

SDX RESOURCES, INC.

P.O. BOX 5061
MIDLAND, TEXAS 79704
(915) 685-1761

OIL CONSERVATION DIVISION
RECEIVED

88 JAN 28 AM 9 19

N.M.O.C.D.
P.O. Box 2088
Santa Fe, N.M. 87504-2088
Attn. Mr. Stogner

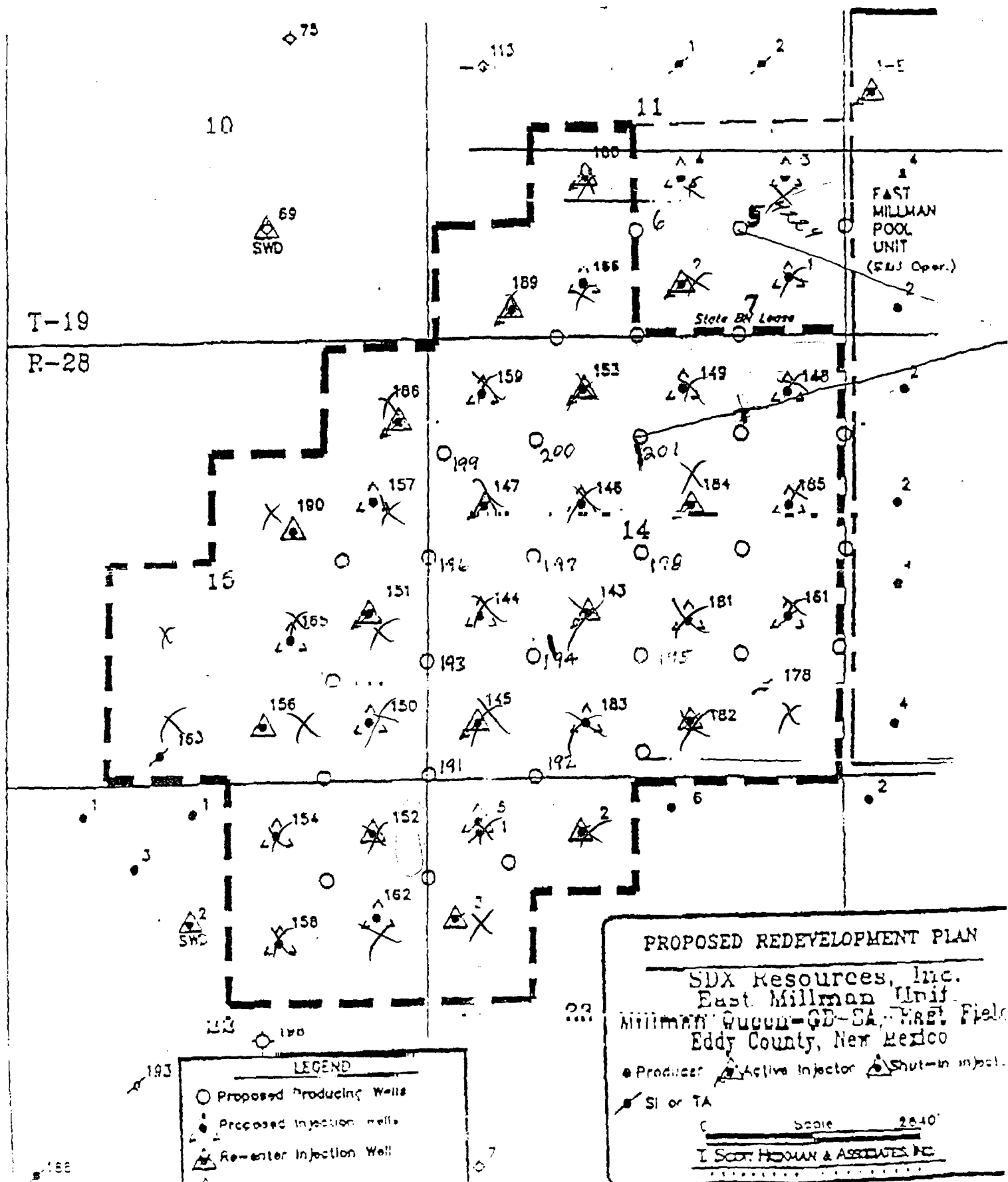
Mr. Stogner,

This letter is intended to serve as an application for administrative approval of unorthodox drilling locations on our East Millman Unit. The locations requested will be the East Millman #191 thru 201. Survey plats and O.C.D. forms C-101 on the East Millman #191 and #197 accompany this letter. A lease map along with the approximate footages of the proposed locations for the project is also enclosed. The purpose of these locations is to convert the existing waterflood project on our East Millman Unit from an 80 acre 5 spot pattern to a 40 acre 5 spot pattern. This reduced spacing will result in the recovery of additional reserves that will otherwise be lost. O.C.D forms C-101 and survey plats on the remainder of the proposed locations will be submitted to you as they become available. No offset operators are affected by any of the proposed unorthodox locations. Thanks for your prompt attention.

Sincerely,



Chuck Morgan, P.E.



EAST MILLMAN UNIT*(Proposed Footages)*

	<u>WELL #</u>		<u>LEGAL</u>	<u>LOCATION</u>		<u>DEPTH</u>	
	191	10'	FNL &	10'	FEL Sec. 22, T19S - R28E	2600	
	192	10'	FSL &	1330'	FWL Sec. 14, T19S - R28E	2300	
	193	10'	FWL &	1310'	FSL Sec. 14, T19S - R28E	2300	
	194	1330'	FSL &	1330'	FWL Sec. 14, T19S - R28E	2300	
	195	2630'	FEL &	1310'	FSL Sec. 14, T19S - R28E	2300	
	196	10'	FWL &	2630'	FSL Sec. 14, T19S - R28E	2300	
Core	197	1310'	FWL &	2630'	FSL Sec. 14, T19S - R28E	2300	
	198	2630'	FSL &	2630'	FWL Sec. 14, T19S - R28E	2300	
	199	100'	FWL &	1330'	FNL Sec. 14, T19S - R28E	2300	
	200	1330'	FWL &	1310'	FNL Sec. 14, T19S - R28E	2300	
	201	2630'	FWL &	1330'	FNL Sec. 14, T19S - R28E	2300	

STATE BN

5	1330'	FSL &	1330'	FEL	Sec. 11, T19S - R28E	2300
6	1310'	FSL &	2630'	FEL	Sec. 11, T19S - R28E	2300
7	10'	FSL &	1330'	FEL	Sec. 11, T19S - R28E	2300

Submit to Appropriate
District Office
State Lease -- 6 copies
Fee Lease -- 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.
648

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL
WELL ☒

GAS
WELL ☐

OTHER ☐

SINGLE
ZONE ☐

MULTIPLE
ZONE ☒

7. Lease Name or Unit Agreement Name

East Millman

2. Name of Operator

SDX RESOURCES, INC.

8. Well No.

191

3. Address of Operator

P.O. BOX 5061 Midland, TX. 79704-5061

9. Pool name or Wildcat

E. Millman Q-G-SA

4. Well Location

Unit Letter A : 10 Feet From The East Line and 10 Feet From The North Line

Section 22

Township 19-S

Range 28-E

NMPM Eddy

County

10. Proposed Depth

2600

11. Formation

Grayburg

12. Rotary or C.T.

Rot.

13. Elevations (Show whether DF, RT, GR, etc.)

3425 GR

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

Capstar

16. Approx. Date Work will start

Feb. 01

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24#	350'±	300'	surf
7-7/8"	5-1/2"	15.50#	2600'	500'	surf

Plan to drill a 12-1/4" hole to approx. 350'; set 8-5/8" surface casing. Circulate "C" cement. Drill 7-7/8" hole to TD. Run open hole logs (LDT-CNL-GR & DLL). Run 5-1/2" casing and circulate 50/50 POZ "C" cement. Perforate the Grayburg-Queen and stimulate as necessary for optimum production.

Mud Program: Fresh water mud 0'-350'
Salt water mud 350'-TD.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Chuch Moya

TITLE

Engr.

DATE

1/27/93

TYPE OR PRINT NAME

TELEPHONE NO. 748-9814

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate
District Office
State Lease - 4 copies
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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

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1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

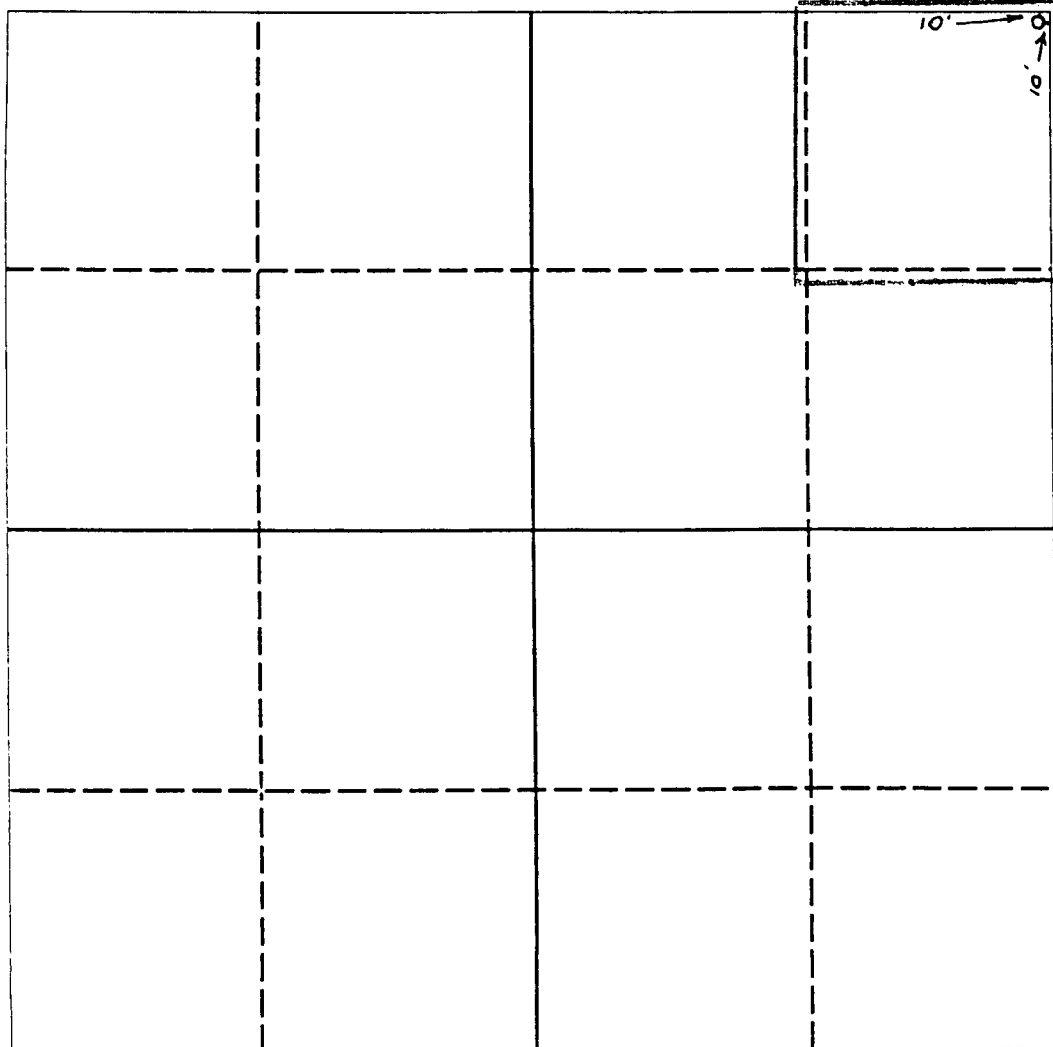
All Distances must be from the outer boundaries of the section

Operator SDX RESOURCES, INC.			Lease EAST MILLMAN UNIT		Well No. 191
Unit Letter A	Section 22	Township 19 SOUTH	Range 28 EAST	County NMPM EDDY COUNTY, N M	

Actual Footage Location of Well:

10 feet from the NORTH line and 10 feet from the EAST line			
Ground level Elev. 3425.	Producing Formation Qn-Gb-SA	Pool East Millman Q-Gb-SA	Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary). _____
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature *Chuck Morgan*

Printed Name **Chuck Morgan**

Position **Engr.**

Company **SDX Resources, Inc**

Date **1/27/93**

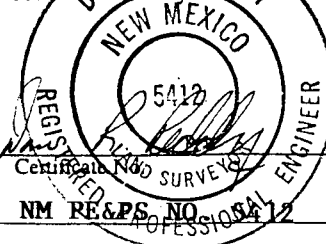
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

JANUARY 27, 1993

Signature & Seal of **EDDY**
Professional Surveyor



Certificate No. **5412**
NM RE&PS NO. 5412

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

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RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL
WELL ☒

GAS
WELL ☐

OTHER ☐

SINGLE
ZONE ☐

MULTIPLE
ZONE ☒

7. Lease Name or Unit Agreement Name

East Millman

2. Name of Operator

SDX RESOURCES, INC.

8. Well No.

197

3. Address of Operator

P.O. BOX 5061 Midland, TX. 79704-5061

9. Pool name or Wildcat

E. Millman Q-G-SA

4. Well Location

Unit Letter E : 1354 Feet From The West Line and 2608 Feet From The North Line

Section 14

Township 19-S

Range 28-E

NMPM Eddy

County

10. Proposed Depth

2600

11. Formation

Grayburg

12. Rotary or C.T.

Rot.

13. Elevations (Show whether DF, RT, GR, etc.)

3425 GB

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

Capstar

16. Approx. Date Work will start

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TYPE OR PRINT NAME

TELEPHONE NO.

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DATE

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WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator SDX RESOURCES, INC.			Lease EAST MILLMAN UNIT		Well No. 197
Unit Letter F	Section 14	Township 19 SOUTH	Range 28 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: 1354 feet from the WEST line and 2608 feet from the NORTH line					
Ground level Elev. 3425	Producing Formation QUNN GRBG SAN ANDRES		Pool EAST MILLMAN QUEEN GRBG SAN ANDRES	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

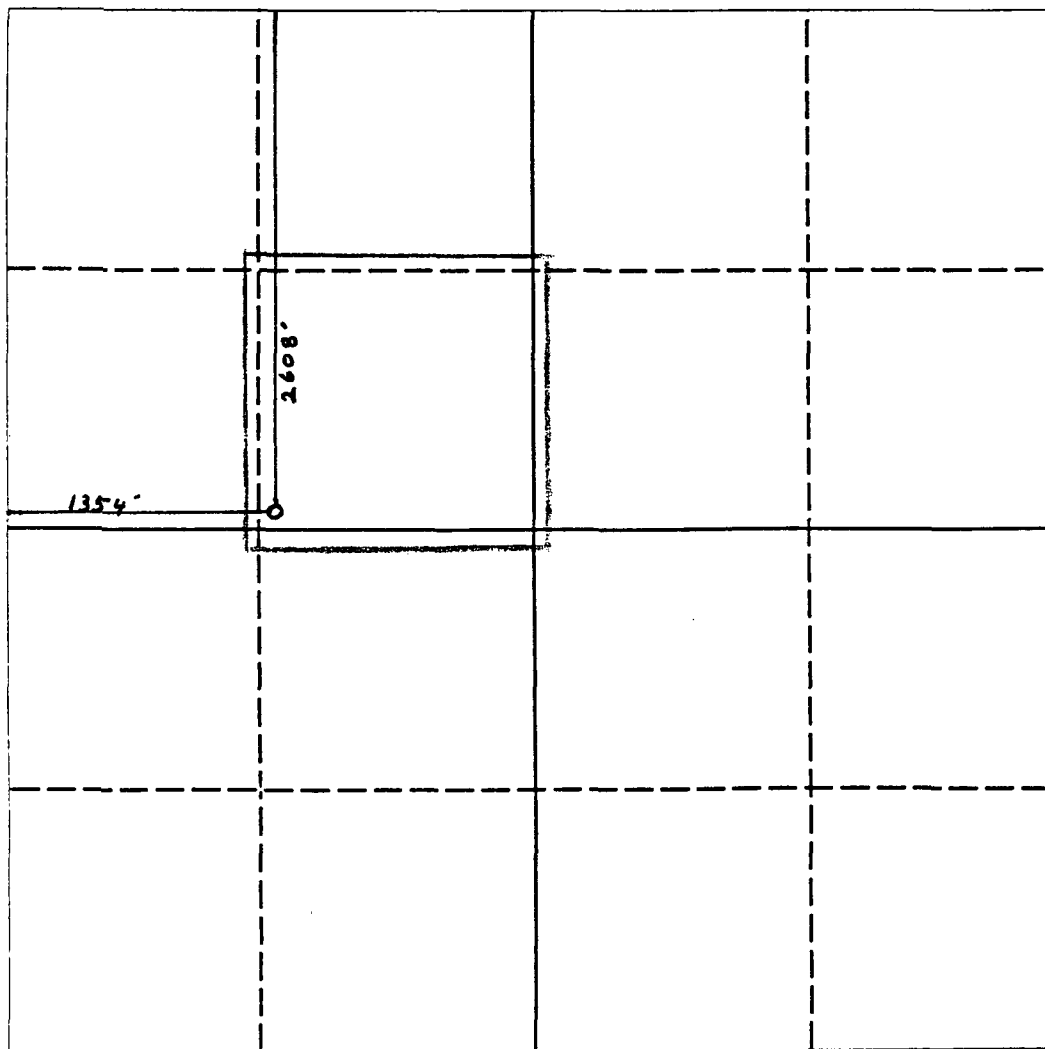
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Chuck Morgan
Printed Name

Engr.
Position

SDX Resources, Inc.
Company

1/27/93
Date

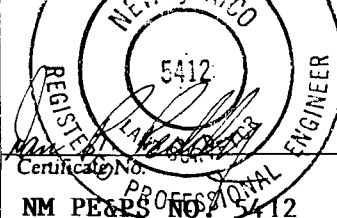
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Signature & Seal of
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