

**NM OIL CONS COMMISSION**  
**Drawer DD**  
**Artesia, NM 88210**

Form 3160-5  
(June 1990)

**UNITED STATES**  
**DEPARTMENT OF THE INTERIOR**  
**BUREAU OF LAND MANAGEMENT**

**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 <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <b>Battery</b>	7. If Unit or CA, Agreement Designation
2. Name of Operator <b>SDX Resources, Inc.</b>	8. Well Name and No. <b>Welch Federal 1 XX</b>
3. Address and Telephone No. <b>P. O. Box 5061, Midland, TX. 79704      915/685-1761</b>	9. API Well No. <b>30-015-02284</b> <del>30-015-23774</del>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>Unit C, NE/4 NW/4, Sec. 22, T19S, R28E</b>	10. Field and Pool, or Exploratory Area <b>Millman, QN-GB-SA</b>
	11. County or Parish, State <b>Eddy Co., NM</b>

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

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

Other: Approval for H<sub>2</sub>O Disposal

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.)\*

Produced water from SDX Resources' Welch Federal #1 and #3 wells is stored in a 210 barrel fiberglass tank at the Welch Federal Battery. It is piped via a 2 inch plastic flowline to SDX Resources' East Millman Unit waterflood plant (NMOCDA Approval No. R 2405 located in the NE/4, NE/4, Sec. 22, T19S, R28E) and used for make up water. Alternative disposal would be for I&W Inc. (Permit #711) to truck water to their Walter Solt State #1 injection well (SWD #318), located in Unit L of Sec. 5, T18S, R28E, Eddy Co., NM. Production is out of the Queen formation (water analysis, C-115, and facility diagram is attached).

**RECEIVED**

**NOV 28 1995**

**OIL CON. DIV.**  
**INT. 2**

**RECEIVED**  
**OCT 13 10 55 AM '95**

14 I hereby certify that the foregoing is true and correct		
Signed <u>Chuck Morgan</u>	Title <u>Engineer</u>	Date <u>10/18/95</u>
(This space for Federal or State office use)		
Approved by <u>Chris. Signed by Adam Salameh</u>	Title <u>Petroleum Engineer</u>	Date <u>11/24/95</u>
Conditions of approval, if any: <b>- SEE ATTACHED -</b>		

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

(rev. 3/10/94)

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, then 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.

## API WATER ANALYSIS REPORT

COMPANY:	SDX RESOURCES	DATE :	October 12 1995
LEASE AND WELL :	Welch Fed	LAB NO. :	H095813
COUNTY, STATE :	Eddy, NM	DATE SAMPLED :	October 12, 1995
FORMATION :		SAMPLE POINT :	LOCATION
TEMPERATURE (BHT) :	degrees F	SUBMITTED BY :	Northcutt

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FORMATION :		SAMPLE POINT :	LOCATION
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Specific Gravity = 1.060 @ 77 degrees F      pH = 7.4

### Anions

	Factor	ml	Sample	mg/l	Factor	me/l	Ionic Strength	
							(mg/l)	(me/l)
Chlorides	3545	14.8	1	52458.0	0.0232	1479.54	0.7345	0.7398
Sulfates		0	1	4000.0	0.0208	83.20	0.0840	0.0832
Carbonates	60	0.0	0		0.0333	0.00	0.0000	0.0000
Bicarbonates	1000	7.8	10	730.0	0.0164	12.79	0.0062	0.0064
Hydroxide	279			0.0	0.0588	0.00		

### Cations

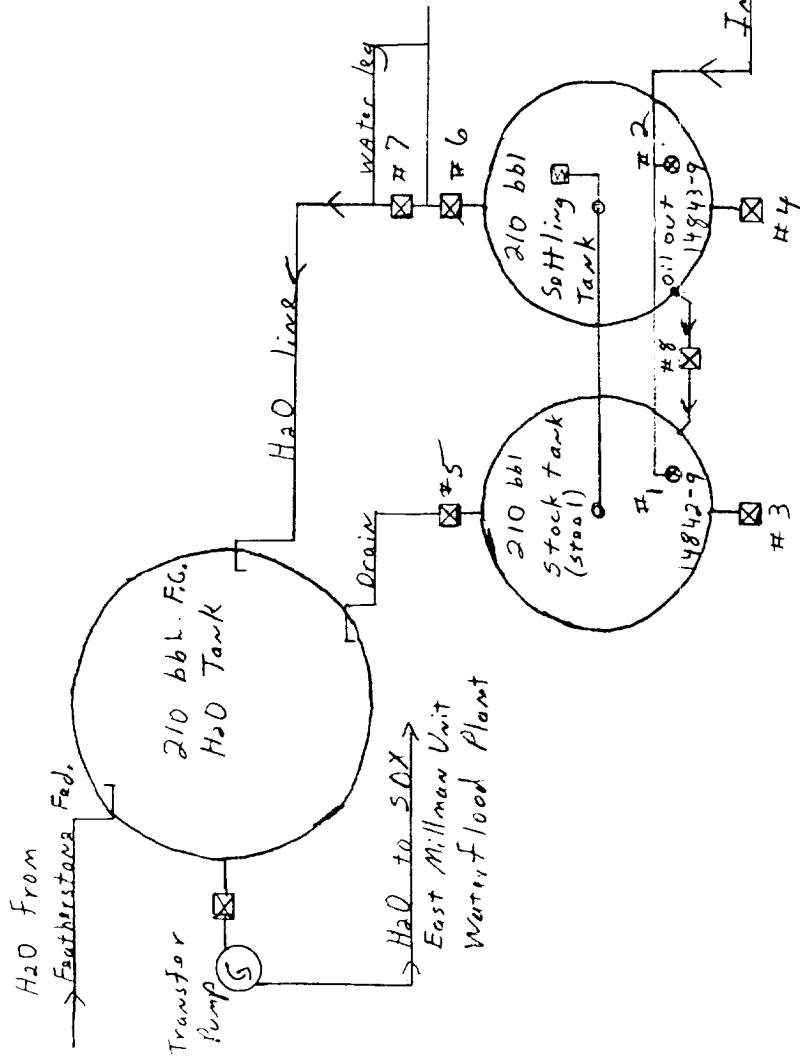
	Factor	ml	Sample	mg/l	Factor	me/l	Ionic Strength	
							(mg/l)	(me/l)
Barium				0.0	0.0148	0.00		
Calcium	401	4.0	1	1604.0	0.0499	80.04	0.0802	0.0800
Magnesium	243	8.7	1	1616.0	0.0823	132.99	0.1325	0.1330
Iron		0		0.0	0.0537	0.00		
Sodium				31321.9	0.0435	1362.50	0.6991	0.6813
Total Dissolved Solids =				91738		3151		
Total Ionic Strength =							1.7266	1.7236

Tested By: Grog Daniel

DISPOSITION OF OIL, GAS AND WATER																
PRODUCTION																
POOL NO. AND NAME Property No. and Name Well No. & U-L-S-T-R API No.	C O D E	Volume	Pressure	C O D E	Barrels of Oil/ Condensate Produced	Barrels of Water Produced	MCF Gas Produced	Days Prod- uced	C O D E	Point of Disposition	Gas BTU or Oil API Gravity	Oil on hand at beginning of month	Volume (Bbls/Mcf)	Transported OGRID	C O D E	Oil on hand at end of month
009845 STATE BN																
001 P - 11 - 19S - 28E 30 - 015 - 02210	P				47	80	57	30								
002 O - 11 - 19S - 28E 30 - 015 - 02211	I	3672	720 W		47	231	57	31								
003 I - 11 - 19S - 28E 30 - 015 - 02212	P				152	533	185	31								
004 J - 11 - 19S - 28E 30 - 015 - 02213	P				24	62	29	31								
005 O - 11 - 19S - 28E 30 - 015 - 27307	P				50	1469	62	31								
006 O - 11 - 19S - 28E 30 - 015 - 27309	P				320 489	2375 2437	390 452		O G W W	2233010 2233030 2233050	36.4 1579	106	345 390 2375	015694 009171	I	81
TOTALS (5)		3672														
TOTALS +BN7 (6)		3672														
009848 WELCH FEDERAL																
001 C - 22 - 19S - 28E 30 - 015 - 02284	P				4	618	0	31								
003 C - 22 - 19S - 28E 30 - 015 - 23774	P				57	0	0	31	O W	2233110 2233150		41	618			102
015786 CONOCO 7 STATE			TOTAL (2)		61	618	0									
002 L - 07 - 19S - 29E 30 - 015 - 23693	P				193	473	204	31								
003 E - 07 - 19S - 29E 30 - 015 - 23694	P				194	473	204	31								
012 K - 07 - 19S - 29E 30 - 015 - 25160	P				193	2363	204	31								
013 J - 07 - 19S - 29E 30 - 015 - 25161	P				206	2362	172	31								

SDX Resources, Inc.  
 Welch Fed. Tank Battery  
 Unit "C" Sec. 22 T19S R28E  
 Eddy Co., N.M. LC036194

# Facility Diagram



Valve Positions			
Sales		Production	
open	closed	open	closed
3, 6, 7, 2	1, 4, 5, 8	2, 6, 7, 8	1, 3, 4, 5