

OIL CONSERVATION DIVISION
RECEIVED

SDX RESOURCES, INC.

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

'94 JUL 12 AM 8 50

May 1, 1994

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 for three unorthodox drilling locations on SDX's Dunn B Federal lease. The locations constitute a pilot project for an infill well project on this lease. The proposed locations are in sections 10, 11, & 12 of T18S, R28E, Eddy county. Survey plats, BLM 3160 forms, and a lease map accompany this letter. The purpose of this pilot is to evaluate the potential of an infill project that would convert the existing waterflood from an 80 acre 5 spot pattern to a 40 acre 5 spot pattern. This reduced spacing should result in the recovery of additional reserves that will otherwise be lost. Ownership surrounding the proposed locations is similar and no other offset operators are affected by any of the proposed unorthodox locations. If you have any questions or need any additional information please contact me at (505) 748-9724 or (505) 365-7691. Thanks for your consideration.

Sincerely,



Chuck Morgan, P.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONTACT RECEIVING
OFFICE FOR NUMBER
OF COPIES REQUIRED
(Other instructions on
reverse side)

BLM Roswell District
Modified Form No.
NMD60-3160-2

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☒

2. NAME OF OPERATOR

SDX Resources, Inc.

3a. Area Code & Phone No.

(505)748-9724

3. ADDRESS OF OPERATOR

P.O. Box 5061, Midland, TX. 79704

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

330' FSL, 10' FWL, unit M, Sec. 12

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15 miles S.E. of Artesia, N.M.

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT. 330'
(Also to nearest drlg. unit line, if any) (10')

16. NO. OF ACRES IN LEASE

1240

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. 460'

19. PROPOSED DEPTH

4000'

20. ROTARY OR CABLE TOOLS

rot.

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3615 GR

22. APPROX. DATE WORK WILL START*

6/1/94

23. PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	J-55	8rd.	350'	350 "C"
7-7/8"	5-1/2"	14#	J-55	8rd.	4000'	350 POZ
						400 LITE

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 cement. Perforate the San Andres-Grayburg-Queen and stimulate as necessary for optimum production. Specific programs as per Onshore Oil and Gas Order #1 are outlined in the following attachments:

Drilling Program:

Surface Use and Operating Plan

Exhibit #1 Blowout Preventer Equipment #6 Drilling Rig Layout

#2 Location and Elevation Plat

#3 Planned Access Roads

#4 One Mile Radius Map

#5 Planned Production Facilities and Access

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Chuck Morgan

TITLE

Engr.

DATE

4/30/94

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

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

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

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

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

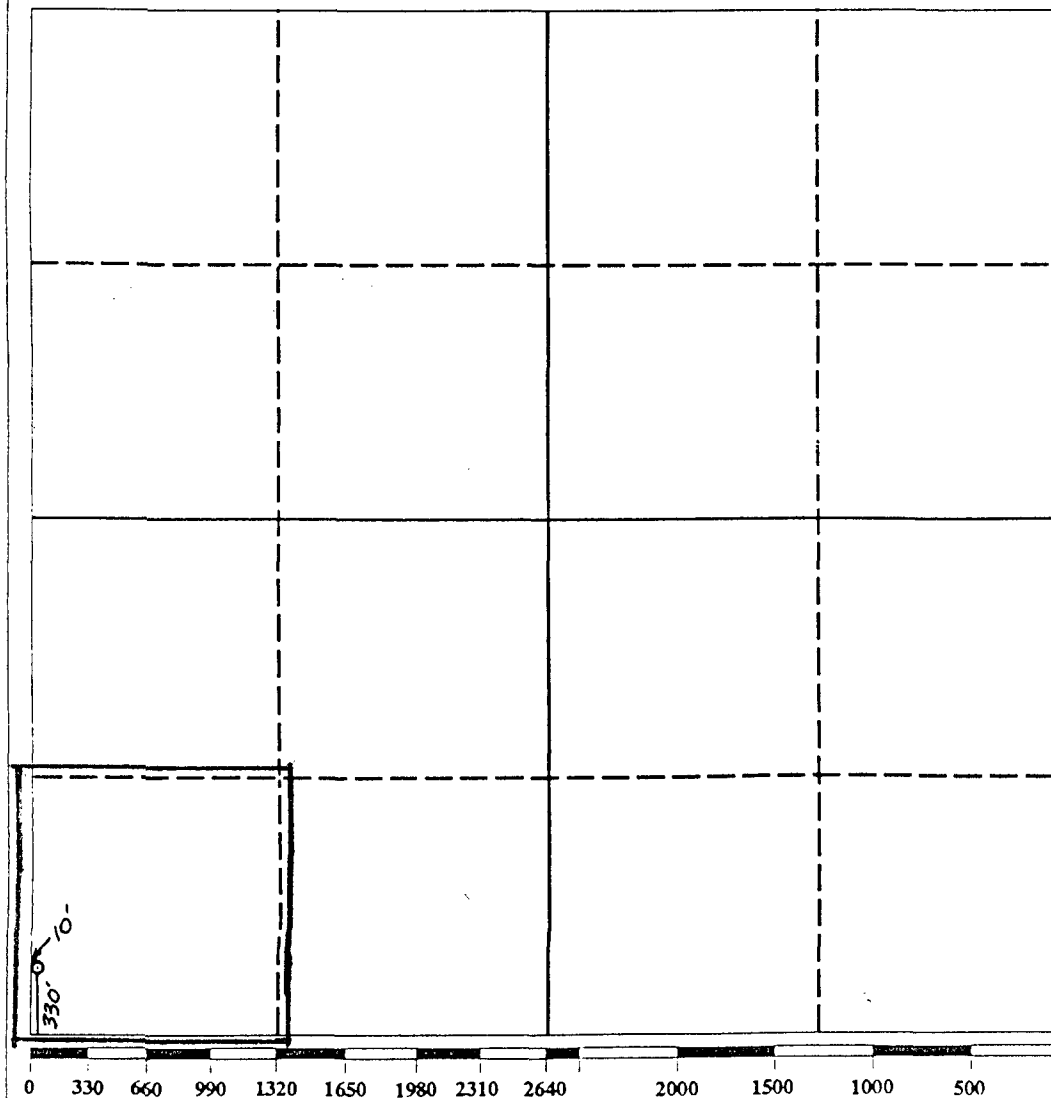
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator SDX RESOURCES, INC.		Lease DUNN B FEDERAL		Well No. 36
Unit Letter M	Section 12	Township 18 SOUTH	Range 28 EAST NMPM	County EDDY COUNTY, NM
Actual Footage Location of Well: 330 feet from the SOUTH line and 10 feet from the WEST line				
Ground level Elev. 3615.	Producing Formation Qm - Gb - SA	Pool Artesia - Qm - 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**
Date **5/3/94**

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
APRIL 25, 1994
Signature & Seal of Professional Surveyor
Reddy
Certificate No. **5412**
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
ENGINEER
NO. **5412**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

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DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

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WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☒

2. NAME OF OPERATOR

SDX Resources, Inc.

3a. Area Code & Phone No.

(505)748-9724

3. ADDRESS OF OPERATOR

P.O. Box 5061, Midland, TX. 79704

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1310' FNL. 1350' FEL, unit B, Sec. 10

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15 miles S.E. of Artesia, N.M.

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any) 1310'
(10')

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED
OR APPLIED FOR, ON THIS LEASE, FT. 919'

16. NO. OF ACRES IN LEASE

1240

19. PROPOSED DEPTH

4000'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

rot.

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3619

GR

22. APPROX. DATE WORK WILL START*

6/1/94

23. PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	J-55	8rd.	350'	350 "C"
7-7/8"	5-1/2"	14#	J-55	8rd.	4000'	350 POZ
						400 LITE

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 cement. Perforate the San Andres-Grayburg-Queen and stimulate as necessary for optimum production. Specific programs as per Onshore Oil and Gas Order #1 are outlined in the following attachments:

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Surface Use and Operating Plan

Exhibit #1 Blowout Preventer Equipment #6 Drilling Rig Layout

#2 Location and Elevation Plat

#3 Planned Access Roads

#4 One Mile Radius Map

#5 Planned Production Facilities and Access

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Chuck Moya

TITLE

Engr.

DATE

4/30/94

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

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

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P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

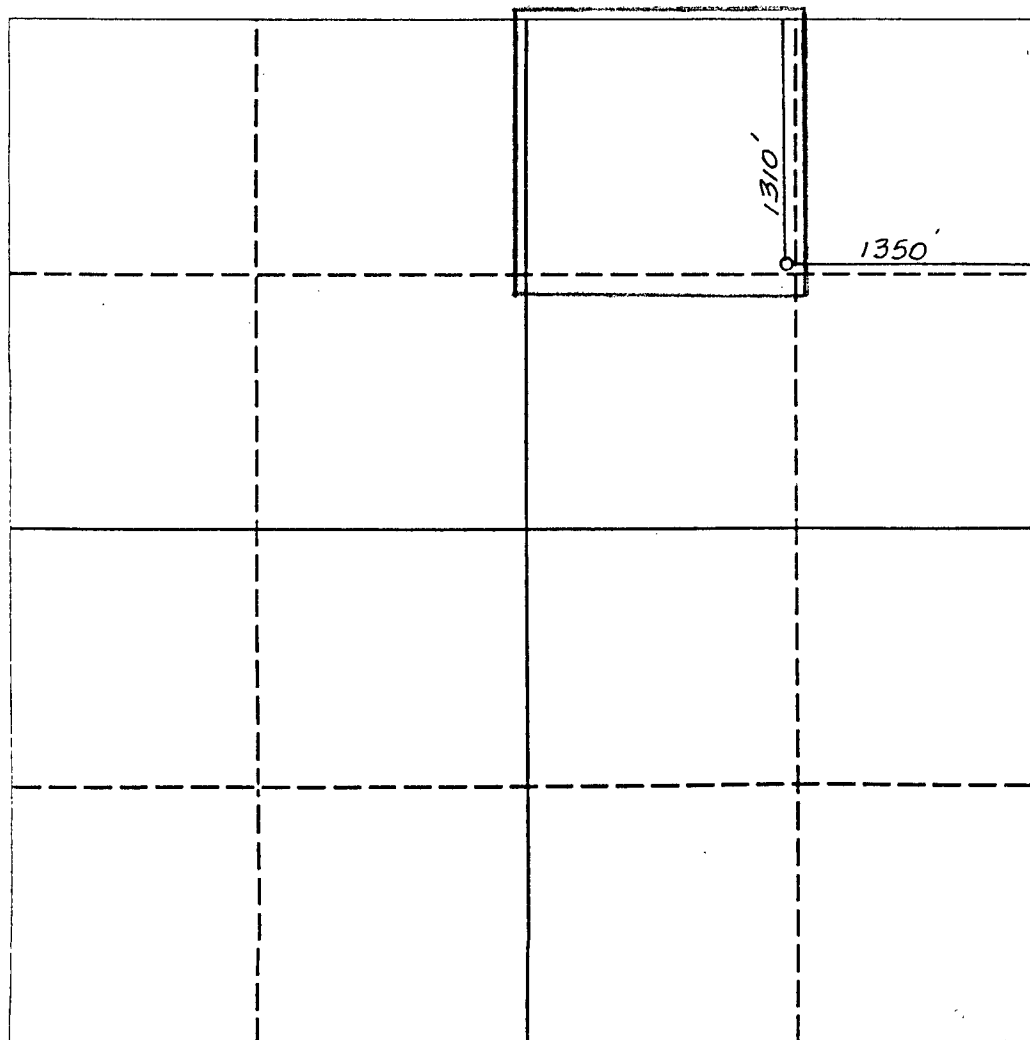
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator SDX RESOURCES, INC.			Lease DUNN B FEDERAL		Well No. 34
Unit Letter B	Section 10	Township 18 SOUTH	Range 28 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: 1310 feet from the NORTH line and 1350 feet from the EAST line					
Ground level Elev. 3619.	Producing Formation Qn - Gb - SA.		Pool Artesia - Qn - Gb - SA.	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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**
Date **5/3/94**

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 **APRIL 25, 1994**
Signature and Seal of Professional Surveyor *Eddy*
Professional Surveyor
NEW MEXICO
5412
REGISTERED PROFESSIONAL ENGINEER
NM PEPS NO. 5412

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM54184
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME N.A.
2. NAME OF OPERATOR SDX Resources, Inc.			7. UNIT AGREEMENT NAME N.A.
3. ADDRESS OF OPERATOR P.O. Box 5061, Midland, TX. 79704			8. FARM OR LEASE NAME Dunn B Fed.
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 2630' FSL, 1310' FWL, unit L, Sec. 11 At proposed prod. zone Same			9. WELL NO. 35
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 15 miles S.E. of Artesia, N.M.			10. FIELD AND POOL, OR WILDCAT Art-Qn-Gb-Sa
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)	2630' (10')	16. NO. OF ACRES IN LEASE 1240	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 11 T18S R28E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT.	919'	19. PROPOSED DEPTH 4000'	12. COUNTY OR PARISH Eddy
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3632 GR			13. STATE N.M.
22. APPROX. DATE WORK WILL START* 6/1/94			

PROPOSED CASING AND CEMENTING PROGRAM						
HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	J-55	8rd.	350'	350 "C"
7-7/8"	5-1/2"	14#	J-55	8rd.	4000'	350 POZ
						400 LITE

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 cement. Perforate the San Andres-Grayburg-Queen and stimulate as necessary for optimum production. Specific programs as per Onshore Oil and Gas Order #1 are outlined in the following attachments:

Drilling Program:

Surface Use and Operating Plan

- Exhibit #1 Blowout Preventer Equipment
- #2 Location and Elevation Plat
- #3 Planned Access Roads
- #4 One Mile Radius Map
- #5 Planned Production Facilities and Access
- #6 Drilling Rig Layout

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Chuck Morgan TITLE Engr. DATE 4/30/94
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY: _____

*See Instructions On Reverse Side

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

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

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

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

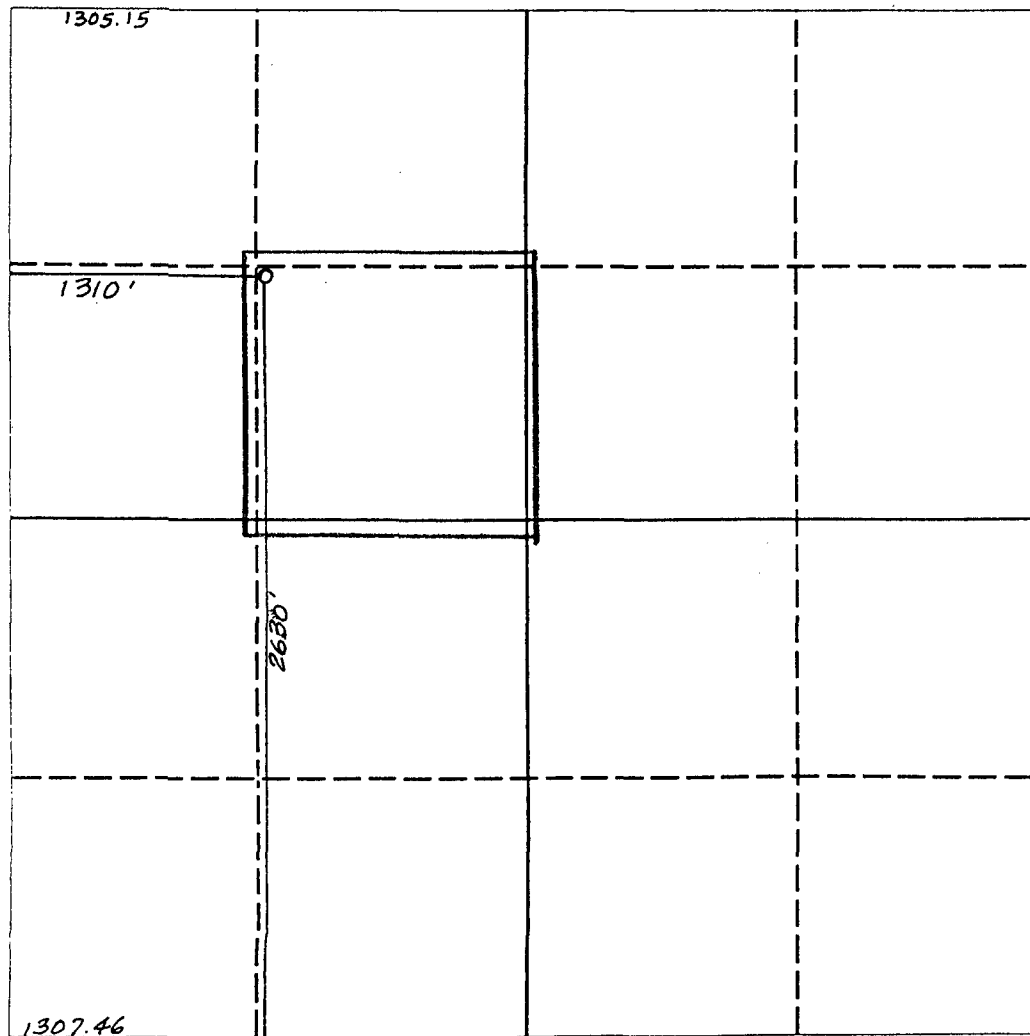
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator SDX RESOURCES, INC.			Lease DUNN B FEDERAL		Well No. 35
Unit Letter F	Section 11	Township 18 SOUTH	Range 28 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: 2630 feet from the SOUTH line and 1310 feet from the WEST line					
Ground level Elev. 3632.	Producing Formation Qn - Gb - SA		Pool Artesia - Qn - Gb - SA.	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 in true and complete to the best of my knowledge and belief.

Signature
Chuck Morgan
Printed Name
Chuck Morgan
Position
Engr.
Company
SDX Resources
Date
5/3/94

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
APRIL 25, 1994

Signature & Seal of
Professional Surveyor
[Signature]
Certificate No.
5412
NEW MEXICO
PROFESSIONAL SURVEYOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONTACT RECEIVING
OFFICE FOR NUMBER
OF COPIES REQUIRED
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BLM Roswell District
Modified Form No.
NMD60-3160-2

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1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☒

2. NAME OF OPERATOR

SDX Resources, Inc.

3a. Area Code & Phone No.

(505)748-9724

3. ADDRESS OF OPERATOR

P.O. Box 5061, Midland, TX. 79704

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

330' FSL, 10' FWL, unit M, Sec. 12

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15 miles S.E. of Artesia, N.M.

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any) 330' (10')

16. NO. OF ACRES IN LEASE

1240

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

460'

19. PROPOSED DEPTH

4000'

20. ROTARY OR CABLE TOOLS

rot.

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3615 GR

22. APPROX. DATE WORK WILL START*

6/1/84

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#4 One Mile Radius Map

#5 Planned Production Facilities and Access

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24.

SIGNED

Chuck Morgan

TITLE

Engr.

DATE

4/30/94

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

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Office
Lease - 4 copies
Lease - 3 copies

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Energy, Minerals and Natural Resources Department

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Revised 1-1-89

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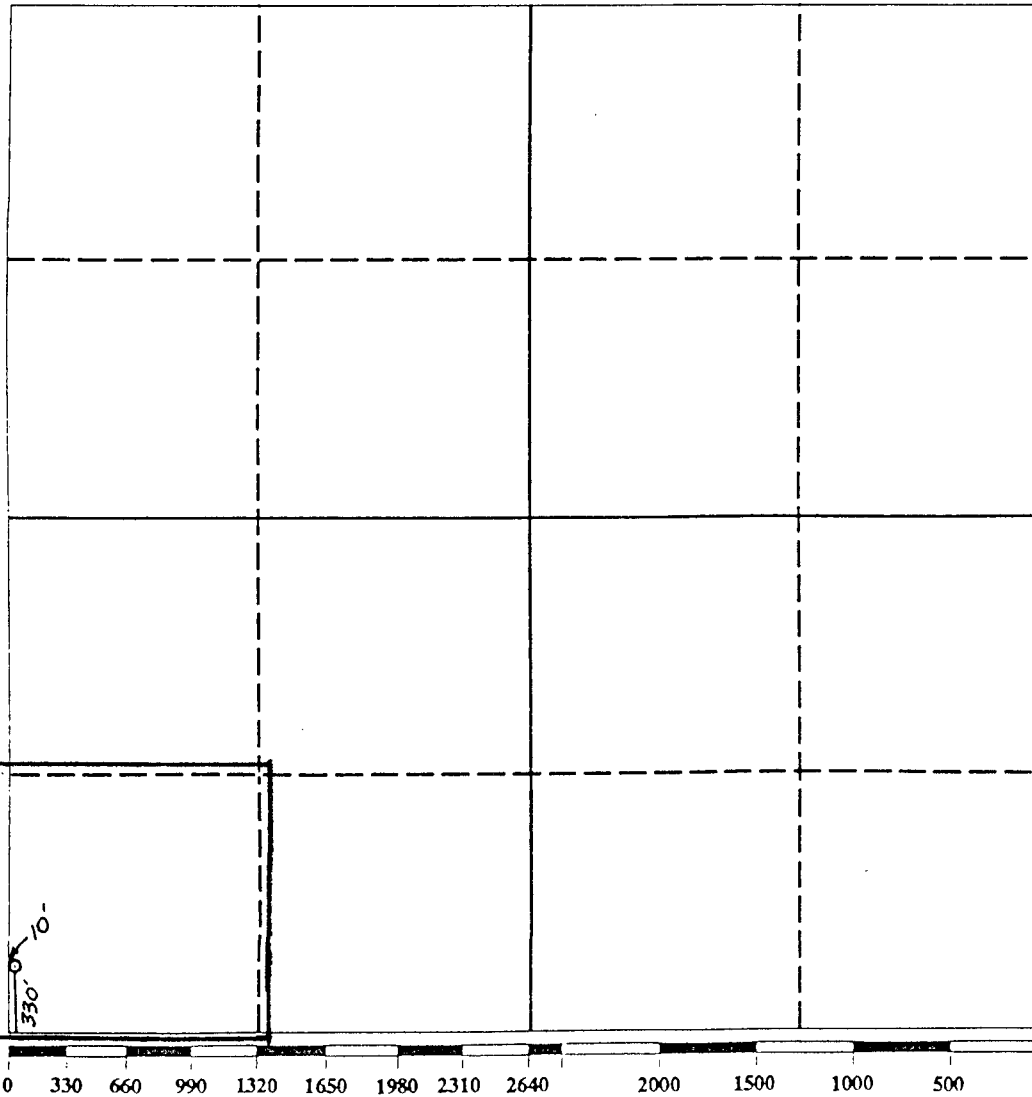
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All Distances must be from the outer boundaries of the section

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Unit Letter M	Section 12	Township 18 SOUTH	Range 28 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: 330 feet from the SOUTH line and 10 feet from the WEST line					
Ground level Elev. 3615.	Producing Formation Qm - 6b - 5A		Pool Artesia - Qm - 6b - 5A.	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
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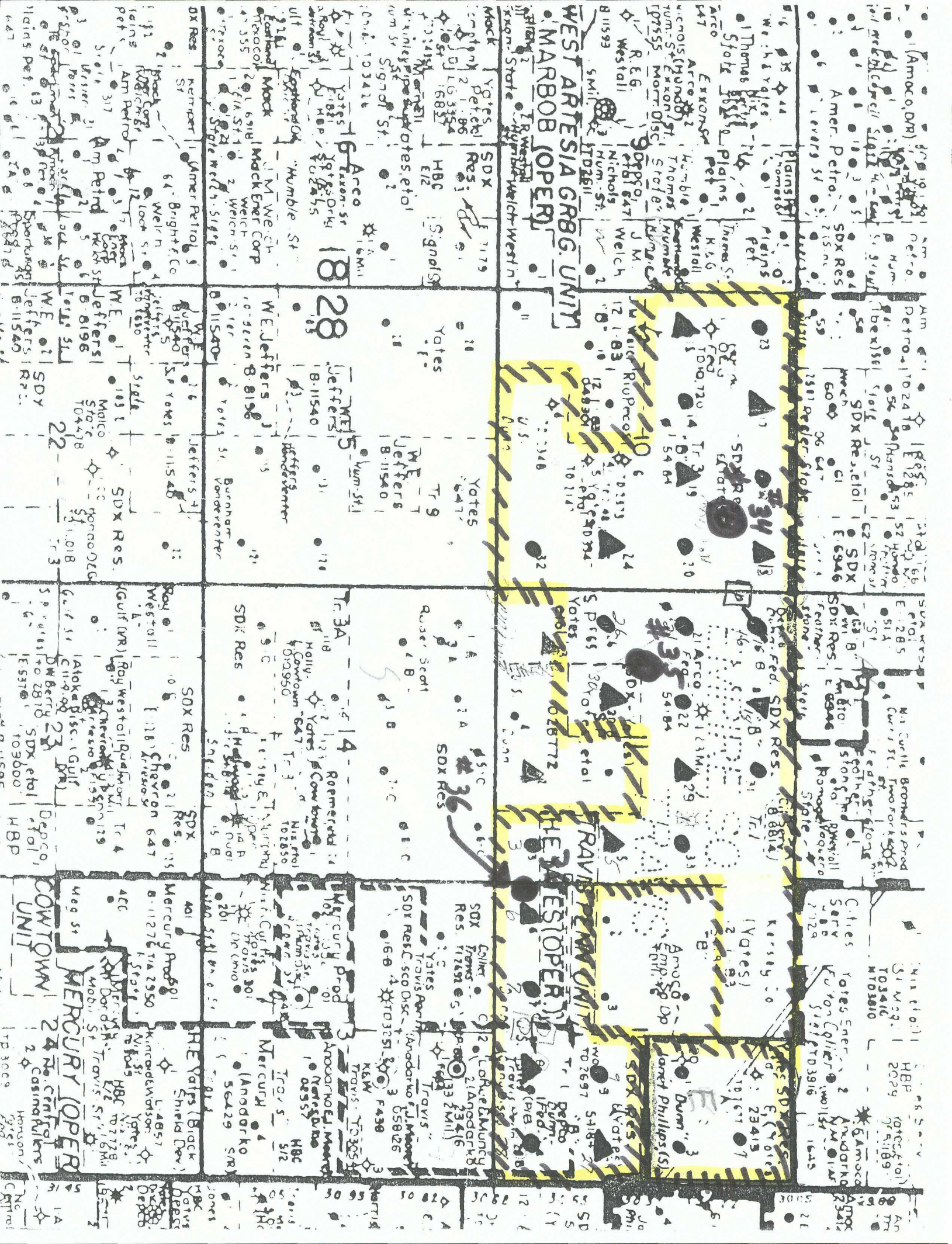
Signature *Chuck Morgan*
Printed Name **Chuck Morgan**
Position **Engr.**
Company **SDX Resources**
Date **5/3/94**

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Date Surveyed
APRIL 25, 1994

Signature & Seal of Professional Surveyor
[Signature]
Certificate No. **5412**
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
NM PREPS NO. **5412**



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3202
Order No. R-2869

APPLICATION OF INTERNATIONAL OIL & GAS
CORPORATION FOR A WATERFLOOD PROJECT,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 27, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 11th day of February, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, International Oil & Gas Corporation, seeks permission to institute a waterflood project in the Artesia Pool by the injection of water into the Queen, Grayburg, and San Andres formations through nine injection wells in Sections 10 and 11, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, International Oil & Gas Corporation, is hereby authorized to institute a waterflood project in the Artesia Pool by the injection of water into the Queen, Grayburg, and San Andres formations through nine wells at the following-described locations in Eddy County, New Mexico:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

WELLS	LOCATION	SECTION
International-Yates-Dunn "B" Federal		
Well No. 13	NE/4 NE/4	10
Well No. 17	NE/4 NW/4	10
Well No. 15	SW/4 NW/4	10
Well No. 19	SW/4 NE/4	10
Well No. 24	NE/4 SE/4	10
Well No. 18	NE/4 NW/4	11
Well No. 21	SW/4 NW/4	11
Well No. 29	SW/4 NE/4	11
Well No. 30 (undrilled)	NE/4 SW/4	11

(2) That the subject waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

S E A L

esr/

A. L. PORTER, Jr., Member & Secretary

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3747
Order No. R-2869-A

APPLICATION OF DEPCO, INC., FOR AN
AMENDMENT TO ORDER NO. R-2869, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 17, 1968, at Hobbs, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 29th day of April, 1968, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-2869, International Oil & Gas Corporation was authorized to institute a waterflood project in the Artesia Pool by the injection of water into the Queen, Grayburg, and San Andres formations through nine wells in Sections 10 and 11, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(3) That the applicant, Depco, Inc., as successor to International Oil & Gas Corporation, seeks the amendment of said Order No. R-2869 to substitute the following-described water injection wells:

CASE No. 3747

Order No. R-2869-A

EDDY COUNTY, NEW MEXICO
TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

<u>WELL</u>	<u>LOCATION</u>	<u>SECTION</u>
Dunn "B" No. 5	NE/4 SE/4	11
Dunn "A" No. 1	SW/4 NE/4	12
Dunn "B" No. 6	SW/4 SW/4	12

in lieu of the following-described wells which were included in the originally-authorized water injection wells:

EDDY COUNTY, NEW MEXICO
TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

<u>WELL</u>	<u>LOCATION</u>	<u>SECTION</u>
Dunn "B" No. 15	SW/4 NW/4	10
Dunn "B" No. 19	SW/4 NE/4	10
Dunn "B" No. 21	SW/4 NW/4	11

(4) That approval of the subject application will not violate correlative rights and should increase the efficiency of the waterflood project and result in greater ultimate recovery of oil, thereby preventing waste.

IT IS THEREFORE ORDERED:

(1) That Order No. R-2869 is hereby amended by deleting from the water injection wells authorized therein the following-described wells:

EDDY COUNTY, NEW MEXICO
TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

<u>WELL</u>	<u>LOCATION</u>	<u>SECTION</u>
Dunn "B" No. 15	SW/4 NW/4	10
Dunn "B" No. 19	SW/4 NE/4	10
Dunn "B" No. 21	SW/4 NW/4	11

and substituting in lieu thereof as water injection wells the following-described wells:

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CASE No. 3747

Order No. R-2869-A

EDDY COUNTY, NEW MEXICO
TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

<u>WELL</u>	<u>LOCATION</u>	<u>SECTION</u>
Dunn "B" No. 5	NE/4 SE/4	11
Dunn "A" No. 1	SW/4 NE/4	12
Dunn "B" No. 6	SW/4 SW/4	12

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3887
Order No. R-3546

APPLICATION OF KERSEY & COMPANY
FOR A WATERFLOOD PROJECT, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 23, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 31st day of October, 1968, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Kersey & Company, seeks authority to institute a waterflood project in the Artesia Pool by the injection of water into the Premier Sand of the Grayburg formation through two injection wells to be drilled in the centers of Units E and K of Section 12, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(3) That the applicant proposes to dually complete said wells in such a manner as to permit the production of oil from the Metex and Loco Hills zones of the Grayburg formation, if said zones prove productive, from perforations above a packer separating said zones from the Premier zone, through 2 3/8-inch tubing, and to permit the injection of water for secondary

recovery purposes into the Premier zone in the perforated interval below said packer through a parallel string of 2 3/8-inch tubing.

(4) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(5) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(7) That approval of the proposed dual completion will prevent the drilling of unnecessary wells, and will otherwise prevent waste and protect correlative rights.

(8) That the subject application should be approved and the waterflood project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Kersey & Company, is hereby authorized to institute a waterflood project in the Artesia Pool by the injection of water into the Premier Sand of the Grayburg formation in its Dunn "B" Well No. 3 to be drilled in the center of Unit K and its Dunn "B" Well No. 4 to be drilled in the center of Unit E, both in Section 12, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(2) That the applicant is further authorized to dually complete said wells in such a manner as to permit the production of oil from the Metex and Loco Hills zones of the Grayburg formation from perforations above a packer separating said zones from the Premier zone through 2 3/8-inch tubing, and to permit the injection of water for secondary recovery purposes into the Premier zone in the perforated interval below said packer through a parallel string of 2 3/8-inch tubing.

(3) That the subject waterflood project is hereby designated the Kersey Artesia Dunn Waterflood Project and shall be governed

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CASE No. 3887

Order No. R-3546

by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(4) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

A. L. PORTER, Jr., Member & Secretary

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