10. FIELD AND POOL, OR WILDCAT

Shugart Morrow, North

11. SEC. T.R., M., BLOCK AND SURVEY

OR AREA

Sec. 29 T18S R31E

12. COUNTY OR PARISH

Eddy

13. STATE

NM

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, T.O

(Also to nearest drlg. unit line, if any) 990'

16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

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

19. PROPOSED DEPTH

12500'

20. ROTARY OR CABLE TOOLS

Rotary

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

3641'

22. APPROX. DATE WORK WILL START*

01-20-01

23

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	H-40 13 3/8"	48 #	600'	465 sx circulate
11"	K-55 8 5/8"	24 #	3200'	995 sx circulate
7 7/8"	N-80/S-95 5 1/2"	17 #	12500'	950 sx TOC 8500'

The proposed well will be drilled to a depth of 12500' and completed as a Shugart Morrow North producer.

From the base of the surface pipe through the running of production casing, the well will be equipped with a 5000 - psi BOP system.

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 drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24

SIGNED

Zeno Farn

TITLE

Mgr. Ops. Admin

DATE

12-18-00

(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

/S/LARRY D. BRAY

TITLE

Assistant Field Manager

DATE

MAR 30 2001

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

APPROVED FOR 1 YEAR

JIM PIERCE

OIL AND GAS PROPERTIES
SUITE 859
PETROLEUM BUILDING
200 WEST FIRST
ROSWELL, NEW MEXICO 88201

PHONE 505-622-7246
FAX 505-622-1711

REC'D
APR 9 2001

April 4, 2001

NMOCD
Energy, Minerals & Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87504

Attention: Mr. David Catanach

Re: Request of Approval to Inject
Kenwood #3/API#30-015-10095
Section 29: Unit Letter F
T-18-S, R-31-E, NMPM,
Eddy County, NM

Dear Mr. Catanach:

Per previous correspondence with NMOCD, and a recent telephone conversation with Ms. Kathy Vasquez, Ready Oil and Gas Management hereby further requests approval to, again, utilize the captioned well for water disposal/injection purposes.

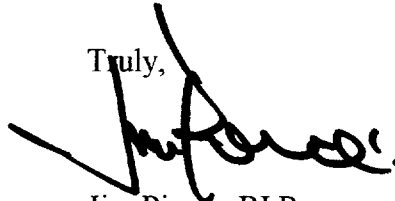
Subject well was originally approved for water injection by Case No. 3779, R-3431, and was TA'd or shut-in by the previous owner, SDX Resources, Inc. in 1999.

Ready Oil and Gas Management has purchased subject well, as well as offset producers, and wishes to dispose and inject its produced water into subject wellbore, which has recently passed its MIT and additional tests, witnessed by the District II OCD office.

On behalf of "Ready", we appreciate your consideration.

Please contact us should you have questions or need additional information.

Truly,



Jim Pierce, RLP

JP
Encl.
Xc: Ready Oil and Gas Management

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CCW - Artesia

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
NMLC029387C

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Kenwood #3

9. API Well No.
30-015-10095

10. Field and Pool, or Exploratory Area
Shugart YT-7R (56439)

11. County or Parish, State
Eddy Co., NM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

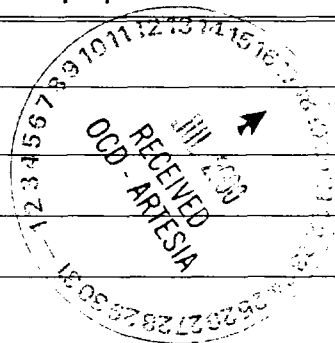
SDX Resources, Inc.

3. Address and Telephone No.

PO Box 5061, Midland, TX 79704 915/685-1761

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2310' FNL 1650' FWL
Sec. 29, T18S, R31E, Unit F



12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Request for TA Status
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

SDX Resources, Inc. requests TA status on this well.

MIT test was run 1/11/00. Was witnessed by Gary Williams of the OCD - Artesia. A copy of the chart is attached (original chart on file @ OCD - Artesia). Well Bore Diagram Attached.

TH Approved For 3 Month Period
Ending 10/17/2000

Approval
By State

RECEIVED
2000 JUN 29 A 11:29
BUREAU OF LAND MGMT.
OCD - ARTESIA

14. I hereby certify that the foregoing is true and correct

Signed

Chad Morgan

Title Engineer

Date 06/28/00

(This space for Federal or State office use)

(COPIED FROM) MEG G. LARA

Approved by

Title

Determining Examiner

Date

7/17/2000

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons Division

811 S. 1st St. at

Wesley, NM 8720-2834

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other WIW

2. Name of Operator
SDX Resources, Inc.

3. Address and Telephone No.
PO Box 5061, Midland, TX 79704

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2310' FNL 1650' FWL
Sec. 29, T18S, R31E, Unit F

5. Lease Designation and Serial No.
NMLC029387C

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Kenwood #3

9. API Well No.
30-015-10095

10. Field and Pool, or Exploratory Area
Shugart, YT,7R

11. County or Parish, State
Eddy Co., NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other Temporarily Abandon	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Propose to TA well as follows:

Test casing to 500# for 30 min and submit chart to BLM.

Wellbore diagram attached.



14. I hereby certify that the foregoing is true and correct

Signed Bonnie Cline
(This space for Federal or State office use)

Title Regulatory Tech

Date 04/15/99

Approved by (ORIG. SGD.) DAVID R. GLASS
Conditions of approval, if any:

Title PETROLEUM ENGINEER

Date APR 28 1999

SEE ATTACHED FOR

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See instruction 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
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Dept

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

Form C-104
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address SDX RESOURCES, INC. P. O. Box 5061 Midland, TX 79704		OGRID Number 020451
		Reason for Filing Code CH - Effective 7/01/96
API Number 30 - 0 15-10095	Pool Name Shugart Yates SR-QN-GB	Pool Code 56439
Property Code 19240	Property Name Kenwood	Well Number 3

II. Surface Location

UL or lot no. F	Section 29	Township 18S	Range 31E	Lot Idn	Feet from the 2310	North/South Line North	Feet from the 1650	East/West line West	County Eddy
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Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Lac Code F	Producing Method Code WFW		Gas Connection Date		C-129 Permit Number	C-129 Effective Date		C-129 Expiration Date	

III. Oil and Gas Transporters

Transporter OGRID 15694	Transporter Name and Address Navajo Refining Co. P. O. Box 159 Artesia, NM 88211-0159	POD	O/G 0	POD ULSTR Location and Description

IV. Produced Water

POD 9999999	POD ULSTR Location and Description
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V. Well Completion Data

Spud Date	Ready Date	TD	PBTD	Perforations	DHC, DC, MC
Hole Size	Casing & Tubing Size	Depth Set	Sacks Cement		
			Post ID-3		
			7-26-96		
			dyg		

VI. Well Test Data

Date New Oil	Gas Delivery Date	Test Date	Test Length	Tbg. Pressure	Csg. Pressure
Choke Size	Oil	Water	Gas	AOF	Test Method

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:

John Pool

Title:

Vice President

Date:

7/01/96

Phone:

915/685-1761

OIL CONSERVATION DIVISION

Approved by:

SUPERVISOR, DISTRICT II

Title:

Approval Date:

JUL 16 1996

If this is a change of operator fill in the OGRID number and name of the previous operator

OGRID 017293

Previous Operator Signature

Pete Mills

Printed Name

Owner

Title

7/01/96

Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
DEC 08 1993

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
LC-029387C

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Kenwood No. 3

9. API Well No.

30-015-10095

10. Field and Pool, or Exploratory Area

Shugart (Y,7R,QN,GB)

11. County or Parish, State

Eddy County

New Mexico

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☒ Other

WATER INJECTION WELL

2. Name of Operator

Southland Royalty Company

3. Address and Telephone No.

P.O. Box 51810 Midland, TX 79710

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2310' FNL, 1650' FWL

Sec. 29, T18S, R31E

Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☒ Recompletion
☒ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other PLUG BACK FROM
GRAYBURG TO YATES ZONE.
- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☒ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

NU BOPE. RIH w/ bit and casing scraper on 2-3/8" tubing to 3775'. POOH w/ tubing and bit.

GIH w/ cement retainer on 2-3/8" tubing setting retainer at +/- 3100'.

RU cementing equipment. Squeeze perfs 3,774'-3,823' w/ 150 sx Class C cement. Cap CICR w/ 35' cement.

POOH w/ tubing. GIH and perf Yates +/-2450'-2550'. POOH w/ perforating gun.

GIH w/ 2-3/8" tubing and tension packer to 2350'. Circulate hole w/ packer fluid. Set packer @ 2350'.

Perform casing integrity pressure test to 500 psi and provide pressure chart.

ND BOPE.

Equip well for water injection. Commence water injection.

If necessary, acidize well w/ 1,500 gals acid.

14. I hereby certify that the foregoing is true and correct

Signed

Maria L. Perez

Title Production Assistant

Date

11-5-93

(This space for Federal or State office use)

Approved by (ORIG. SGD.) DAVID R. GLASS
Conditions of approval, if any:

Title

Petroleum Engineer

Date

DEC 07 1993

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

RECEIVED
NOV 15 8 58 AM '93
CARL AREA

2nd Floor
2nd West End Tower, Suite 800
Boswell, New Mexico 87005
Telephone No. 505-827-7040
Facsimile No. 505-827-7040

facsimile transmittal

NM Energy, Minerals & Natural Resources
To: Mr. David Catansich Fax: (505) 470-3471

From: Jim Pierce Date: May 1, 2001

Re: Water Injection Approval
Kenwood #3 well Pages: 2
Eddy County, NM

CC:

☐ Urgent ☒ For Review ☐ Please Comment ☒ Please Reply ☐ Please Recycle

Dear Mr. Catansich:

Included herewith is copy of April 27, 2001 letter regarding the captioned.

Original sent to your attention.

Appreciate your help.

Truly,



Jim Pierce

JP

ILLEGIBLE

JIM PIERCE

OIL AND GAS PROPERTIES
SUITE 800
PETROLEUM BUILDING
200 WEST FIRST
ROSWELL, NEW MEXICO 86203

PHONE 505-621-7245
FAX 505-622-1711

April 27, 2001

Mr. David Catanach
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87504

Re: Request for Reinstatement of Approval to Inject
Kenwood #3/API #30-015-10095
Section 29, T-18-S, R-31-E, NMPM,
Eddy County, NM

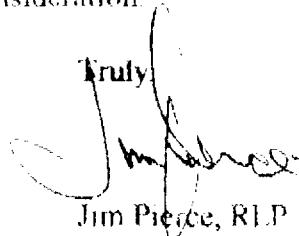
Dear Mr. Catanach:

Per my conversation with Mr. Ben Stone and his directive, please accept this additional correspondence and formal request to reinstate the captioned well to injection well status.

As discussed with Mr. Stone, the records of the NMOCD reflect that the AOR has not been altered, no new wells, no plugged wells, since this well was first approved for water injection and last shut-in by the previous operator, SDX Resources, Inc.

Ready Oil and Gas Management, present operator, has reworked subject well, which has passed all applicable tests, and is ready to take on water pending your approval.

Again, we appreciate your help and consideration.

Truly

Jim Pierce, RLP

JP

Xc: Ready Oil and Gas Management

Xc: Momentum Operating Company

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. 3779
Order No. R-3431

APPLICATION OF SHENANDOAH OIL CORPORATION
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 June 5, 1968,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 18th day of June, 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, Shenandoah Oil Corporation, seeks
permission to institute a waterflood project in the Shugart Pool
by the injection of water into the Yates, Seven Rivers, Queen,
and Grayburg formations through five injection wells located in
Units F and N of Section 29, and Units A, G, and I of Section 30,
all in Township 18 South, Range 31 East, NMPM, Eddy County, New
Mexico.

(3) That the applicant further seeks an administrative
procedure whereby said project could be expanded to include
additional lands and injection wells in the area of said project
as may be necessary in order to complete an efficient injection
pattern; that said administrative procedure should provide for
administrative approval for conversion to water injection in

(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 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; provided however, that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shenandoah Oil Corporation, is hereby authorized to institute a waterflood project in the Shugart Pool by the injection of water into the Yates, Seven Rivers, Queen, and Grayburg formations through the following-described wells in Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico:

<u>LEASE</u>	<u>WELL NUMBER</u>	<u>LOCATION</u>
Kenwood-Federal	3	Unit F - Section 29
Shugart "A"	8	Unit N - Section 29
Shugart "D"	8	Unit A - Section 30
Shugart "D"	1	Unit G - Section 30
Shugart "C"	3	Unit I - Section 30

(2) That the subject waterflood project is hereby designated the Shenandoah Shugart Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the Shenandoah Shugart Waterflood Project to include such additional lands and injection wells in the area of the project as may be necessary to complete an efficient water injection pattern; that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

-3-

CASE No. 3779

Order No. R-3431

(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

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

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

S E A L

Shirley A. 1
12
Chairman of Commission
12
Monterey
12
12

esr/