OIL CONSERVE ON DIVISION SDX RESOURCES, INC.

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 other wise 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.

Form 3160-3 (July 1989) (formerly 9-331C)

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

BLM Roswell District

DEPARTMENT OF THE INTERIOR

Modified Form No. NM060-3160-2 5. LEASE DESIGNATION AND SERIAL NO.

	R	UREAU OF LAND	J MANA(JEMENI			<u>NM54184</u>		
APPLICA:	TION FOR	PERMIT TO D	DRILL, I	DEEPEN, C	OR PLUG B	ACK	G. IF INDIAN, AL	LOTTE	OR TRIBE NAME
1a. TYPE OF WORK							N.A.		
b. TYPE OF WELL	DRILL 🛭	D	EEPEN (PLUG BAC	CK 📋	i	LENT N	AME
OIL X	GAS			SINGLE	MULTIP	LE X	N . A .	SE NAM	d E
2. NAME OF OPERAT	WELL L	OTHER		ZONE	Area Code &		_		
SDY Reso	ources Ti	n.c.		1-	505)748-		9. WELL NO.	100	•
SDX Resc	RATOR	<u> </u>			0007110	<u> </u>	36		
P.O. Box	; 5061. M	idland, TX.	7970	4			10. FIELD AND I	'00L, 0	R WILDCAT
4. LOCATION OF WE	LL (Report location	on clearly and in acco	ordance wit	th any State req	ulrements.*)		Art-Qn-	Gb-	Sa
330' FSI	., 10' FW1	L,unit M,Se	ec. 12				11. SEC., T., R.,	OR AR	BLK.
At proposed pro	d. zone						Sec. 12	T18	S
Same 14 warner 19 M	TI TO AND DIRECTO	ON FROM NEAREST TO	Mr. on bon	o orrions			R28E		
				1 OFFICE				PARISH	N.M.
15 miles S.E. of Artesia, N.M. 15. DISTANCE FROM PROPOSED* 330 16. NO. OF ACRES IN LEASE 17. NO.							Eddy F ACRES ASSIGNED		IN . PI .
LOCATION TO NI	EAREST EASE LINE, FT.	(101)			40		HIS WELL	4 Õ	
	st drlg. unit line.	n any i		19. PROPOSED		20 ROTA	RY OR CABLE TOOL		
TO NEAREST WI	PROPOSED LOCAT ELL, DRILLING, COM ON THIS LEASE, FT.	460			00;	20. 1017		rot	•
21. ELEVATIONS (Show whether DF, RT, GR, etc.)				<u> </u>	· · · · · · · · · · · · · · · · · · ·	<u> </u>	22. APPROX. DA	TE WO	BE WILL START
36/5 GR						6/1	/94		
23.	-	PROPC	SED CASI	NG AND CEMEN	TING PROGRAM	1			
HOLE SIZE	CASING SIZE	WE IGHT/FOOT	1	GRADE	THREAD	TYPE	BETTING DEPTIL	QUA	NTITY OF CEMENT
12-1/4"	8-5/8"	24#		J-55	8rd.	···	350'	35	0 "C"
7-7/8"	5-1/2:"	14#		J-55	8rd.		4000'		O POZ
		•						40	O LITE
Circulate CNL-GR & Andres-Gr Specific	e "C" cemo DLL). Rui rayburg-Qi	2-1/4" hole ent. Drill n 5-1/2" ca ueen and st as per Ons	7-7/8 sing timula	" hole t and circ te as ne	o TD. Ru ulate ce cessary	n ope ment. for o	n hole lo Perforat ptimum pr	gs e t odu	(LDT- he San ction.
Dril Suri	lling Prograce Use a lbit #1 B #2 L #3 P #4 O		venter I Elev ess Ro Iius M	Equipme ation Pl ads ap	at			La	yout
	is to drill or deer	PROGRAM: If proposal pen directionally, give							
SIGNED	huck !	noga	<u> </u>	LE Engl			DATE	1/3	0/94
(This space for	Federal or State	office use)							
PERMIT NO.				APPROVA	L DATE				
APPROVED BY	PPROVAL, IF ANY:		TITE	I.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

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

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

OIL CONSERVATION DIVISION

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

Operator				Lease				Well No.
•	ESOURCES	, INC.		DUNN	B FEDERAL			36
Unit Letter	Section	Township		Range			County	
M			SOUTH	28 E	AST	NMPM	EDDY	COUNTY, NM
Actual Footage L	ocation of Wel	1:						
330 Ground level Elev	feet from	the SOUTH Producing Formation	line and	Pool		feet from		line Dedicated Acreage:
	.v.	Producing Formation	1			- (1	- (1	40
3615.	line the acrease	e dedicated to the subject v	ell by colored p	Arte	Sia - QN	6 <i>b</i>	$ \mathcal{A}_{\prime}$	/ / Acres
1. Out	inc nic acreage	e dedicated to the subject of	ven by contrar p	then or madiate in	arks on the plat be	iow.		
2. If m	ore than one le	ease is dedicated to the we	l, outline each ar	id identify the ow	nership thereof (bot	h as to work	ing interest and ro	yalty).
3. If m	ore than one le	sase of different ownership	is dedicated to the	ie well, have the	interest of all owner	s been conse	didated by commu	initization,
uniti	ization, force-p							
If any	Yes	No If the owners and tract descr		ype of consolidati		everse side o	r	
this for	rm if neccessar	у.						
		assigned to the well until				on, unitizatio	n, forced-pooling,	or otherwise)
or until	l a non-standar	d unit, eliminating such in	erest, has been a	pproved by the D	IVISIOD.			
	i						OPERATO	R CERTIFICATION
	1 				<u> </u>			certify that the information
	i					1 1	contained herein best of my knowle	in true and complete to the dge and belief.
			İ				, . , , , .	,
	i						Signature	0 10
	i						Chi	ch Moyo
	i						Printed Name	1 10
			+				Chu	ck Morgan
	i				1		Position	
1	i				İ		Company .	gri
	i						Sn	Y Resources
ļ	j		j				Date	/_ /
	1	,						<u> </u>
	Ţ						SURVEY	OR CERTIFICATION
1	!				<u> </u>			that the well location shows s plotted from field notes t
	j							s plotted from field notes to made by me or under m
	ļ		ł				supervison, and	that the same is true an
	1				<u> </u>			best of my knowledge an
]				[1		belief.	
-		·	1		 -		Date Surveyed	
			+		 		APRIL 25	1994
	1		1				Signature & Spal Professional Sur	R E D
					l !		10/W	MEXICO
	ļļ	`			! !			(6)
10	1				i J		1201 65	412/1/2
þ					! 		WELL	Kod HAIZ
30,) · (NM PRAPS	CHRYENO
""	1403	AP 1 2 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4)		NM PECES	NO: 5412
0 330 660	000 133	1650 1980 2310	2640 3	000 1500	1000 500		TRO.	ESSION

Form 3160-3 (July 1989) (formerly 9-331C) CONTACT RECEIVING OFFICE FOR MIMBER OF COPIES REQUIRED

(Other instructions on reverse side)

BLM Roswell District Modified Form No. NM060-3160-2

G. IF INDIAN, ALLOTTER OR TRIBE NAME

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.

NM54184

APPLICA	ATION FOR	PERMIT TO DRI	LL, DEEPEN, C	OR PLUG BA	ACK	G. IF INDIAN, AL	LOTTER O	R TRIBE NAME		
In. TYPE OF WORK		DEE	סרגו ר	DI LIC DACI	, (N.A. 7. UNIT AGREEM	ENT NAM	(n		
b. Type of well	DRILL 🖾	DEE	PEN 🗌	PLUG BACK		N.A.	WOI NAM			
OIL X	GAS WELL	OTHER	SINGLE ZONE	MULTIPLE ZONE		8. FARM OR LEA	SE NAME			
2. NAME OF OPER				a. Area Code & Pi	none No.	Dunn B Fed.				
_SDX Res	ources. In	nc.	(505)748-9	724	9. WELL NO.				
3. ADDRESS OF OP						34				
P.O. Bo	x 5061. Mi	idland. TX. 7	9704	ulromanta *)		10. FIELD AND P	•			
P. O. Box 5061. Midland. TX. 79704 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) At surface 13.0' FRI unit B Sec. 10 11. SEC., T., B., M., OR BLK.										
1310' FNL. 1350' FEL, unit B, Sec. 10 11. SEC., T., B., M., OR BUK. AND SUBYEY OR AREA At proposed prod. zone Sec. 10 T18S										
Same	rod. zone					R28E	13.00			
	MILES AND DIRECTI	ON FROM NEAREST TOWN	OR POST OFFICE			12. COUNTY OR F	ARISH	13. STATE		
15 mile	s S.E. of	Artesia, N.M	1.		-	Eddy		N.M.		
15. DISTANCE FRO	M PROPUSED*	1310'	16. NO. OF AC	RES IN LEASE		F ACRES ASSIGNED	· '			
PROPERTY OR (Also to Dear	LEASE LINE, FT. rest drig, unit line,	if any) (10')	1 2	240	10 11	113 11 400	40			
	M PROPOSED LOCATI WELL, DRILLING, COM, ON THIS LEASE, FT.		19. РКОРОЅКО		20. ROTAL	Y OR CABLE TOOL				
			40	000;			rot.			
	how whether DF, RI					22. APPROX. DA		WILL START		
<u></u>	6/9 (i)	I.				1 071	7 3/4			
2.7.		PROPOSE	D CASING AND CEME	NTING PROGRAM						
HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TY	PE	BETTING DEPTH		ITT OF CEMENT		
12-1/4"	8-5/8"	24#	J-55	8rd.		350'	350			
7-7/8"	5-1/2:"	14#	J - 55	8rd.		4000'		POZ.		
		·	•				400	LITE		
Circulat CNL-GR & Andres-G Specific	e "C" ceme DLL). Rug Frayburg-Qu	2-1/4" hole tent. Drill 7- n 5-1/2" casingen and stimes as per Onshopents:	-7/8" hole tang and circ nulate as ne	to TD. Run culate cem- ecessary f	oper ent. or op	n hole lo Perforat otimum pr	gs (e th oduc	LDT- e San tion.		
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										
	is to drill or deer	PROGRAM: If proposal is nen directionally, give pe								
SIGNED	hack so	roga	TITLE EN	g r.		DATE	/30	94		
(This space fo	(This space for Federal or State office use)									
PERMIT NO.			APPROVA	L DATE	~~~					
APPROVED BY	APPROVAL, IF ANY:		TITLE			DATE				

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

State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

Form C-102 Revised 1-1-89

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

Operator								Lease	;						Well No.	
SDX RES	SOUR	CES,	INC.						DUM	IN B	FEDE	RAL			34	
Unit Letter	Section		-	Towns	hip			Rang						County	.1	
В		10		:	18	SOUT	E		28	EAST	ľ		NMP	M EDD	Y COUNTY,	NM
Actual Footage Loca	ation of	Well:														
1310	feet fr	om the		RTH	· · · · · · · · · · · · · · · · · · ·	1	ine and		1350			fe	eet fro	m the EAS		
Ground level Elev.		P	roducing	, Format	ion	^		Pool)				<i>_</i> -	, ,,	Dedicated Ac	reage:
3619.		Qn,		5 <i>b</i> -	5/	7	1		rto	514	- 4	<u>- بد</u>	6	6 - SA,	40	Acres
1. Outline																
2. If mon	e than o	ne leas	e is dedi	cated to	the well,	, outline	each an	d identi	ly the ow	nership	thereof	(both as	to wor	king interest and	royalty).	
					nership i	is dedica	ted to th	e well,	have the	interest	of all c	wners bee	n con	solidated by com	munitization,	
	Yes	ce-poo	oling, etc.	. 1 No	If a	nswer is	"yes" ty	pe of c	onsolidati	ion						
If answer											ated. (l	Jse revers	e side	of		
this form	if necc	essary.	oioned to	· +b	11:1 01	1 :	a have l		-colidata	i (h) (oc		tization u	nitianti	on, forced-pooli	ng or othorwise	
or until a			_									1122 ti O 11, ti	шиаи	ion, ioreat-poori	ing, or outerwise	,
		1				fi	parenta minatro	Sint Braziles	**************************************	3				OPERA'	TOR CERTII	FICATION
		ļ								!						the information
		ļ				H				!!						complete to the
		ł				il .				!}				best of my know	vledge and belie	<i>y</i> .
		1							9	!]				Signature	<i>C</i> 2	
		1				ll .			W	!!				CA	wek !	norge
		1				Ħ				!	1350	, ′		Printed Name		
		¦				₩			¢	#=			=	<u> </u>	huck.	Morgan
		- []	,						······································	₽.5 				Position	_	
		1								l I					ngs!	
		 								! !				Company	20	
		-								! !				Date	1 Mes	ources
		-				•				1				Date 5	3/91	4
		i								i			-	av Dv m		
		- -				-				-			_	SURVE	YOR CERŤI	FICATION
		1				1				1						ll location shown
																om field notes of
		1														ne or under my ame is true and
		1								1						knowledge and
		1								1				belief.		
		1												Date Surveye	i	
		-!				+-				↓ –			}	APRIL 2	1994	}
		-											}	Signature &	MEXICO	
		1						•		1			l	Professional	N MEX	
										1				/ / ~	(6)	, \
										1				1201	75412:) <u>~</u>]
		1				ĺ				!				WEL X	D day	GINEER
		1								!		٠.		- Certificala No	S OUDLEY W	\$ / -
						<u> </u>				<u> </u>				NM PEAP	W SAN	2/
	1			7				1				I	\neg	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	OFESSIONE	
0 330 660	990	1320	1650	1980	2310 2	2640	2	000	1500	10	00	500	0			

Form 3160-3 (July 1989) (formerly 9-331C)

UNITED STATES DEPARTMENT OF THE INTERIOR

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

BIM Roswell District Modified Form No. NM060-3160-2

5. LEASE DESIGNATION AND BERIAL NO

BUREAU OF LAND MAN	JACEMENT			
BOILEAU OF EARLS MAI	1XOCMEN 1			<u>NM54184</u>
APPLICATION FOR PERMIT TO DRILL	, DEEPEN,	OR PLUG BA	ACK	G. IF INDIAN, ALLOTTER OR TRIBE NAME
1a. TYPE OF WORK	· · · · · · · · · · · · · · · · · · ·	······································		_ N . A .
DRILL 🛛 DEEPEN	4 🗆	PLUG BACK		7. UNIT AGREEMENT NAME
b. TYPE OF WELL				N.A.
OIL GAS WELL OTHER	SINGLE Zone	MULTIPLE	\square	S. FARM OR LEASE NAME
2. NAME OF OPERATOR		3n. Area Code & Pi	none No.	Dunn B Fed.
SDX Resources, Inc.		(505)748-9	724	9. WELL NO.
3. ADDRESS OF OPERATOR				35
P.O. Box 5061, Midland. TX. 79'	704			10. FIELD AND POOL, OR WILDCAT
4. LOCATION OF WELL (Report location clearly and in accordance At surface	Art-Qn-Gb-Sa			
2630' FSL, 1310' FWL, unit L, Sec	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA			
At proposed prod. zone			{	Sec.11 T18S
Same				R28E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE. 12. COUNTY OR PARISH 13. STATE 15 miles S.E. of Artesia, N.M. Eddy 13. DISTANCE FEOM PROPOSED* 2630' LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to pearest drig. unit line, if any) 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED TO THIS WELL 1240 40 18. DISTANCE FROM PROPOSED LOCATION® 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS TO NEAREST WELL, DRILLING, COMPLETED 19, OR APPLIED FOR, ON THIS LEASE, FT. 4000 rat.

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

22. APPROX. DATE WORK WILL START* 6/1/94

23.

PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	BETTING 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
1	i	•	•	1		

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

Inches to Broke and at 11113.		
SIGNED Church Maga	TITLE ENGR.	DATE 4/30/94
(This space for Federal or State office use)		
PERMIT NO.	APPROVAL DATE	
APPROVED BY CONDITIONS OF APPROVAL, IF ANY;	TITLE	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

<u>DISTRICT II</u> P.O. Drawer DD, Artesia, NM 88210

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

Operator		,,,,		Lease				Well No.
'	SOURCES, I	NC.		1	B FEDE	RAL		35
Unit Letter F	Section 11	Township 18	SOUTH	Range 28 E	AST	NM	County EDDY	COUNTY, NM
Actual Footage Loca	tion of Well:			<u> </u>		1 11/1		
2630	feet from the	SOUTH	line and	1310		feet fr	om the WEST	
Ground level Elev.		ucing Formation	0	Pool	, ,		/	Dedicated Acreage:
3632.	the acreage dedi	- 6h - 5f	vell by colored per	ocil or bachum m	ia - C	alat below	5 - 5/4	90 Acres
		dedicated to the wel					orking interest and i	oyalty).
3. If more		f different ownership		-			-	
	Yes	No If	answer is "yes" ty					
		vners and tract descri	ptions which have	actually been co	nsolidated.	(Use reverse side	e of	
	if neccessary ible will be assigi	ned to the well until a	Il interests have b	een consolidated	(by commun	itization, unitiza	tion, forced-pooling	g, or otherwise)
		, eliminating such int				•	•	
1305.15	i						OPERAT	OR CERTIFICATION
	1		ļ					certify that the information
	1 			1			best of my know	n in true and complete to the ledge and belief.
	İ			1				
	i			i			Signature	1 100
	j			į			h	uck Morgan
	,			i			Printed Name	1 Minus
1310'	- 	· — — — — —	1	T			Position	CK 1110rgan
	Щ						F	rar,
							Company	7,
							501	Hesources
	III .			1			Date 5	3/94
							GI PD I F	OD GEDTERAL TION
							SURVEY	OR CERTIFICATION
	I		7	į			I hereby certify	y that the well location shown
			ŀ				1 .	as plotted from field notes of
	109		İ	I				made by me or under my d that the same is true and
	102						correct to the	best of my knowledge and
							belief.	
	ll l						Date Surveyed	
			+	 			APRIL 25	1994
							Signature & Se Profession & St	TVEYOID D
	{ {			, 			N3 CM	MEXICO
				i İ			1/1/2/	0/1
	il			İ			1/2/ /2	412 XX 55
	il			j				Ked SE
1307.46							NM PECPS	SUND 5492
0 370 ((0	000 1220 5	50 1000 0010	2640	00 1500	1000	500	PROI	ESSIONAL
0 330 660	990 1320 16	550 1980 2310	2640 20	00 1500	1000	500 0		

Form 3160-3 (July 1989) (lomerly 9-331C)

CONTACT RECEIVING OFFICE FOR MIMBER OF COPIES REQUIRED (Other instructions on

reverse side)

BLM Roswell District Modified Form No. NM060-3160-2

UNITE	:03	STATE	-5	
DEPARTMENT	OF	THE	INTERIOR	

DEPARTMENT OF THE BUREAU OF LAND MANA	5. LEASE DESIGNATION AND SERIAL NO.				
APPLICATION FOR PERMIT TO DRILL,		BACK		OTTER OR TRIBE NAME	
DRILL \(\overline{\text{DEEPEN}}	☐ PLUG B	ACK []	7. UNIT AGREEMENT NAME		
D. TYPE OF WELL OIL WELL OTHER OTHER	SINGLE MUL	TIPLE X	6. FARM OR LEASE	NAME	
SDX Resources. Inc.	3n. Area Code (505)748		Dunn B F	ed.	
3. Address of Operator P.O. Box 5061. Midland. TX. 7970		36 10. FIELD AND POOL, OR WILDCAT			
4. LOCATION OF WELL (Report location clearly and in accordance we At surface 330 'FSL, 10' FWL, unit M, Sec. 12 At proposed prod. zone	Art-Qn-Gb-Sa 11. sec. T., B., M., OR BLK. AND BURVEY OR ABEA Sec. 12 T18S				
Same 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR PO	ST OFFICE		R28E		
15 miles S.E. of Artesia, N.M. 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any) (10')	16. NO. OF ACRES IN LEASE 1.240		Eddy OF ACRES ASSIGNED HIS WELL	0 N.M.	
18. DISTANCE PROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, 460 OR APPLIED FOR, ON THIS LEASE, FT. 460	20. ROTA	RY OR CABLE TOOLS			
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 36/5 GR	22. APPROX. DATE WOBE WILL START*				
23. PROPOSED CAS	SING AND CEMENTING PROGR	AM			

(2 1/4" 9 5/9" 24# I-55	
12-1/4" 8-5/8" 24# J-55 8r	d. 350' 350 °C"
7-7/8" 5-1/2" 14# J-55 8r	d. 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 Orling Hig 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, it any.		
SIGNED Chuik Morga	TITLE ENGY.	DATE 4/30/94
(This space for Federal or State office use)		
PERMIT NO.	APPROVAL DATE	
CONDITIONS OF APPROVAL, IF ANY:	TITLE_	DATE

Appropriate
Office
Lease - 4 copies
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

<u>DISTRICT II</u> P.O. Drawer DD, Artesia, NM 88210

/STRICT I /.O. Box 1980, Hobbs, NM 88240

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

Operator			Lease			Well No.	
SDX RESOURCES, INC.			DUNN B FED	ERAL		36	
Unit Letter	Section	Township	Range		County		
M	12	18 SOUTH	28 EAST	NMPM	EDD	Y COUNTY,	NM
Actual Footage Loca			10			·	
Ground level Elev.	feet from the	SOUTH line and g Formation	10 Pool	feet from t	he WES	I line Dedicated Acrea	Ige:
3615.	_	5h - 5A	Artesia -	1. ~ (6	- 5A,	40	_
		d to the subject well by colored per		plat below.	$\mathcal{I}_{\mathcal{I}_{i}}$	70	Acres
	·	licated to the well, outline each and		•	g interest and r	oyalty).	
3. If more	e than one lease of dif	ferent ownership is dedicated to the	e well, have the interest of a	ill owners been consoli	dated by comm	nunitization,	
unitizat	tion, force-pooling, et		of co-colidation				
If answer	Yes is "no" list the owner	No If answer is "yes" types and tract descriptions which have		(Use reverse side of			
this form	if neccessary.						
		to the well until all interests have be minating such interest, has been app		unitization, unitization,	, forced-pooling	g, or otherwise)	
	i				OPERAT	OR CERTIFIC	CATION
	i		1			certify that th	
			j	1 1		n in true and c ledge and belief.	ompiele lo the
				Si	gnature	, ,	
			i	l D	inted Name	uch Mi	ojo
					Chu	ck Mi	organ
				Po	osition		
	İ				ompany	<i>y y y</i>	
				D	SD	X Reso	2027
	į				5/,	3/94	
					SURVEY	OR CERTIFI	CATION
	į					that the well is	
	!		i			made by me	
	!		!	57	upervison, and	d that the sam	e is true and
	l I		 		orrect to the elief.	best of my k	nowledge and
 			į		Date Surveyed		
Y	===:				APRIL 25	1994	
			 		Signature & Se rofessional Su	al REDO	
					SEM.	MEXICO	
10			<u> </u>		hIT	.)]	£)
ò						KON GAL	<i>[]</i>
12					VM PRAPS	SURVEYOR SENTEN	/
:	1	1980 2310 2640 20	00 1500 1000	500 0	TRO	FESSION	

O. DAN 900 100 100 100 100 100 100 100 100 100) CB) '	E: 285 M. Curile Bromers prod	HBP (Attributed)	A ! !
	X Resietal	Store Store	TOJAIC STORY 2 ANGORNO 20	in R
E LEVERS ST ON	Sign 1881 Perfections	Stone Stoll Stole	129 Salf 103916 1 1645	
I Clains	SIV ASSESSED LA	C. S. Fred. SDX Res. C. B. B. B. L.	10 × 10 × 10 × 10 × 10 × 10 × 10 × 10 ×	la "
Plains	Sp. as	16.3 5.00	See See See See See See See See See See	
Exxons Ter	15 6.720 1. Tr 3 19 700 1. W	21 Arco \$123 M. 29 33	B	
TOTESS MOTTOISC STOLE HUMBE	54.64	54.84	Emp. So up Jonet Phillips (S)	4
Westall Nichols Welch	12 1-83 RivProof & Bising	J. S. S. S. S. S. S. S. S. S. S. S. S. S.	Liver es	133
SMI OK TIDES	028 301 4 5 10 TAO TA	S Pres Schotz etal RAVI	26.54 5.418+ 27 100 100 100 100 100 100 100 100 100 10	950
BOB (OPER)	40	Service Colored	ESTOPERIN	= 1
xxon State Hymberweith West in	n 25.	W.	7 O3 (PB)	~
YO'ES SOX	Tates	2.0 S.S. W.S. W.S. W.S. W.S. W.S. W.S. W.	SOX Collect C)2 LaRue EMuncy C	17 7
\$13.434 1883 1 HBC 15.900(SH	Yates Try	SOX Res	Yates Travis	>
4 -	e la letters		152E	٥
TO -	Jeffer 5 - Jun-St.	1.3A 16 4	4	
off a Continuo A Horas	18-11540 e 13	3 -	TORNO ST. O. O. O. O. O. O. O. O. O. O. O. O. O.	·
Mack Ever	WE.Jeffers 3	14 1 1 2 1 2 1 2 1 2 2 2 2 2 2 2 2 2 2 2	Mercury Mercury	703
Croce Style Welch Style	FIISATON FORES SI BUTTONET	SDX Res	201 Ch Chio	~ 1
OX Res Neithber Momer Petrol 5	Billian Charles and The House and The Market State of the Market S	SOX Res	H.E Vairs (Black	184 184
Well h	State	The Chevron 647	TIA 2350 Kincoid EW offer C	٩٠٠
Am Peta Kings	Malco SOX Res.	Gulf (VR) (Ray Westall Dushmar, To	ACC AND TO TO TO TO THE TO TO TO TO TO TO TO TO TO TO TO TO TO	الم
	6.0196 TO4478 55 10018	GLEST CHARACTER CONTRACTOR	" SERCURY (OPER	,
Det 3 Tager	STS I SDY	SDX etal	- 'a)	IY
PATA DE DE DE LES LES LES LES LES LES LES LES LES LE			Tp 3000 755 Commi	D!

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.

-2-CASE No. 3202 Order No. R-2869

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 hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

SEAL

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:

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

WELL				LOCATION	SECTION	
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

WELL				LOCATION	SECTION	
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:

gritung Kaj La Kana

(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

WELL				LOCATION	SECTION
Dunn				SW/4 NW/4	10
Dunn				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:

-3-CASE No. 3747 Order No. R-2869-A

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

WELL				LOCATION	SECTION	
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

SEAL

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 <u>31st</u> 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

-2-CASE No. 3887 Order No. R-3546

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

-3-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

SEAL