

Ogrid - 184860
Prop - 26104
Pool - 28509

IT IS THEREFORE ORDERED THAT:

R-9890 5/3/93

(1) The application of SDX Resources, Inc. for authority to institute a waterflood project on its Leonard Federal and Leonard "B" Federal Leases, comprising the N/2 and N/2 SW/4 of Section 33, Township 17 South, Range 29 East, NMPM, Grayburg-Jackson-Seven Rivers-Queen-Grayburg-San Andres Pool, Eddy County, New Mexico, by the injection of water into the Grayburg and San Andres formations through the gross interval from approximately 2,650 feet to 3,048 feet in the following described wells, both located in Section 33, is hereby approved:

WELL NAME & NUMBER

WELL LOCATION

Leonard "B" Federal No. 1
Leonard Federal No. 3

330' FNL & 1650' FEL (Unit B)
1980' FNL & 1980' FWL (Unit F)

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 88210

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

Form C-104
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Melrose Operating Co PO Box 5061 Midland, TX 79704 915/685-1761		² OGRID Number 184860
		³ Reason for Filing Code Change of Operator 12/1/99
⁴ API Number 30 - 0 15-03758	⁵ Pool Name Grayburg Jackson	⁶ Pool Code 28509
⁷ Property Code 26104	⁸ Property Name Leonard B Federal	⁹ Well Number 1

II. ¹⁰ Surface Location

UI or lot no. B	Section 33	Township 17S	Range 29E	Lot Idn	Feet from the 330	North/South Line North	Feet from the 1650	East/West line East	County Eddy
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¹¹ Bottom Hole Location

UI or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
¹² Lse Code F	¹³ Producing Method Code P	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
034019	Phillips - Trucks 4001 Penbrook odessa, TX 79761	2232710	O	
009171	GPM 4001 Penbrook Odessa, TX 79761	2232730	G	

IV. Produced Water

²³ POD	²⁴ POD ULSTR Location and Description
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V. Well Completion Data

²⁵ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ PBTD	²⁹ Perforations	³⁰ DHC, DC, MC
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		

VI. Well Test Data

³⁵ Date New Oil	³⁶ Gas Delivery Date	³⁷ Test Date	³⁸ Test Length	³⁹ Tbg. Pressure	⁴⁰ Csg. Pressure
⁴¹ Choke Size	⁴² Oil	⁴³ Water	⁴⁴ Gas	⁴⁵ AOF	⁴⁶ Test Method

⁴⁷ 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.		OIL CONSERVATION DIVISION	
Signature: <i>Michael Corjay</i>		Approved by: ORIGINAL SIGNED BY TIM W. GUM	
Printed name: Michael Corjay		Title: DISTRICT II SUPERVISOR	
Title: Vice President		Approval Date: MAR 27 2000	
Date: 02/28/00	Phone: 915/685-1761		
⁴⁸ If this is a change of operator fill in the OGRID number and name of the previous operator			
SDX Resources, Inc. 020451			
Previous Operator Signature		Printed Name	Title
<i>John Pool</i>		John Pool	Vice President
			Date
			02/28/00