

DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT
Other instructions
reverse side)

SUNDRY NOTICES AND REPORTS ON WELLS

 (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
 Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input checked="" type="checkbox"/> Battery APR 26 10 50 AM '95		5. LEASE DESIGNATION AND SERIAL NO. LC062407
2. NAME OF OPERATOR S.D.X., Resources, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR P.O. Box 5061 Midland, TX, 79704		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface Unit E SW/4 NW/4 sec. 33 T17S R29E		8. FARM OR LEASE NAME Leonard Fed.
14. PERMIT NO.		9. WELL NO. 1-6
15. ELEVATIONS (Show whether OF, RT, CR, etc.) 3546		10. FIELD AND POOL, OR WILDCAT Grayburg Jackson
16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data		11. SEC., T., R., M., OR B.L.K. AND SURVEY OR AREA 33 T17S R29E
NOTICE OF INTENTION TO:		12. COUNTY OR PARISH 13. STATE Eddy NM
TEST WATER SHUT-OFF <input type="checkbox"/> PELL OR ALTER CASING <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> REPAIRING WELL <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> MULTIPLE COMPLETE <input type="checkbox"/> FRACTURE TREATMENT <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> SHOOT OR ACIDIZE <input type="checkbox"/> ABANDON* <input type="checkbox"/> SHOOTING OR ACIDIZING <input type="checkbox"/> ABANDONMENT* <input type="checkbox"/> REPAIR WELL <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> (Other) _____ (Other) Approval for H2O Disposal		SUBSEQUENT REPORT OF: (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. 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.)

Produced H₂O From SDX Resources Leonard Fed. #1-6 Wells is stored in a welded 210 bbl. tank at the Leonard Federal Battery. It is trucked by I+W Inc. (Permit #711) and is disposed of into their Walter Solt St #1 injection well (SWD#318) located in unit L of sec. 5 T18S R28E. Alternative disposal would be to truck H₂O to Loco Hills disposal (order # R 68-11B) located in unit A Sec. 16 T17S R30E. A water analysis of the Leonard Federal's Produce water is attached.

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

SIGNED

Chuck Morgan

TITLE

Engr.

DATE

8/23/94

(This space for Federal or State office use)

APPROVED BY

(ORIG. SCD.) JOE G. LIRA

TITLE

PETROLEUM ENGINEER

DATE

5/15/95

CONDITIONS OF APPROVAL, IF ANY:

See attached.

*See Instructions on Reverse Side

HALLIBURTON SERVICES

ARTESIA DISTRICT

LABORATORY REPORT

No. _____

TO SDXDate 8-15-94

This report is the property of Halliburton Services and neither it nor any part thereof, nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management. It may, however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Services.

Submitted by _____ Date Rec. 8-15-94Well No. Leonard B Fed. Depth _____ Formation _____

Field _____ County _____ Source _____

Resistivity 0.056 @ 70Specific Gravity .. 1.1460 @ 70pH 7Calcium 11025Magnesium 892Chlorides 132,000Sulfates 400Bicarbonates 305Soluble Iron 0

Remarks:


Respectfully submitted

Analyst: _____

HALLIBURTON SERVICES

NOTICE:

This report is for information only and the content is limited to the sample described. Halliburton makes no warranties, express or implied, as to the accuracy of the contents or results. Any user of this report agrees Halliburton shall not be liable for any loss or damage, regardless of cause, including any act or omission of Halliburton, resulting from the use hereof.

BUREAU OF LAND MANAGEMENT
CARLSBAD RESOURCE AREA

Disposal of Produced Water From Federal Wells

Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Oil and Gas Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. All aboveground structures on the lease shall be painted sandstone brown, Federal Std. 595-20318, or 30318, within 90 days if you have not already done so.
6. Any on lease open top storage tanks or pits shall be covered with a wire screen or plastic/nylon netting to prevent entry by birds and other wildlife.
7. This approval does not constitute right-of-way approval for any off lease activities. If water is transported via a pipeline that extends beyond the lease boundary, you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.