

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

☐ Oil Well ☐ Gas Well ☒ Other Battery ✓

2. Name of Operator

SDX Resources, Inc.

3. Address and Telephone No

P. O. Box 5061, Midland, TX. 79704 915/685-1761

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

Unit C, NE/4 NW/4, Sec. 22, T19S, R28E

5. Lease Designation and Serial No.

LC036194

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Welch Federal ~~XX~~ 3

9. API Well No. ~~30-015-02284~~

30-015-23774

10. Field and Pool, or Exploratory Area

Millman, QN-GB-SA

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

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

TYPE OF ACTION

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

Other: Approval for H₂O Disposal

(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.)*

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 (NMOCD 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.

UNIT 2

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

Signed

Chuck Morgan

Title Engineer

Date 10/18/95

(This space for Federal or State office use)

Orig. Signed by Adam Salameh

Title Petroleum Engineer

Date 11/24/95

Approved by
Conditions of approval, if any

- SEE ATTACHED -

(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	
		me/l				me/l		(mg/l)	(me/l)
Chlorides	3545	14.8	1	52468.0	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	12.73	0.0062		0.0064
Hydroxide	279			0.0	0.0588	0.00			

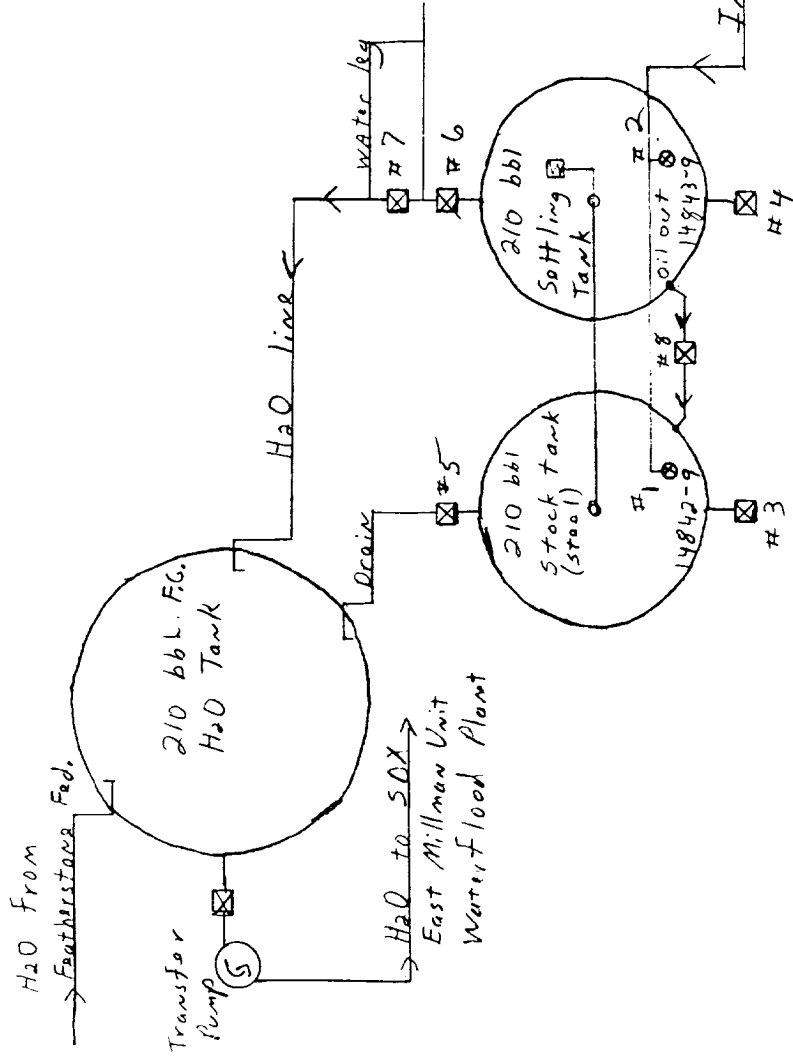
Cations

	Factor		ml Sample	mg/l	Factor		me/l	Ionic Strength	
		me/l				me/l		(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	6.7	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	0.6891		0.6813
Total Dissolved Solids =				91788		3151			
Total Ionic Strength =							1.7266	1.7238	

Tested By: Greg Daniel

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,	1, 4	2, 6,	1, 3,
7, 2	5, 8	7, 8,	4, 5,