SDX RESOURCES, INC.

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

OIL CONSERVATION DIVISION
RECEIVED

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

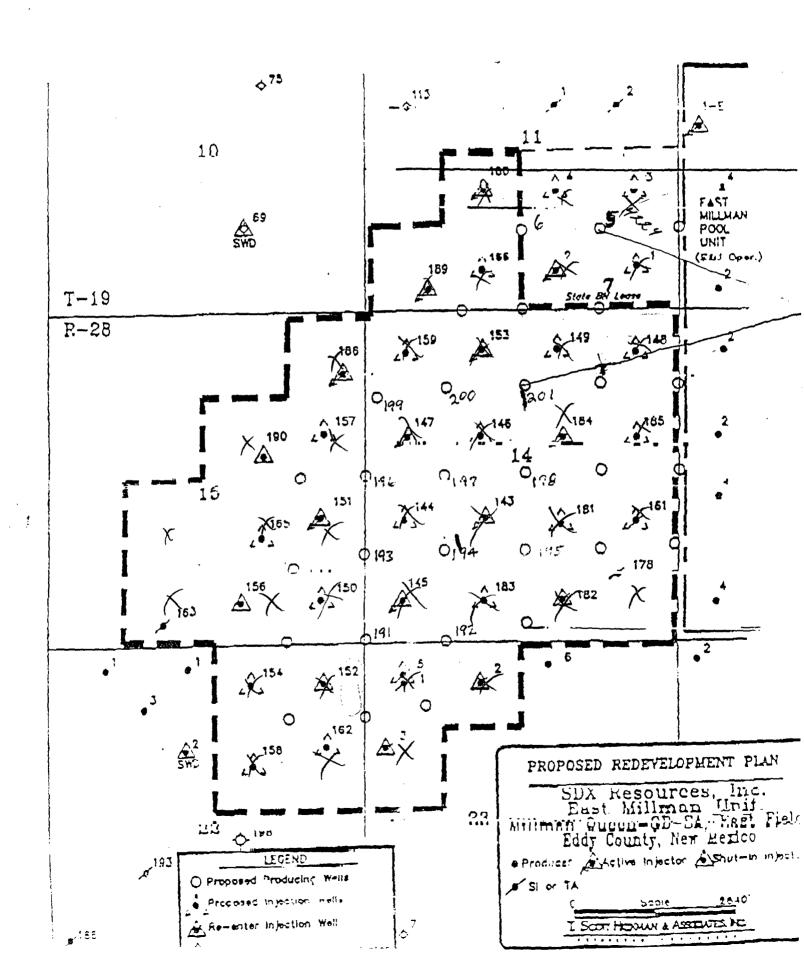
Mr. Stogner,

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-Ahru 201. Survey plats and O.C.D. forms C-101 on the East Willman #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 other wise 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 avaible. No offset operators are affected by any of the proposed unorthodox locations. Thanks for your prompt attention.

Sincerely,

Chuck Morgan, P.E.

Chuck Morgan



WELL # LEGAL LOCATION

WE	ELL #			Ĩ	EGAL 1	LOCAT	ION					EFTH.	••••	
	191	10′	FNL	3	10′	FEL			T19S			2600		
•	192	10′	FSL	&	1330′	FWL	Sec.	14,	T19S	-	R28E	2300		
	193	10'	FWL	æ	1310′	FSL	Sec.	14,	T19S	-	R28E	2300		
	194	1330′	FSL	§.	1330'	rwL	Sec.	14,	T19S	_	R28E	2300		
	195	2630/	FEL	&	1310′	FSL	Sec.	14,	T198	_	R28E	2300		
	196	10′	FWL	<u>&</u>	26301	FSL_	Sec.	14.	T19S	_	R28E	2300		
Core	197	1310′	FWL	&	2630'	FSL	Sec.	14,	T19S	-	R28E	2300		
	198	2630'	FSL	8	26301	FWL	Sec.	14,	T19S	-	R28E	2300		
	199	100′	FWL	દ	1330′	FNL	Sec.	14,	T19S	-	R28E	2300		
	200	1330′	FWL	Ş.	1310′	FNL						2300		
	201	26301	FWL	ů.	1330	F 19 iii	₹00°.	.344.	719S	-	B20E	-2-300 · · ·		

STATE BN

5	1330′	FSL	S.	1330′	FEL	Sec.	11,	T19 S	-	R28E	2300
G	1310'	PSL	S.	26304	PDL	Cee.	11,	T198	-	R28E	2300
7	10'	FSL	£	1330'	PEL	Sec.	11,	T198	_	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

OIL CONSERVATION DIVISION P.O. Box 2088

Revised 1-1-89

DISTRICT I	OIL	CONSERVATIO		API NO. (ass	igned by OCI	O on New Wells)			
P.O. Box 1980, Hobbs, NM	88240	P.O. Box 208 Santa Fe, New Mexico	-						
DISTRICT II P.O. Drawer DD, Artesia, N		Santa Fe, New Mexico	67304-2088	5. Indicate 7	Type of Lease ST	ATE FEE			
DISTRICT III 1000 Rio Brazos Rd., Aztec	; NM 87410			6. State Oil 648	& Gas Lease				
APPLICAT	ION FOR PERMIT	TO DRILL, DEEPEN, C	OR PLUG BACK	1//////					
la. Type of Work:		<u> </u>		7. Lease Na	me or Unit Ag	greement Name			
DRILL b. Type of Well:	RE-ENTI	R DEEPEN	PLUG BACK		4:33				
WELL WELL C	OTHER	SINCLE ZONE	MULTIPLE ZONE	P East 1	Millmar	1			
2. Name of Operator				8. Well No.					
	OURCES. INC.			191.	e or Wildcat	•			
Address of Operator	<u> 5061 Mid</u>	land, TX. 79704	1-5061	I.	lman Q-	-G-SA			
P.O. BOY	<u> </u>	Tanu, IA, 10104	F 3001		7 17 10 11 4				
	: 10 Fee	From The East	Line and 10) Feet	From The No	orth Line			
Section 22	Tov	nship 19-S Rau	nge 28 – E	NMPM Ede	dy	County			
		10. Proposed Depth		//////////////////////////////////////		12. Rotary or C.T.			
		2600	i i	Grayburg		Rot.			
13. Elevations (Show whether	er DF, RT, GR, etc.)	14. Kind & Status Plug. Bond	15. Drilling Contra		16. Aporox.	Date Work will start			
•	5 GB	Blanket	Capstar			. 01			
7.	<u></u>	PROPOSED CASING AN		OGRAM					
SIZE OF HOLE	SIZE OF CASING				CEMENT	EST. TOP			
					OLIMEITI	201.101			
12-1/4"	8-5/8"	24#	350'+	300.		surf			
7-7/8"	5-1/2"	15.50#	2600	- 500 - 		Sur s			
casing. hole log 50/50 PO as neces	Circulate "(s (LDT-CNL-(Z "C" cement sary for opt ram: Fresh	74" hole to apport cement. Dril RR & DLL). Run to the cimum production water mud 0' water mud 35	1 7-7/8" ho 5-1/2" casi e Grayburg-n.	le to TD. ng and ci	Run o reulat	pen e			
ZONE, GIVE BLOWOUT PREV		GRAM: IF PROPOSAL IS TO DEEPE	IN OR PLUG BACIK, GIVE DA	TA ON PRESENT PRODU	UCTIVE ZONE A	ND PROPOSED NEW PRODUCTIVE			
SIGNATURE Shu		piete to the best of my knowledge and			DA	LEPHONE NO. 748-98			
SIGNATURE RULE TYPE OR PRINT NAME (This space for State Use)					DA	LEPHONE NO. 748-98			
									

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

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

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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

/\		, , , , , , , , , , , , , , , , , , ,	ocs most be					Well No.
Operator				Lease				
SDX RE	SOURCES, IN	C.		EAS'	r millma	N UNIT		191
Unit Letter	Section	Township		Range				County
A	22	19 SO	rru	_	EAST	NR 41	284	EDDA COMPAN M M
Actual Footage Loca		19 30	OTH	۷٥.	FROT	NMI	·įVI]	EDDY COUNTY, N M
_						_		TA CT
10	feet from the	NORTH	line and	10		feet fm	om the	e EAST line
Ground level Elev.		ing Formation		Pool				Dedicated Acreage:
3425.	On-	Ch - SA ed to the subject well t		Ensi	+ Mil	man 1	0-1	66-5A 40 Acres
1. Outline	e the acreage dedicat	ed to the subject well I	y colored pene	cil or hachure r	narks on the pl	at below.	,	
		edicated to the well, ou						
3 75	n than and large of d	liffaanse saamaankin in d	adionted to the	mult have the	internat of all a		nalid.	atad bu acammunistration
	tion, force-pooling,	_	edicated to the	well, have the	interest of all o	owners been col	isoud	ated by communitization,
	Yes [er is "yes" typ	e of consolidat	ion			
If answer	L	ers and tract description				Use reverse side	of	
this form	if neccessary.							
No allow	rable will be assigned					itization, unitiza	tion, f	forced-pooling, or otherwise)
or until a	non-standard unit, e	liminating such interes	t, has been app	proved by the D	ivision.			
							•	ADED AND GERMAN
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APPROVED BY ___

CONDITIONS OF APPROVAL, IF ANY:

State of New Mexico '

Form C-101

State Lease — 6 copies Fee Lease — 5 copies	Eleigy, r	Revised 1-1-89						
DISTRICT I P.O. Box 1980, Hobbs, NM	88240	N DIVISION	API NO. (assigned by OCD on New Wells)					
DISTRICT II P.O. Drawer DD, Artesia, N		inta Fe, New Mexico 8	37504-2088	5. Indicate Type of Lease STATE FEE				
DISTRICT III 1000 Rio Brazos Rd., Aztec	, NM 87410			6. State Oil 648	& Gas Lease l	√o.		
APPLICAT	ION FOR PERMIT T	O DRILL, DEEPEN, OI	R PLUG BACK					
la. Type of Work:				7. Lease Na	me or Unit Ag	reement Name		
DRILL b. Type of Well:	RE-ENTER	DEEPEN	PLUG BACK					
MET A MET	OTHER	SINGLE ZONE [MULTIPLE ZONE	East !	Millmar	1		
2. Name of Operator				8. Well No.				
SDX RESC	OURCES, INC.			197.		•		
3. Address of Operator				9. Pool nam				
P.O. BOY	<u> 5061 Midla</u>	and, TX, 79704	<u>-5061</u>	E.Mil	lman Q-	-G-SA		
4. Well Location Unit Letter F	: <u>1354</u> Feet Fr	om The West	Line and 2608	Feet	From The No	orth	Line	
Section 14	Towns	up 19-S Rang	ge 28 – E	nmpm Ed	dy	Coun	ity	
		10. Proposed Depth		Formation		12. Rotary or C.T. Rot.		
13. Elevations (Show whether	DE PT CP atal 1	4. Kind & Status Plug, Bond		ayburg	1.6 4			
·	5 GB	Blanket	15. Drilling Contractor Capstar	•	Feb.	Date Work will start O 1		
17.		OPOSED CASING AN		RAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF	CEMENT	EST. TOP		
				300		surf		
12-1/4	8-5/8	24#	350'+ 	500		sur:		
7-7/8"	5-1/2	15.50#		1 300		SULL A		

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.

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

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IN ZONE, GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.	PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT	FRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE
I hereby certify that the information above is true and complete to the besidence of the business of the busin	est of my knowledge and belief. TITLET.	DATE 1/27/93
TYPE OR PRINT NAME		TELEPHONE NO. 748-9814
(This space for State Use)		
APPROVED BY	mr.e	DATE

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

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Operator					Lease				Well No.	
SDX RESOUR	RCES,	INC.			E	AST MILLMAN	UNIT		197	
Jnit Letter	Section		Township		Range			County		
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Actual Footage Loca	ation of		1 23 500211				TAIAILIAI			
1354			JE CT	1:	260	0	Coat Coom t	L MODET	T ties	ļ
Ground level Elev.	ieei i		WEST ng Formation	line and	Pool	0	feet from t	he NORTI	H line Dedicated Acreas	e:
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3425	. 46		BG SAN ANDRE			LLMAN QUEEN		AN ANDRE	S 40 _	Acres
i. Outin	e uie ac	reage dedicate	d to the subject well l	by colored pen	cii or nachure r	nanks on the plat belo	w.			
2. If more	e than o	one lease is de	dicated to the well, ou	tline each and	identify the ow	nership thereof (both	as to workin	e interest and r	ovalty).	
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3. If more	e than o	one lease of di	fferent ownership is d	edicated to the	weil, have the	interest of all owners	been consol	idated by comm	nunitization,	
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this form			rs and tract description	ns which have	actually been c	onsolidated. (Use rev	erse side of			
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