

GALLEGOS LAW FIRM

A Professional Corporation

460 St. Michael's Drive
Building 300
Santa Fe, New Mexico 87505
Telephone No. 505-983-6686
Telefax No. 505-986-1367
Telefax No. 505-986-0741

OIL CONSERVATION DIV.

99 NOV -9 AM 10:32

November 9, 1999
(Our File No. 99-1.80)

J.E. GALLEGOS *

VIA HAND-DELIVERY

Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: Applications of SDX Resources, Inc. for Simultaneous Dedication of Multiple Infill Wells; Administrative Orders **SD-99-14** and **SD-99-15**

Dear Ms. Wrotenbery:

On behalf of Doyle Hartman, we have been provided this date with your Administrative Orders SD-99-14 and SD-99-15 in which the Division has authorized SDX Resources to drill one addition well and produce three Jalmat gas wells on a 120-acre non-standard proration unit in one case and to drill two additional wells and produce four Jalmat gas wells on a 159.95 acre non-standard proration unit in the other. Doyle Hartman, as an offsetting operator of Jalmat gas wells, had filed protests to these applications.

Both Orders rest on the reference that the Jalmat is a prorated gas pool and "the rules currently governing this pool do not contain provisions restricting the number of producing gas wells within a spacing and proration unit;"

The absence of a controlling and waste preventive standard in the pool rules does not open the doors to the rampant and unbridled dense infill drilling underway by SDX Resources. Rules for the prorated gas pools address such subjects as standard GPUs sizes, well locations and the proration procedures (See Order No. R-8170 and amendments). The **law** provides the test and the standard for whether additional wells may or not be drilled on a proration unit. NMSA 1978 Section 70-2-17 provides in pertinent part as follows:

- A. The rules, regulations or orders of the division shall, so far as it is practicable to do so, afford to the owner of each property in a pool the opportunity to produce his just and equitable share of the oil or gas, or both, in the pool, being an amount, so far as can be

practically determined, and so far as such can be practicably obtained without waste, substantially in the proration that the quantity of the recoverable oil or gas, or both, under such property bears to the total recoverable oil or gas, or both, in the pool, and for this purpose to use his just and equitable share of the reservoir energy.

- B. The division may establish a proration unit for each pool, such being the area that can be efficiently and economically drained and developed by one well such being the area that can be efficiently and economically drained and developed by one well, and in so doing the division shall consider the economic loss caused by the drilling of unnecessary wells, the protection of correlative rights, including those of royalty owners, the prevention of waste, the avoidance of the augmentation of risks arising from the drilling of an excessive number of wells, and the prevention of reduced recovery which might result from the drilling of too few wells. (Emphasis added).

The practice has been in the past, obviously in recognition of the legislative mandate in the Oil & Gas Act, that where an administrative application for an infill well is the subject of protest by an interested party, the applicant must establish at a hearing that the proration unit cannot be efficiently and economically drained by the existing well or wells and that correlative rights of others are protected while waste is prevented.

The reasoning of the Division underlying these two Orders invites a ruinous "Spindle top" drilling stampede. Hartman has operated in the Jalmat gas pool for twenty-five years (not six months like SDX or Raptor Resources) and his studies and those of an independent expert demonstrate that the subject proration units are being drained efficiently and economically by the existing wells. Of course, the technical data and study means something only if the Division takes into account the requirements of Section 70-2-17, supra. If the silence of the pool rules control over the law, then why have an application for simultaneous dedication? Why have notice to offset operators? Why spend the time and money to issue Administrative Orders? The Division has declared that any operator can *de facto* down-space any prorated pool by completing and producing as many wells on a proration unit as it pleases.

Indeed, it appears that some operators, such as SDX, already understand that a request for simultaneous dedication is a mere formality. The Hobbs District weekly activity report (a copy of the page dated November 5, 1999 is attached) show that the drilling of the Wells Federal No. 22 and 23 were approved October 27, 1999, even

Lori Wrotenbery, Director
November 9, 1999
Page 3

though the application was not filed at the Division until October 12th and the approval Order SD-99-15 issued yesterday, November 8th.

We urgently request that the Division reconsider the subject Orders; that upon doing so, it vacate the Orders and set the SDX applications for appropriate public hearing. We will appreciate a most prompt reply.

Sincerely,

GALLEGOS LAW FIRM, P.C.

By 
J.E. GALLEGOS

JEG:sa

cc: Rand Carroll, Legal Counsel, NMOCD
Larry Kehoe, Assistant Commissioner, State Land Office
Chuck Morgan, SDX Resources, Inc.
Doyle Hartman

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Sincerely,

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J.E. GALLEGOS

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cc: Rand Carroll, Legal Counsel, NMOCD
Larry Kehoe, Assistant Commissioner, State Land Office
Chuck Morgan, SDX Resources, Inc.
Doyle Hartman

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460 St. Michael's Drive
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October 14, 1999
(Our File No. 99-1.80)

J.E. GALLEGOS *

VIA HAND-DELIVERY

Lori Wrottenbery, Director
Michael Stogner, Chief Hearing Examiner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: SDX's Applications for simultaneous Dedication and for Unorthodox Well Locations

Dear Ms. Wrottenbery and Mr. Stogner:

Enclosed please find protest letters from Doyle Hartman on the above referenced matter. Please notify us of an examiner hearing that will be scheduled regarding those applications.

If you have any questions, please do not hesitate to contact our office. Thank you for your cooperation.

Sincerely,

GALLEGOS LAW FIRM, P.C.

By


J. E. GALLEGOS

JEG:sa
Enclosures
fxc: Doyle Hartman

99 OCT 14 PM 10:24
OIL CONSERVATION DIV.

DOYLE HARTMAN

Oil Operator

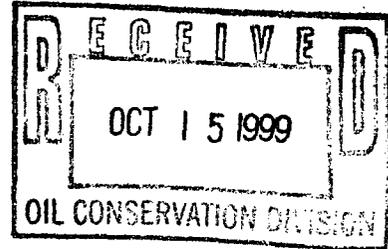
500 NORTH MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

(915) 682-7616 FAX



Via FedEx and Facsimile (505) 827-8177

~~October 13, 1999~~

Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Re: SDX's Package of Four Applications for Simultaneous Dedication and for
Unorthodox Well Locations, Where Applicable
Langlie Jal Unit Area
Jalmat Gas Pool
T-24-S and T-25-S, R-37-E
Lea County, New Mexico

Dear Ms. Wrotenbery:

Reference is made to SDX Resources Inc.'s (SDX's) single package containing four Jalmat gas pool infill drilling applications dated September 8, 1999, September 9, 1999, September 16, 1999, and September 17, 1999, covering five wells, which was received by us, by certified mail, on October 12, 1999. The five new Jalmat wells being proposed by SDX, in its four applications, offset the five following Hartman-operated Jalmat Gas Pool leases situated within the boundaries of the 3748.06-acre Langlie Jal Unit (LJU), T-24-S and T-25-S, R-37-E, Lea County, New Mexico.

Martin "B" No. 1
F-31-24S-37E
NW/4 Section 31, T-24-S, R-37-E
Lea County, New Mexico
160-acres

J.W. Sherrell No. 9
J-31-24S-R-37-E
SE/4 Section 31, T-24-S, R-37-E
Lea County, New Mexico
160-acres

Skelly M State No. 4
L-32-24S-37-E
SW/4 Section 32, T-24-S, R-37-E
Lea County, New Mexico
160-acres

J.W. Sherrell No. 10
C-6-25S-37E
E/2SW/4 Section 31, T-24-S, R-37-E
NW/4NE/4 and NE/4NW/4 Section 6
T-25-S, R-37-E
Lea County, New Mexico
160-acres

F.M. Burluson No. 2
F-8-25S-37E
NW/4 Section 8, T-25-S, R-37-E
160-acres

SDX is apparently justifying the drilling of its five newly proposed wells on the grounds that the wells are necessary in order to adequately drain its Jalmat acreage. These wells are as follows:

~~E.J. Well No. 25~~
K-5-25S-37E

~~Wells Federal No. 22~~
C-5-25S-37E

~~Wells Federal No. 23~~
E-5-25S-37E

~~Jalmat Federal Com. No. 2~~
L-31-24S-37E

~~State "A-32" No. 6~~
E-32-25S-37E

In addition to the above-listed newly proposed wells, SDX recently drilled and completed the six following Jalmat wells, also situated within the 3748.06-acre unitized area for the Langlie Jal Unit, around and near the same above-described Hartman leases:

Enco State No. 1
A-32-24S-37E

State "A-32" No. 5
D-32-24S-37E

El Paso Wells Federal No. 2
C-04-25S-37E

Wells Federal No. 21
O-05-25S-37E

Langlie Jal Federal No. 2
G-08-25S-37E

Langlie "A" Federal No. 2
O-17-25S-37E

In regard to SDX's inferred inability to adequately drain its acreage, without dense infill drilling, please find enclosed recent pressure build-up plots for the Hartman-operated J.W. Sherrell No. 10 (C-6-25S-37E) and Skelly M State No. 4 (L-32-24S-37E). In recognition of the fact that the 1927 Jalmat Pool discovery pressure was 1400 psi (Rhodes "A" Federal No. 1 well, in C-22-26S-37E), and notwithstanding the level of depletion presently found in our Skelly M State No. 4 and J.W. Sherrell No. 10 wells, we find it alarming, that SDX, in the later stages of the producing life of the Jalmat pool, has uniquely concluded that there is such poor inter-well pressure communication between Jalmat wells, that one well per 40 acres is necessary in order to adequately drain its Jalmat acreage.

Consequently, please be advised that Doyle Hartman is opposed to any SDX applications that will result in the placement of multiple recent and/or newly proposed wells on a previously existing non-standard Jalmat Gas Proration Unit, since SDX has not established that such concentrated new drilling is necessary in order to efficiently and effectively drain its existing LJU-area Jalmat acreage. Based on our Jalmat Pool experience, the concentrated level of infill drilling being proposed by SDX amounts to unnecessary economic waste and places offset operators in the impossible position of either having to forfeit their correlative rights or, conversely, having to drill a group of defensive wells, that in the aggregate, have no reasonable chance of resulting in an adequate financial return.

As to our Skelly M State No. 4 and J.W. Sherrell No. 10 Jalmat Gas Pool wells, after recently performing CO₂ foam-frac stimulation treatments, we are still in the process of cleaning up both wells in order to meet the more-stringent CO₂ standards that have been imposed by Sid Richardson Carbon and Gasoline Co., for wells near the inlet to its Jal Plant No. 3 (Units E and L, T-24-S, R-37-E), and have not yet been allowed by Sid Richardson to turn our two wells back into Sid Richardson's pipeline. The frac job for our Skelly M State No. 4 was performed on September 20, 1999, and the frac job for our J.W. Sherrell No. 10 was performed on September 30, 1999, at substantial expense and after considerable soul searching, because of the extremely low Jalmat reservoir pressure in the LJU area.

October 13, 1999

Page 4

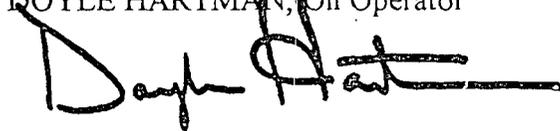
Moreover, we are also puzzled as to how SDX plans, in a timely manner, to get its newly proposed wells into Sid Richardson's LJU area gathering system near Jal Plant No. 3, when our long-time Jalmat producers (Skelly M State No. 4 and J.W. Sherrell No. 10) are still being denied access back into the pipeline because of Sid Richardson's more-stringent CO₂ requirements for wells situated in the LJU area. In addition, we also do not want our leases being affected by SDX, while SDX cleans up any unnecessarily-drilled wells, to the CO₂ levels that have been imposed by Sid Richardson near the inlet to its Jal Plant No. 3.

Therefore, we hereby request that SDX be required to come forward, at a hearing, and (1) provide its estimate of the reserves that it projects will be recovered from each of its five proposed high-density Jalmat infill wells, (2) provide and/or substantiate the reserve parameters (porosity - feet of pay, pressure, drainage area, P/Z data, etc.) that it has relied upon in computing the reserve values for its newly proposed wells within the 3748.06-acre LJU area, (3) provide the economic evaluations and recovery projections that it has performed for internal purposes, promotional packages, investors, bankers, Securities Exchange Commission, etc., and (4) show why one Jalmat well cannot drain significantly more than 40 acres.

Finally, as to SDX's proposed State "A-32" No. 6 well depth of 3500', we are also concerned that SDX may not be aware of NMOCD Order R-4929, dated December 3, 1974 (copy enclosed), that contracted the vertical limits of the Jalmat Gas Pool interval, within the LJU Unitized Area, and that SDX, with its proposed 3500' well depth, may presently have plans to complete its State "A-32" No. 6 well within the vertical limits of the Seven-Rivers formation (now Langlie Mattix Pool), which could potentially result in large volumes of LJU Seven-Rivers injection water cross-flowing into the very low pressure Yates formation, thus further negatively impacting our offset Jalmat gas rights and causing further waste.

Very truly yours,

DOYLE HARTMAN, Oil Operator



Doyle Hartman

enclosures

New Mexico Oil Conservation Division
October 13, 1999
Page 5

cc: Michael Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, NM 87504

Chuck Morgan, Petroleum Engineer
SDX Resources, Inc.
511 W. Ohio Ave, Suite 601 (79701)
P.O. Box 5061
Midland, Texas 79704

ARCO Permian
P.O. Box 1610
Midland, TX 79702-1610
Attn: T.L. Holland, VP Land
Lee M. Scarborough, Senior Landman

ARCO
P.O. Box 1089
Eunice, NM 88231-1089

Zeno Ferris
Gruy Petroleum Management Company
600 E. Las Colinas Blvd., Suite 1200 (75039)
P.O. Box 140907
Irving, TX 75014-0907

Richard R. Frazier, President & Chief Operating Officer
Gruy Petroleum Management Company
600 E. Las Colinas Blvd., Suite 1200 (75039)
P.O. Box 140907
Irving, TX 75014-0907

Steve Burleson
Lewis B. Burleson, Inc.
200 N. Loraine (79701)
P.O. Box 2479
Midland, TX 79702

Saga Petroleum Ltd. Liability Co.
415 W. Wall, Suite 835
Midland, TX 79701

Permian Resources
P.O. Box 590
Midland, TX 79702

Seay Exploration
407 N. Big Spring, Suite 200
Midland, TX 79701

Phillips Petroleum Company
4001 Penbrook
Odessa, TX 79762

Charles Drimal, Jr., President, COO and CEO
Prime Energy Corporation
One Landmark Sq., Suite 1100
Stamford, CT 06901-2601

Midland Operating
3300 N. A St., Bldg. 2, Suite 104
Midland, TX 79705

Bruce Williams, Manager of Gas Contracts
Sid Richardson Carbon & Gasoline Co.
201 Main Street
Ft. Worth, TX 76102-3131

New Mexico Oil Conservation Division

October 13, 1999

Page 7

Randall Dunn, Field Manager
Sid Richardson Carbon & Gasoline Co.
Lea County Gathering System
610 S. Commerce
P.O. Box 1226
Jal, NM 88252

James A. Davidson
214 W. Texas, Suite 710
Midland, TX 79701

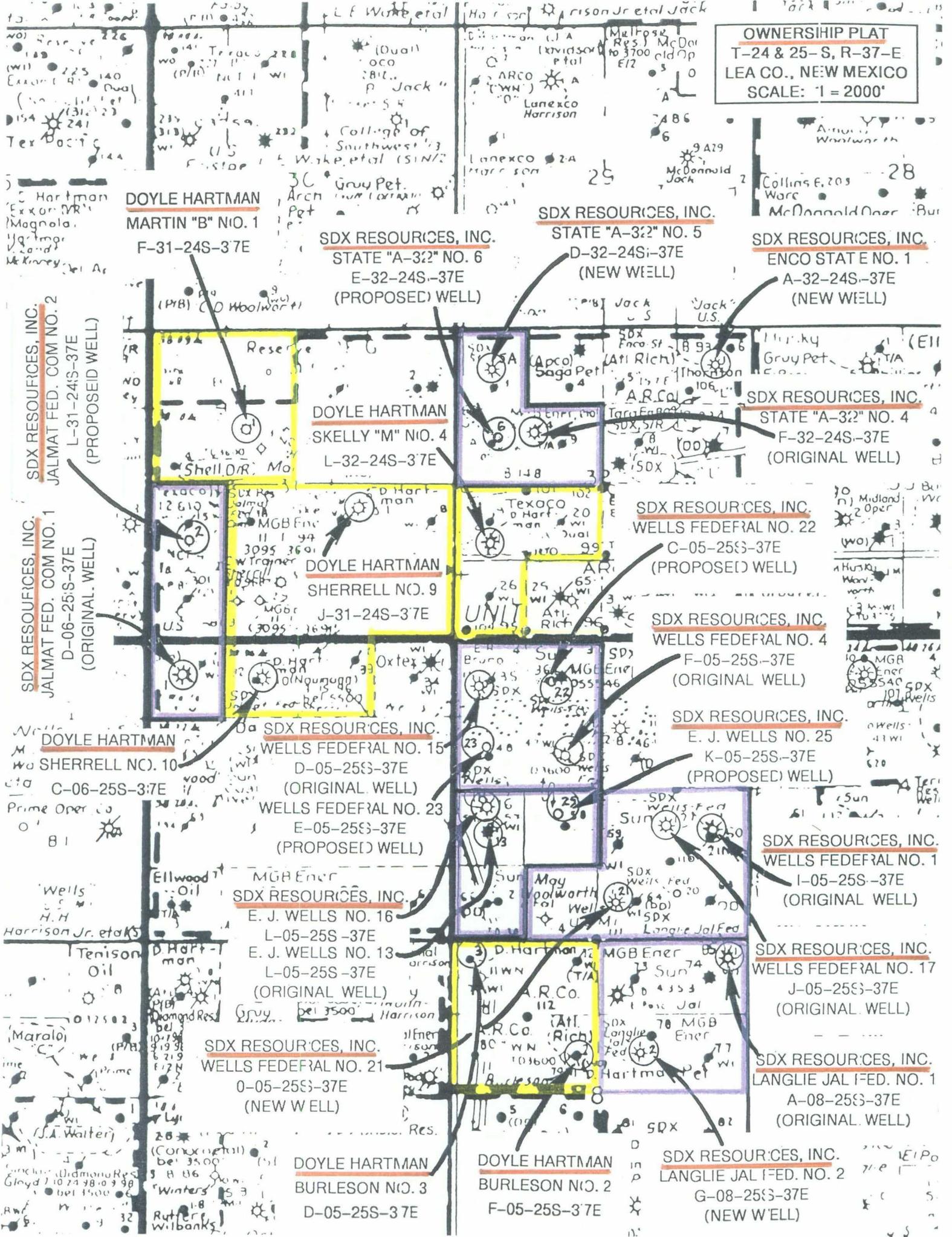
Gallegos Law Firm
460 St. Michaels Dr., Bldg. 300
Santa Fe, NM 87505
Attn: J.E. Gallegos
Michael J. Condon

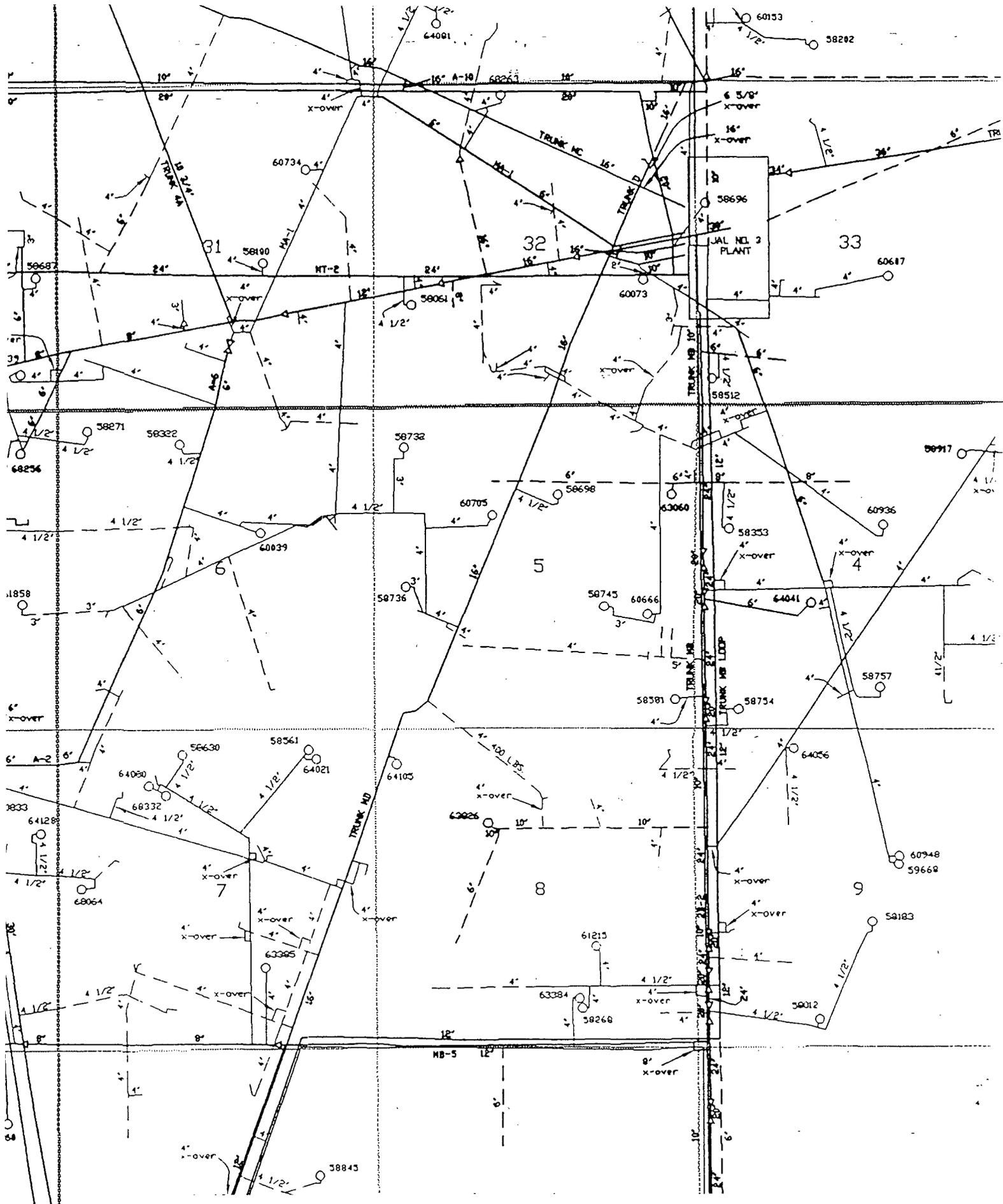
DOYLE HARTMAN, Oil Operator (Dallas)

DOYLE HARTMAN, Oil Operator (Jal Field Office)
Harold Swain

DOYLE HARTMAN, Oil Operator (Midland)
Linda Land
Don Mashburn
Steve Hartman
Sheila Potts

OWNERSHIP PLAT
T-24 & 25-S, R-37-E
LEA CO., NEW MEXICO
SCALE: 1 = 2000'





SID RICHARDSON CARBON & GASOLINE CO. PIPELINE MAP
LJU AREA



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

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO. 30-025-26704
Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
State Oil & Gas Lease No.
Lease Name or Unit Agreement Name J.W. Sherrell
Well No. 10
Pool name or Wildcat Jalmat
Elevation (Show whether DF, RKB, RT, GR, etc.) 3236 G.L. (3247' RKB)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

Type of Well:
OIL WELL GAS WELL OTHER

Name of Operator
Doyle Hartman

Address of Operator
500 N. Main Street, Midland, Texas 79701

Well Location
Unit Letter C : 660 Feet From The North Line and 2000 Feet From The West Line
Section 6 Township 25-S Range 37-E NMPM Lea County

11 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

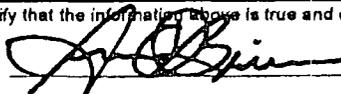
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> OTHER: _____ <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ANBANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: Perform CO2 foam frac. <input checked="" type="checkbox"/>

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

On 9-23-99, tested well as follows: Gas = 19 MCFPD
 Fluid = 2 BWPD
 CP = 7 psig
 SIWHP = 18 psig (9-15-99)

Rigged up Halliburton. Fraced well with 167,325 gal of gelled water and 359 tons (6184 MCF) of CO2. Presently cleaning up well waiting for gas stream to reach MORE STRINGENT CO2 level imposed by Sid Richardson Gasoline company for its gathering system in the LJU area near the inlet for its Jal Plant No. 3.

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

SIGNATURE  TITLE Executive Assistant DATE 10-12-99

TYPE OR PRINT NAME Ann O'Brien TELEPHONE NO. 915/684-4011

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

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

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO. 30-025-25974
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No. B-1327
Lease Name or Unit Agreement Name Skelly M State
Well No. 4
Pool name or Wildcat Jalmat

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

Type of Well:
OIL WELL GAS WELL OTHER

Name of Operator
Doyle Hartman

Address of Operator
500 N. Main Street, Midland, Texas 79701

Well Location
Unit Letter L : 1650 Feet From The South Line and 660 Feet From The West Line
Section 32 Township 24-S Range 37-E NMPM Lea County

Elevation (Show whether DF, RKB, RT, GR, etc.)
3239 G.L. (3249' RKB)

11

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK PLUG AND ABANDON
TEMPORARILY ABANDON CHANGE PLANS
PULL OR ALTER CASING
OTHER: _____

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING
COMMENCE DRILLING OPNS. PLUG AND ANBANDONMENT
CASING TEST AND CEMENT JOB
OTHER: Perform CO2 foam frac.

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

On September 10, 1999, gas rate = 15 MCFPD. Shut in well and performed pressure buildup. SIP = 16 psig (9-12-99).

On September 20, 1999, rigged up Halliburton and fraced well with 166,000 gal of gelled water and 348 tons (5964 MCF) of CO2. Recovered an estimated 200 bbls of load water. Presently cycling well between flaring and shutting in until CO2 level reaches MORE STRINGENT CO2 limits imposed by Sid Richardson Gasoline Company for its gathering system in the LJU area near the inlet for its Jal Plant No. 3.

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

SIGNATURE Ann O'Brien TITLE Executive Assistant DATE 10-12-99

TYPE OR PRINT NAME Ann O'Brien TELEPHONE NO. 915/684-4011

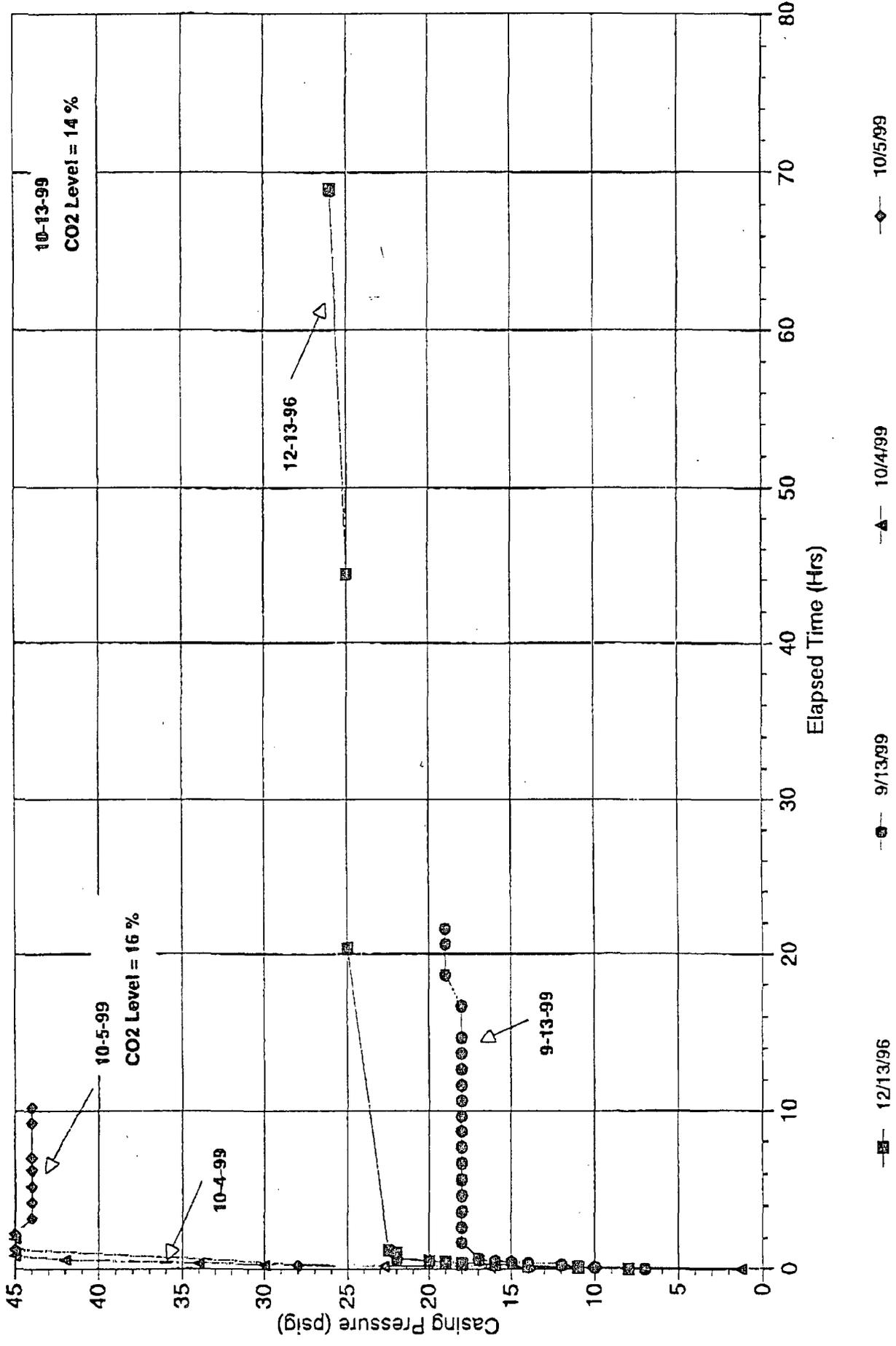
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APPROVED BY _____ TITLE _____ DATE _____

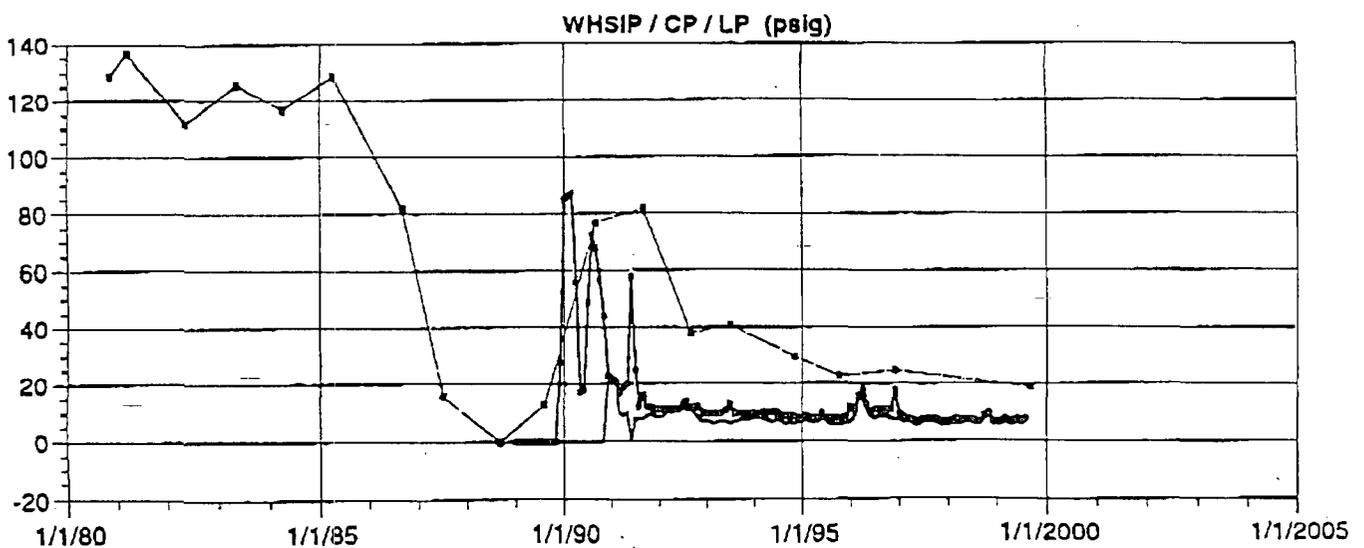
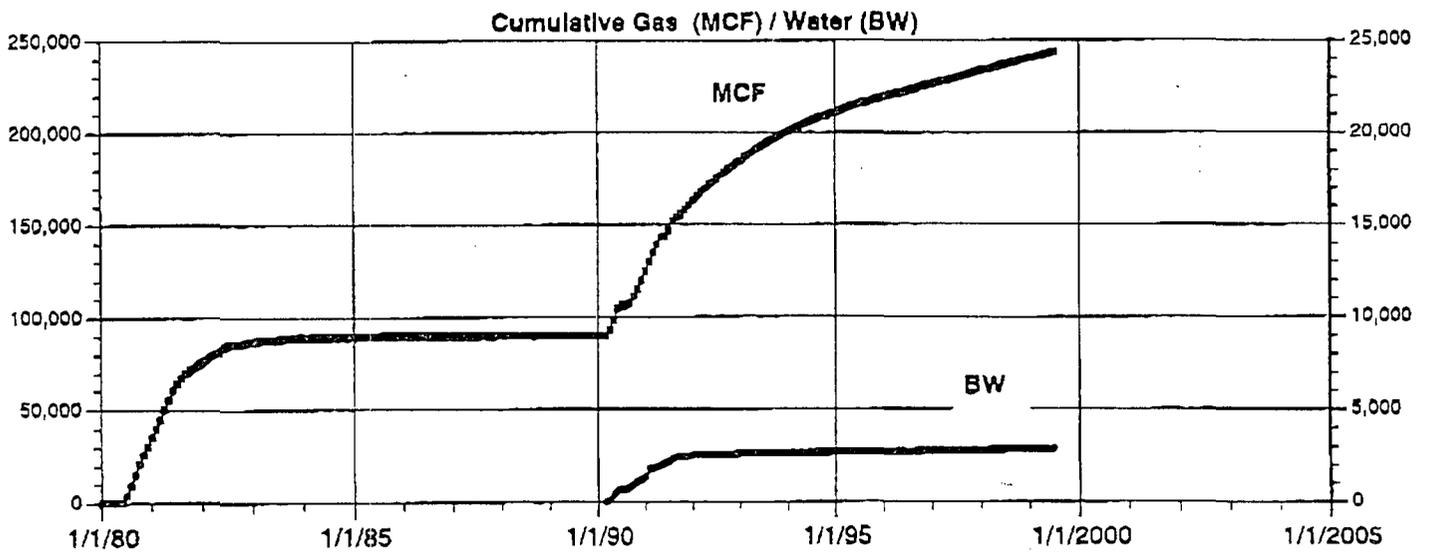
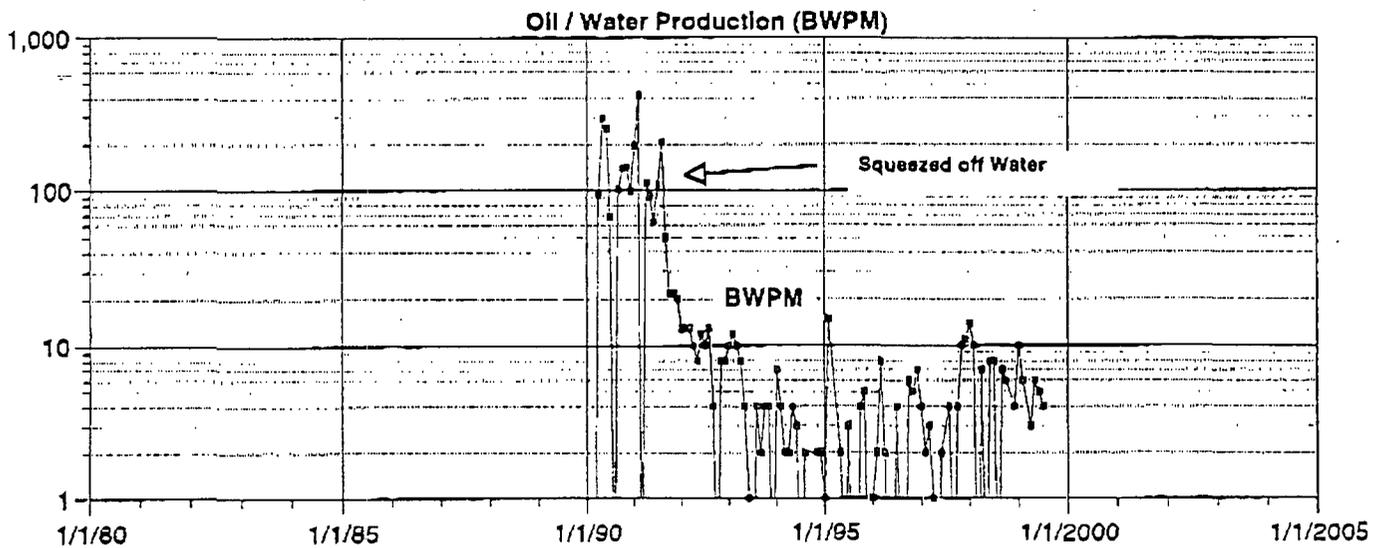
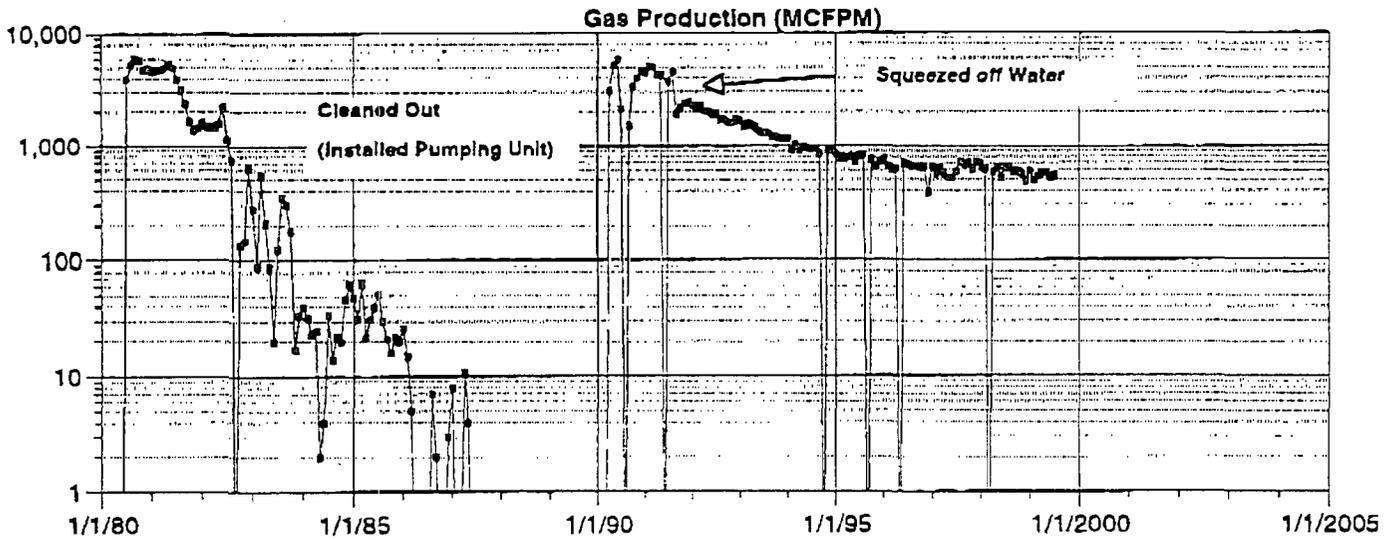
CONDITIONS OF APPROVAL, IF ANY:

J. W. SHERRELL # 10
 JALAMAT GAS POOL
 C - 6 T-25S R-37E

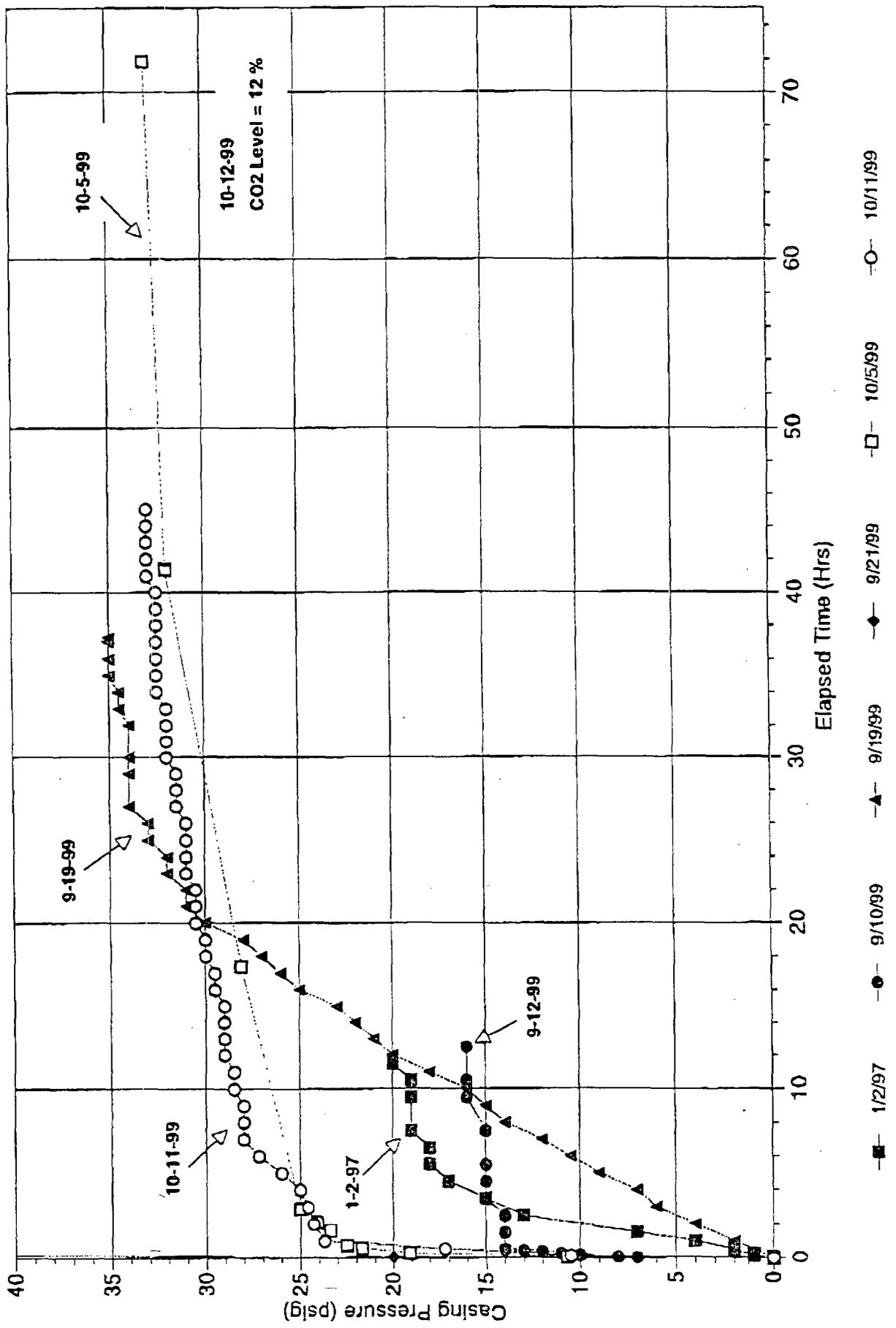
DOYLE HARTMAN OIL OPERATOR



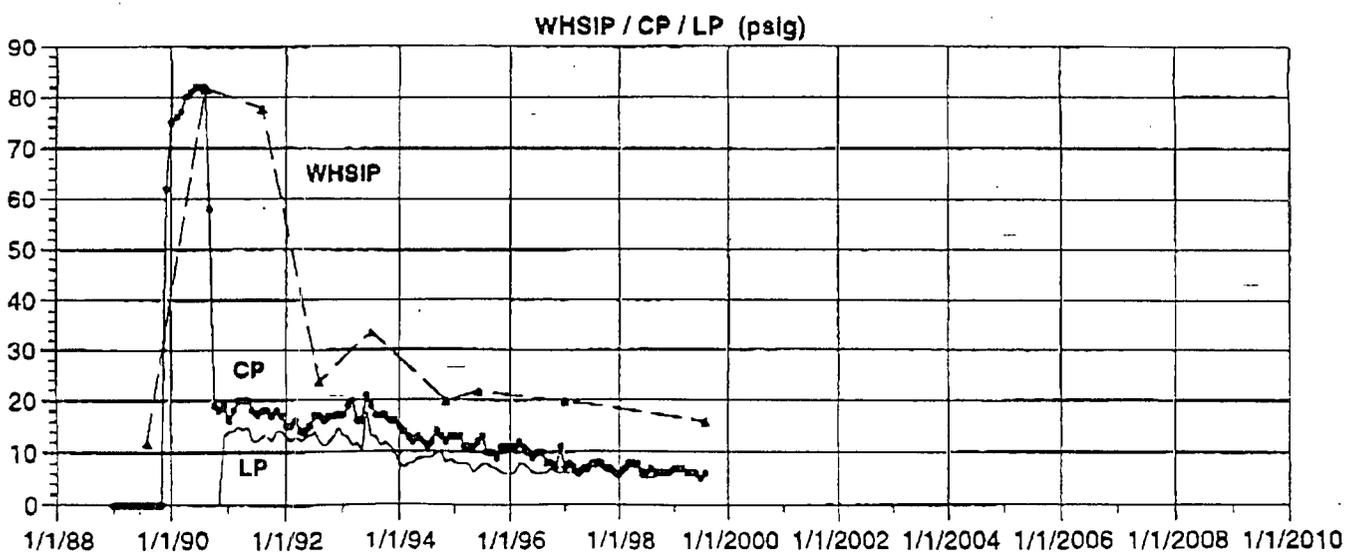
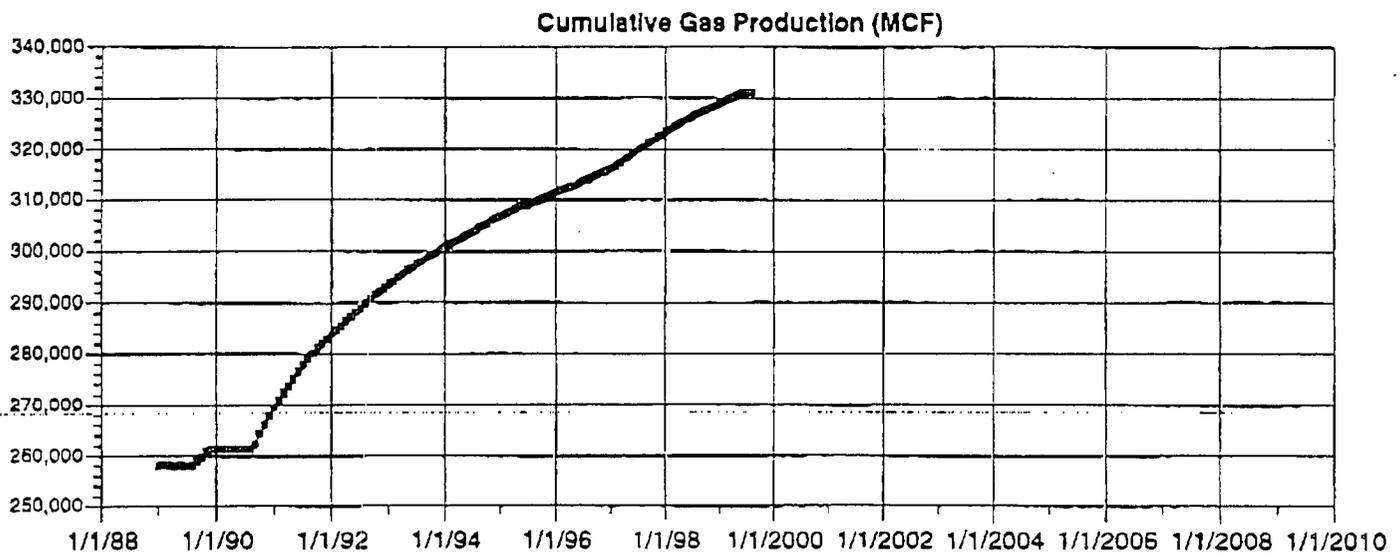
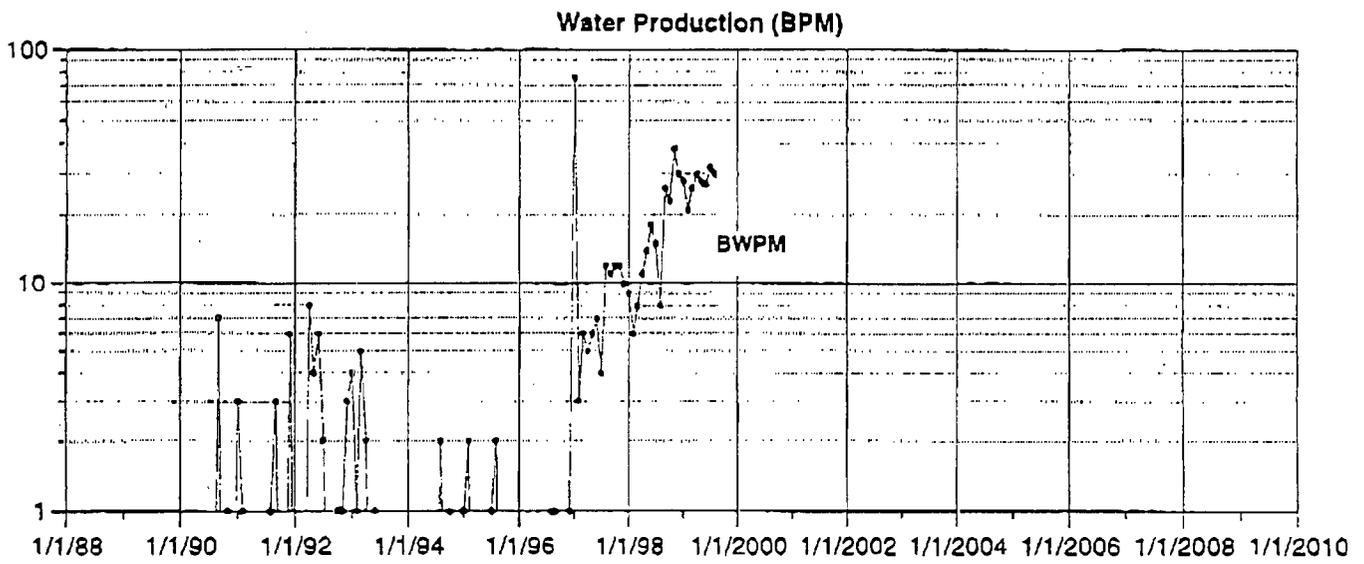
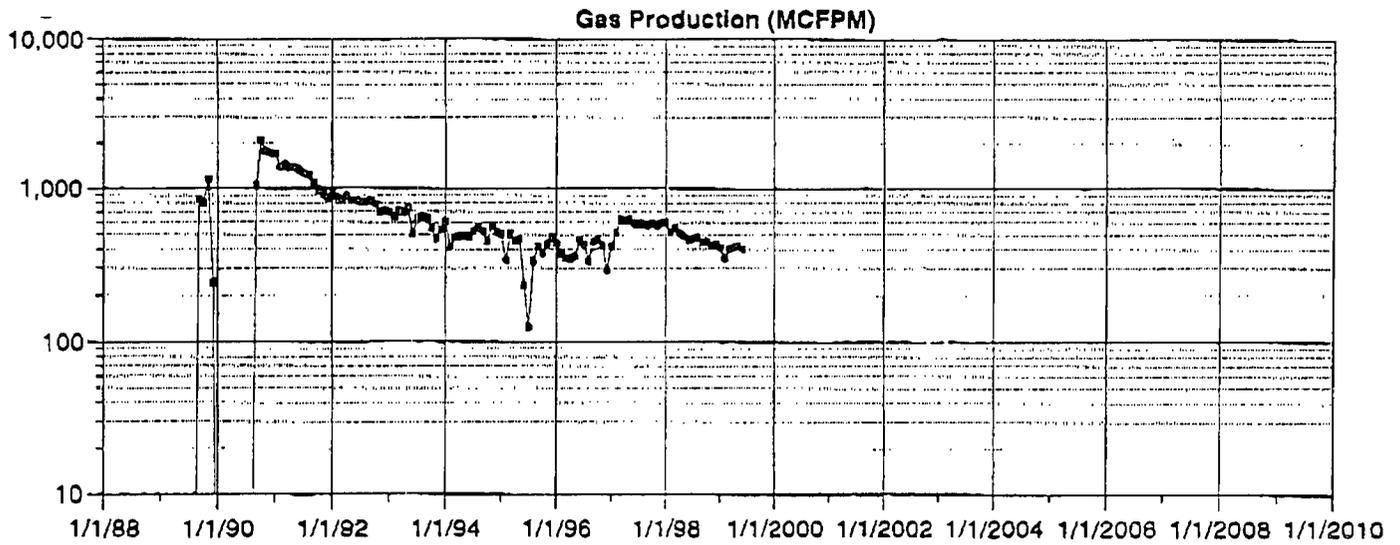
J W SHERRELL # 10 - DWIGHTS + (RPT-3)
 JALMAT (TANSILL YATES SEVEN RIVERS) YS
 C-6 T-25S R-37E
 DOYLE HARTMAN OIL OPERATOR



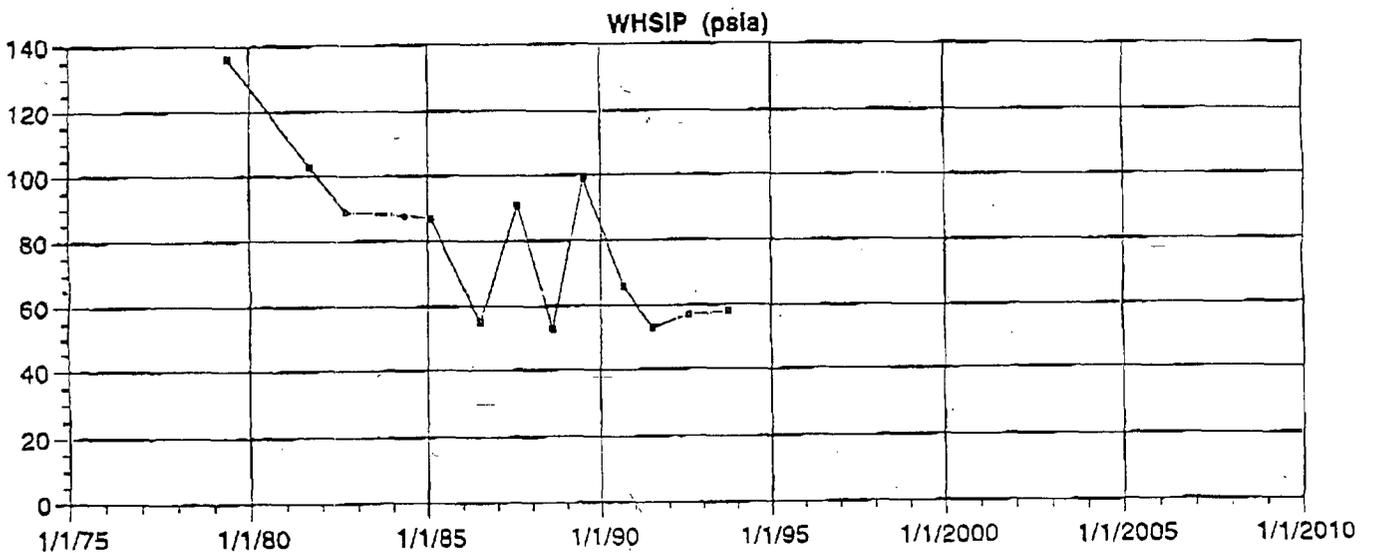
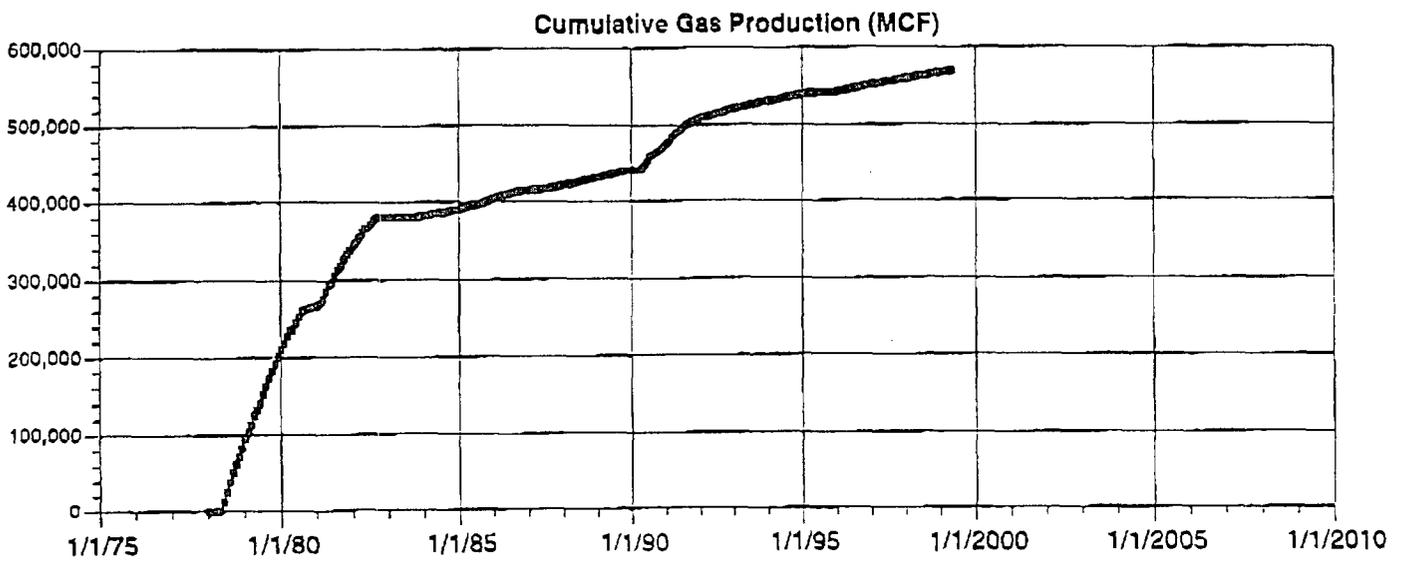
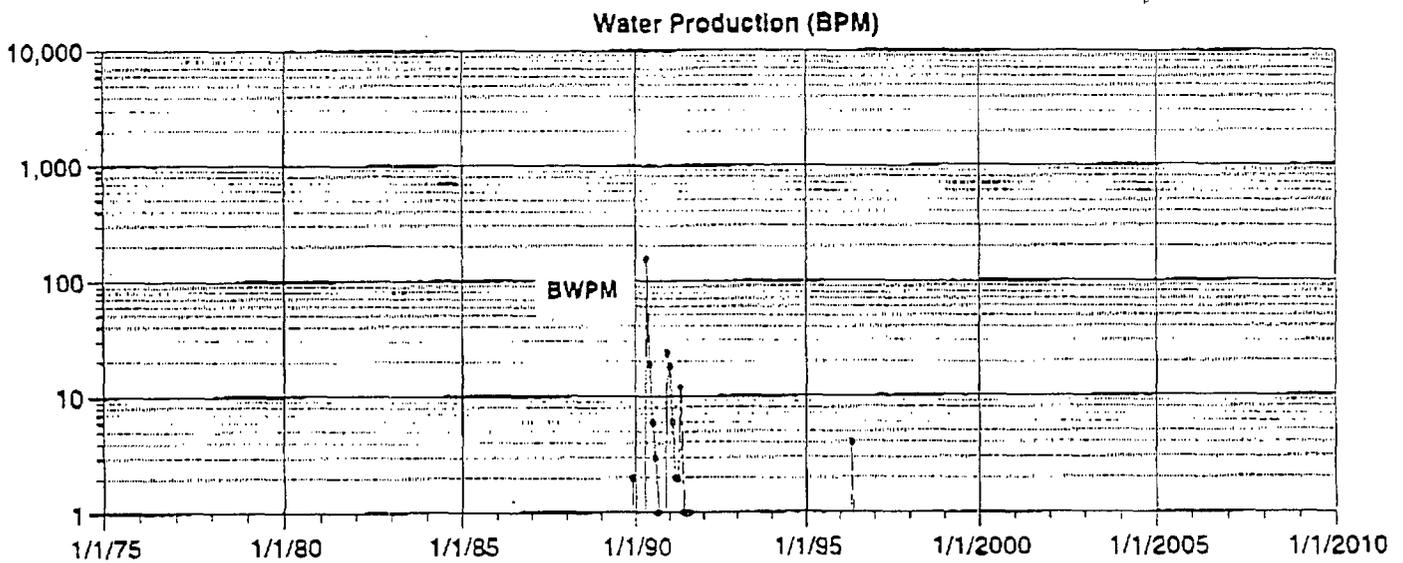
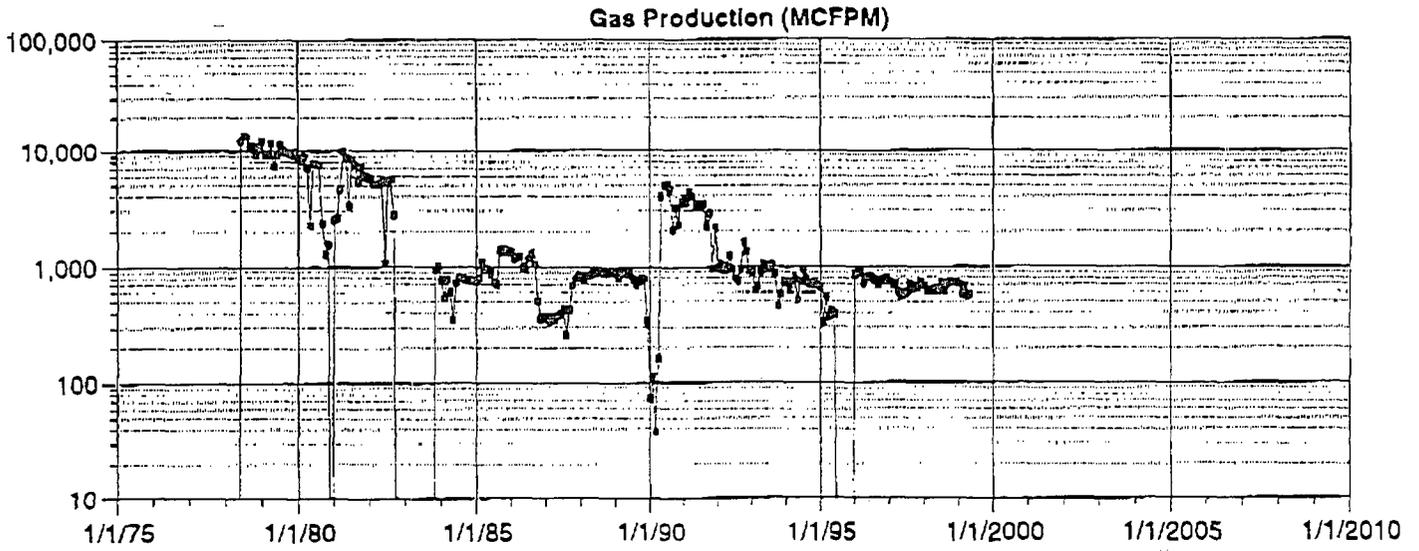
SKELLY M STATE #4
 JALMAT GAS POOL
 L - 32 T-24S R-37E
 DOYLE HARTMAN OIL OPERATOR



SKELLY M STATE # 4
JALMAT (TANSILL YATES SEVEN RIVERS) YS
L - 32 T-24S R-37E
DOYLE HARTMAN OIL OPERATOR



STATE A 32 # 4
JALMAT (TANSILL YATES SEVEN RIVERS) YS
F - 32 T-24S R-37E
SDX RESOURCES, INC.



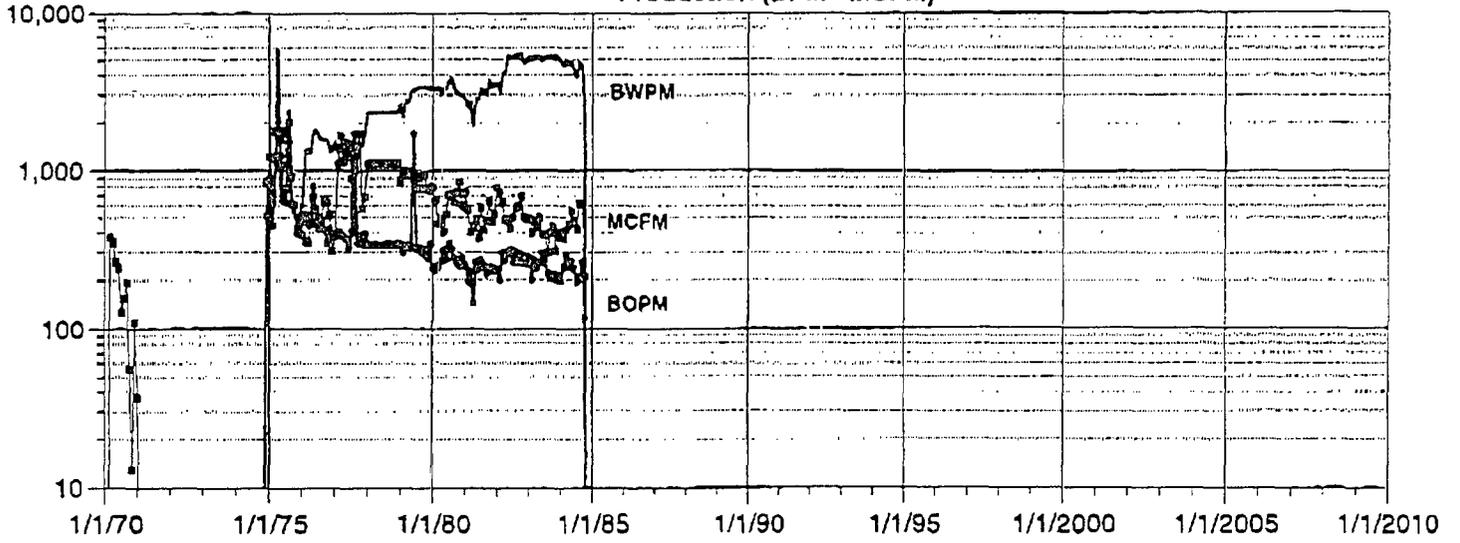
LANGLIE JAL UNIT # 10 (INJECTION WELL)

LANGLIE MATTIX (7 RVS QN GRB)

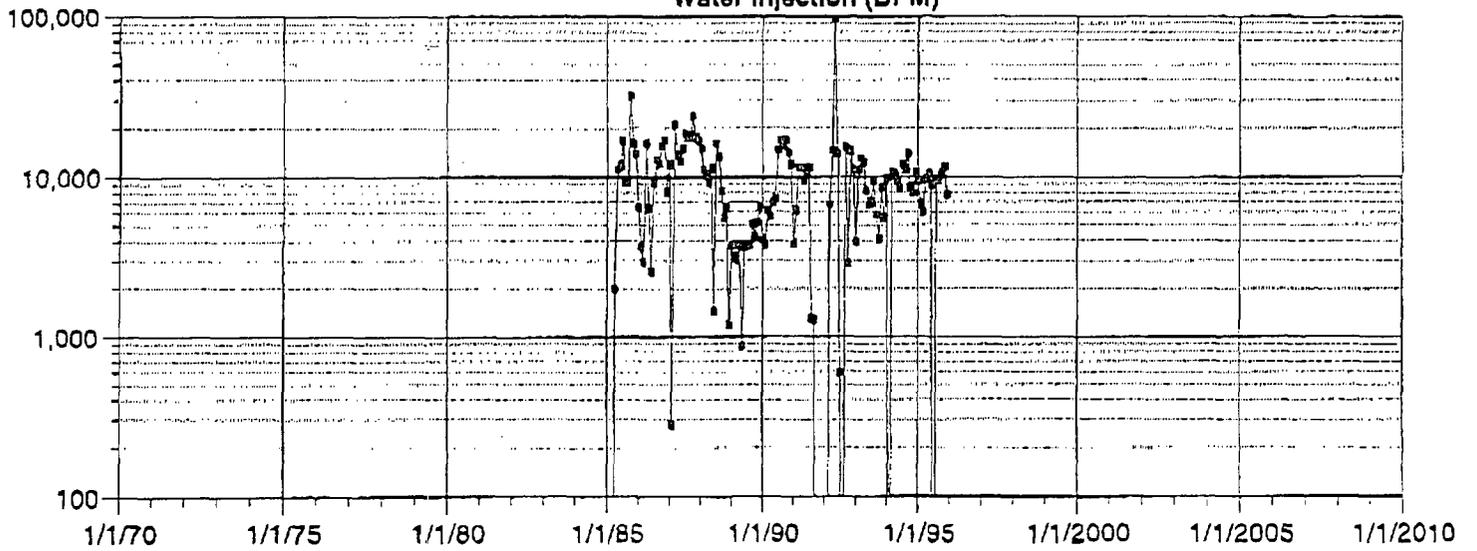
E-32 T-24S R-37E

GP II ENERGY

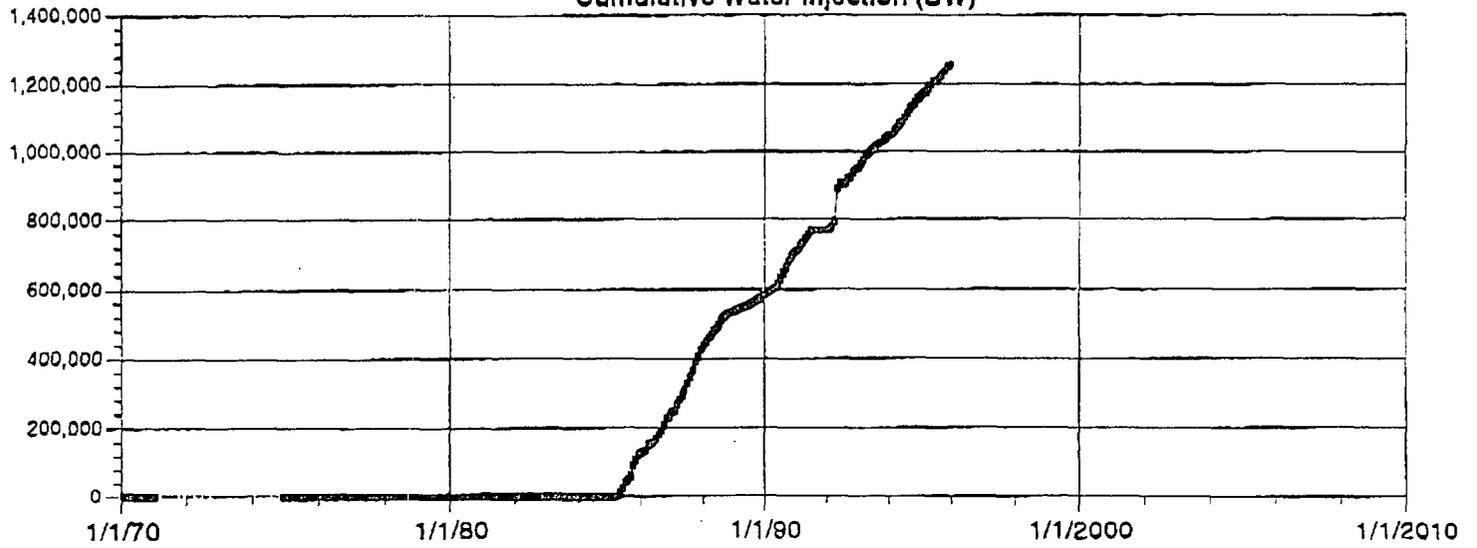
Production (BPM / MCFM)



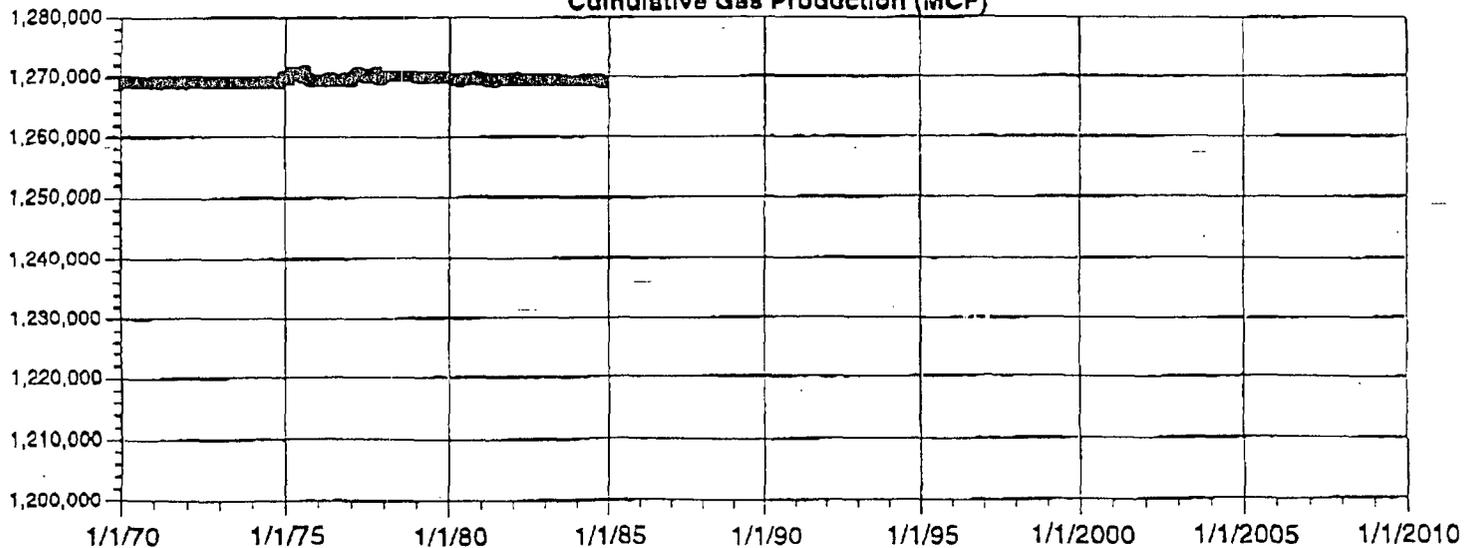
Water Injection (BPM)



Cumulative Water Injection (BW)



Cumulative Gas Production (MCF)



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE NO. 5368
Order No. R-4929

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION COMMISSION ON ITS OWN MOTION
TO CONSIDER THE CONTRACTION OF THE VERTICAL
LIMITS OF THE JALMAT GAS POOL UNDERLYING ALL
OR PORTIONS OF SECTIONS 31 AND 32, TOWNSHIP
24 SOUTH, RANGE 37 EAST, AND SECTIONS 4, 5,
6, 8, 9 AND 17, TOWNSHIP 25 SOUTH, RANGE 37
EAST, LEA COUNTY, NEW MEXICO, AND THE EXTEN-
SION OF THE VERTICAL LIMITS OF THE LANGLIE
MATTIX POOL UNDERLYING THE SAME AREA.

NOMENCLATURE

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 26, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 3rd day of December, 1974, 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 vertical limits of the Jalmat Gas Pool, Lea County, New Mexico, as previously designated and defined by the Commission, comprise the Tansill and Yates formations, and all but the lowermost 100 feet of the Seven Rivers formation.

(3) That the vertical limits of the Langlie-Mattix Oil Pool, as previously designated and defined by the Commission, comprise the lowermost 100 feet of the Seven Rivers formation and all of the Queen and Grayburg formations.

(4) That the unitized formations in the Langlie-Jal Unit Area, as approved by Commission Order No. R-4036, comprise the Seven Rivers and Queen formations.

(5) That the horizontal limits of said Langlie-Jal Unit Area comprise the following described lands:

LEA COUNTY, NEW MEXICO
TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 31: Lots 2, 3, and 4 and SE/4 NW/4,
E/2 SW/4 and E/2

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM

Section 4: Lots 2, 3, and 4 and S/2 NW/4,
SW/4 NE/4, and W/2 SW/4

Section 5: All

Section 6: All

Section 8: E/2 and NW/4

Section 9: W/2 W/2

Section 17: E/2

(6) That the Seven Rivers formation underlying said unit area is for the most part oil-saturated, and there are recoverable oil reserves in said interval and area.

(7) That secondary recovery operations are currently being conducted in the Seven Rivers formation and in the Queen formation underlying the Langlie-Jal Unit Area pursuant to authority of Order No. R-4051.

(8) That to increase the efficiency of said secondary recovery operations, the Seven Rivers formation and the Queen formation should be treated as a common producing interval.

(9) That the contraction of the vertical limits of the Jalmat Gas Pool to exclude all of the Seven Rivers formation therefrom, and the concurrent extension of the vertical limits of the Langlie Mattix Oil Pool to include all of the Seven Rivers formation therein, within the horizontal limits of the Langlie-Jal Unit Area as set forth in Finding No. (5) above, will permit the more efficient operation of the aforesaid secondary recovery projects, will prevent waste, will not violate correlative rights, and should be approved.

(10) That there are at least two gas wells completed in the Yates formation of the Jalmat Gas Pool which have perforated or open-hole intervals extending into the uppermost portion of the Seven Rivers formation, these wells being the Reserve Oil and Gas Company Martin B Well No. 1, located in Unit F of Section 31, Township 24 South, Range 37 East, the open-hole producing interval being from 2852 feet to 3187 feet, the lowermost 42 feet of which is in the Seven Rivers formation, and the El Paso Natural Gas Company Wells Federal Well No. 1, located in Unit I of Section 5, Township 25 South, Range 37 East, the perforated interval being from 3100 feet to 3195 feet, the lowermost 30 feet of which is in the Seven Rivers formation.

(11) That an exception to the vertical limits of the Jalmat Gas Pool as amended in the subject area by this order should be given to the wells described in Finding No. (10) above for the producing intervals as described.

(12) That the Secretary-Director of the Commission should have authority to grant administrative exception to the vertical limits of the Jalmat Gas Pool as amended in the subject area by this order, should it be found that there are other Jalmat Gas wells the producing interval of which similarly extend into the Seven Rivers formation.

IT IS THEREFORE ORDERED:

(1) That this order shall apply only to the following described area:

LEA COUNTY, NEW MEXICO
TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 31: Lots 2, 3, and 4 and SE/4 NW/4,
E/2 SW/4, and E/2
Section 32: All

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 4: Lots 2, 3, and 4 and S/2 NW/4,
SW/4 NE/4, and W/2 SW/4
Section 5: All
Section 6: All
Section 8: E/2 and NW/4
Section 9: W/2 W/2
Section 17: E/2

(2) That the vertical limits of the Jalmat Gas Pool in the above-described area are hereby defined as comprising the Tansill and Yates formations.

(3) That the vertical limits of the Langlie Mattix Oil Pool in the above-described area are hereby defined as comprising the Seven Rivers, Queen, and Grayburg formations.

(4) That the Reserve Oil and Gas Company Martin B Well No. 1, located in Unit F of Section 31, Township 24 South, Range 37 East, the open-hole interval of which is 2852 feet to 3187 feet, and the El Paso Natural Gas Company Wells Federal Well No. 1, located in Unit I of Section 5, Township 25 South, Range 37 East, the perforated interval of which is 3100 feet to 3195 feet, both of which are classified as Jalmat Gas Wells, are each hereby granted an exception to the vertical limits of the Jalmat Gas Pool for that portion of the producing interval which is currently open in the Seven Rivers formation.

(5) That the Secretary-Director of the Commission is hereby authorized to approve an exception to the vertical limits of the Jalmat Gas Pool for any other well classified as a Jalmat Gas Well which may prove to have, on the effective date of this order, a portion of its producing interval open to the Seven Rivers formation.

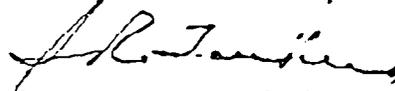
-4-

CASE NO. 5368
Order No. R-4929

(6) 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



I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member



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

S E A L

jr/

SDX Resources, Inc.
PO Box 5061
Midland, TX 79704

Federal line envelope of envelope
the right of the return address

CERTIFIED

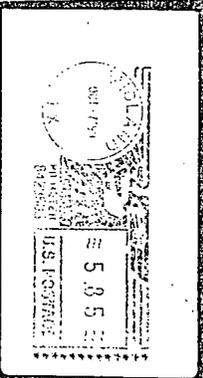
Z 208 776 317

MAIL

Doyle Hartman
PO Box 10426
Midland, TX 79702

REGISTERED MAIL

POST CLASS



01-1-2-959

9061

OFFSET OPERATORS

WELLS FEDERAL #22

Doyle Hartman
PO Box 10426
Midland, TX 79702

Arco
PO Box 1089
Eunice, NM 88231-1089

Permian Resources
PO Box 590
Midland, TX 79702

Seay Exploration
407 N. Big Spring, #200
Midland, TX 79701

Phillips
4001 Penbrook
Odessa, TX 79762

GP II
713 W. Wadley
Midland, TX 79705

DOYLE HARTMAN
OIL OPERATOR
RECEIVED

OCT 12 1999

SDX RESOURCES, INC.

P.O. BOX 5061

MIDLAND, TEXAS 79704

(915) 685-1761

Sept.08, 1999

NMOCD
2040 South Pacheco Street
Santa Fe, NM 87505

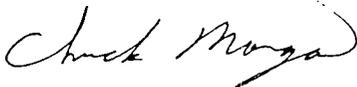
Attention: Mr. Mike Stogner

RE: Wells Fed. #23	Wells Fed. # 22
Sec. 5, T25S, R37E	Sec. 5, T25S, R37E
1886' FNL, 758' FWL	660' FNL, 1780 FWL
Lea County, New Mexico	Lea County, New Mexico

Dear Mr. Stogner,

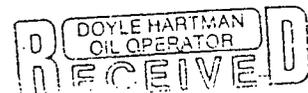
SDX Resources, Inc. is the operator of the Wells Fed. #4 and # 15 wells located in units F and D of sec. 5 T25S R37E of Lea Co., N.M.. Theses wells are dedicated to a 160 acre non-standard gas proration unit created by NSL-1821 (5/17/84),consisting of the NW/4 of sec. 5. SDX is planning to drill the Wells Fed. #22 & 23 wells on the same 160 acre proration unit at the above-mentioned locations. This reduced spacing is necessary to promote efficient drainage of the proration unit. The Wells # 22 & 23 will also be a non-standard locations because the locations were moved due to their proximity to existing 7-Rivers oil wells. SDX request that this letter serve as application to simultaneously dedicate this 160 acre non-standard gas proration unit to the existing Wells Fed. #4, # 15, and the proposed #22 & 23 wells, and as application for administrative approval of the non-standard locations. BLM form 3160 and OCD form C-102 for the #22 & 23 wells, an outlined lease map, and other pertinent information is attached to this application. All offset operators have been notified and proof of notification is attached. Your assistance on this is appreciated.

Sincerely,



Chuck Morgan

Enclosures



OCT 12 1999

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPlicate*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. LC-055546	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR SDX Resources, Inc.			7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. PO Box 5061, Midland, TX 79704			8. FARM OR LEASE NAME, WELL NO. Wells Federal #22	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' FNL 1780' FWL, Unit C At proposed prod. zone Same			9. API WELL NO.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 2 miles NE of Jal, NM			10. FIELD AND POOL, OR WILDCAT Jalmat Gas	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drlg. unit line, if any) 660'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 5, T25S, R37E	
16. NO. OF ACRES IN LEASE 918			12. COUNTY OR PARISH 13. STATE Lea NM	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160				
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1335			20. ROTARY OR CABLE TOOLS* Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3245' GR			22. APPROX. DATE WORK WILL START* 10/15/99	

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	600'	350 sx
7-7/8"	4-1/2" - 5-1/2"	9.5 - 17#	3200'	400 sx Lite + 200 sx C

Plan to drill 12-1/4" hole to appx 600'. Set 8-5/8" surface csg. Circ Class C cmt. Drill 7-7/8" hole to 3200'. Set 4-1/2" or 5-1/2" csg & circ cmt. Perf Yates gas zone & stimulate as necessary for optimum production.

Specific Program:

- Exhibit #1: BOP Diagram
- Exhibit #2: Survey Plat
- Exhibit #3: Existing & Proposed Road Map
- Exhibit #4: Producing Well Area Map
- Exhibit #5: Drill Site Layout

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, 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 Bonnie Otusotea TITLE Regulatory Tech. DATE 09/22/99

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. LC-055546	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR SDX Resources, Inc.			7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. PO Box 5061, Midland, TX 79704			8. FARM OR LEASE NAME, WELL NO. Wells Federal #23	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1886' FNL 758' FWL, Unit E At proposed prod. zone Same			9. API WELL NO.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 2 miles NE of Jal, NM			10. FIELD AND POOL, OR WILDCAT Jalmat Gas	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drlg. unit line, if any) 758' 758'			11. SEC., T., R., M., OR BLK AND SURVEY OR AREA Sec. 5, T25S, R37E	
16. NO. OF ACRES IN LEASE 918			12. COUNTY OR PARISH Lea	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160			13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1116'			20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3237			22. APPROX. DATE WORK WILL START* 10/15/99	

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	600'	350 sx
7-7/8"	4-1/2 - 5-1/2"	9.5 - 17#	3200'	400 sx Lite + 200 sx C

Plan to drill 12-1/4" hole to appx 600'. Set 8-5/8" surface csg. Circ Class C cmt. Drill 7-7/8" hole to 3200'. Set 4-1/2" or 5-1/2" csg & circ cmt. Perf Yates gas zone & stimulate as necessary for optimum production.

Specific Program:

- Exhibit #1: BOP Diagram
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- Exhibit #3: Existing & Proposed Road Map
- Exhibit #4: Producing Well Area Map
- Exhibit #5: Drill Site Layout

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, 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 Bonnie Ottwater TITLE Regulatory Tech. DATE 09/23/99

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OFFSET OPERATORS

EJ WELLS FEDERAL #25

Seay Exploration Co.
407 N. Big Spring #200
Midland, TX 79701

Gruy Petroleum
ATTN: Zeno Ferris
PO Box 140907
Irving, TX 75014-0907

Doyle Hartman
PO Box 10426
Midland, TX 79702

Permian Resources
PO Box 590
Midland, TX 79702

GP II
731 W. Wadley
Midland, TX 79705

Phillips
4001 Penbrook
Odessa, TX 79762

DOYLE HARTMAN
ON OPERATOR
RECEIVED

OCT 12 1999

SDX RESOURCES, INC.

P.O. BOX 5061

MIDLAND, TEXAS 79704

(915) 685-1761

Sept. 9, 1999

NMOCD
2040 South Pacheco Street
Santa Fe, NM 87505

Attention: Mr. Mike Stogner

RE: EJ Wells Fed. #25
Sec. 5, T25S, R37E
2180' FSL, 1980 FWL
Lea County, New Mexico

Dear Mr. Stogner,

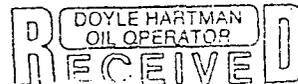
SDX Resources, Inc. is the operator of the EJ Wells Fed. #13 and #16 wells located in unit L of sec. 5 T25S R37E of Lea Co., N.M.: These wells are dedicated to a 120 acre non-standard gas proration unit created by NSL #1823 (6/22/84) and consisting of units K,L,& M of sec. 5. SDX is planning to drill the EJ Wells Fed. #25 well on the same 120 acre proration unit at the above-mentioned location. This will be a non-standard location as the location has been moved due to the wells proximity to a pipeline and an existing 7-Rivers oil well.. SDX request that this letter serve as application to simultaneously dedicate this 120 acre non-standard proration unit to the EJ Wells Fed. #13, # 16, and the #25 wells, and as application for administrative approval of the non-standard location. BLM form 3160 and OCD form C-102 for the #25 well, an outlined lease map, and other pertinent information is attached to this application. All offset operators have been notified and proof of notification is attached. Your assistance on this is appreciated.

Sincerely,



Chuck Morgan

Enclosures



OCT 12 1999

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. LC-055546	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR SDX Resources, Inc.			7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. PO Box 5061, Midland, TX 79704			8. FARM OR LEASE NAME, WELL NO. EJ Wells Federal #25	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *) At surface 2180' FSL, 1980' FWL, Unit K At proposed prod. zone Same			9. API WELL NO.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 2.5 miles NE of Jal, NM			10. FIELD AND POOL, OR WILDCAT Jalmat Gas	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 5, T25S, R37E	
16. NO. OF ACRES IN LEASE 918			12. COUNTY OR PARISH Lea	
17. NO. OF ACRES ASSIGNED TO THIS WELL 120			13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.			20. ROTARY OR CABLE TOOLS Rotary	
19. PROPOSED DEPTH 3200			21. APPROX. DATE WORK WILL START* 10/15/99	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3217				

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	600'	350 sx
7-7/8"	4-1/2 - 5-1/2"	9.5 - 17#	3200'	400 sx Lite + 200 sx C

Plan to drill 12-1/4" hole to appx 600'. Set 8-5/8" surface csg. Circ Class C cmt. Drill 7-7/8" hole to 3200'. Set 4-1/2" or 5-1/2" csg & circ cmt. Perf Yates gas zone & stimulate as necessary for optimum production.

Specific Program:

- Exhibit #1: BOP Diagram
- Exhibit #2: Survey Plat
- Exhibit #3: Existing & Proposed Road Map
- Exhibit #4: Producing Well Area Map
- Exhibit #5: Drill Site Layout

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, 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 Bonnie Atwater TITLE Regulatory Tech. DATE 09/23/99

(This space for Federal or State office use)

PERMIT NO _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OFFSET OPERATORS

STATE A 32 #6

Arco
PO Box 1089
Eunice, NM 88231-1089

Gruy Petroleum
ATTN: Zeno Ferris
PO Box 140907
Irving, TX 75014-0907

Lewis B. Burleson, Inc.
PO Box 2479
Midland, TX 79702

Doyle Hartman
PO Box 10426
Midland, TX 79702

Saga Petroleum Ltd. Liability Co
415 W. Wall, #835
Midland, TX 79701

DOYLE HARTMAN
OFFSET OPERATOR
RECEIVED

OCT 12 1999

SDX RESOURCES, INC.

P.O. BOX 5061

MIDLAND, TEXAS 79704

(915) 685-1761

Sept. 16, 1999

NMOCD
2040 South Pacheco Street
Santa Fe, NM 87505

Attention: Mr. Mike Stogner

RE: State A 32 # 6
Sec. 32, T24S, R37E
1880 FNL, 760 FWL
Lea County, New Mexico

Dear Mr. Stogner,

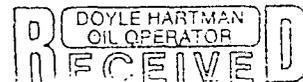
SDX Resources, Inc. is the operator of the State A 32 # 4 well located in unit F and the State A 32 # 5 well located in unit D of sec. 32 T24S R37E of Lea Co., N.M.. These wells are dedicated to a 120 acre non-standard proration unit consisting of the NW/4 NW/4 and the S/2 NW/4 of sec. 32 created by administrative order NSP-1087 and expanded by SD-99-1. Completion problems on the #5 well have prompted SDX to drill a third well. SDX is planning to drill the State A 32 # 6 well on the same 120 acre non-standard proration unit as the #4 & 5 wells. SDX request that this letter serve as application to simultaneously dedicate this 120 acre NSP unit to the State A 32 # 4, 5, and #6 wells. Information detailing NSP-1087, SD-99-1, a C-101 & 102 for the #6 well, an outlined lease map, and other pertinent information is attached to this application. All offset operators have been notified and proof of notification is attached. Your assistance on this is appreciated.

Sincerely,



Chuck Morgan

Enclosures



OCT 12 1999

cm

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 88210

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-101

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address SDX Resources, Inc. PO Box 5061 Midland, TX 79704 915/685-1761		GRID Number 020451
		API Number 30 - 0
Property Code 23976	Property Name State A 32	Well No. 6

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
E	32	24S	37E		1880	North	760	West	Lea

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
Proposed Pool 1 Jalmat, T-Y-7R					Proposed Pool 2				

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3242
Multiple No	Proposed Depth 3500	Formation Yates	Contractor Capstar	Spud Date 10-15-99

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#	500	450 sx	Surface
7-7/8"	4-1/2"	9.5#	3500	700 sx	Surface

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Drill 12-1/4" hole to 500'. Set 8-5/8" csg & cmt to surface. RU BOP. Drill 7-7/8" hole to 3500'. Set 4-1/2" csg & cmt to surface.
RD rotary & BOP. Perf Yates & fracture stimulate & place Yates on test.

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

Signature:

Bonnie Atwater

Printed name: Bonnie Atwater

Title: Regulatory Tech. 9/23/99

OIL CONSERVATION DIVISION

Approved By:

Title:

Approval Date:

Expiration Date:

OFFSET OPERATORS

JALMAT FEDERAL COM. #2

Doyle Hartman
PO Box 10426
Midland, TX 79702

Phillips
4001 Penbrook
Odessa, TX 79762

Prime Operating
2900 Wilcrest Dr, #475
Houston, TX 77042

Midland Operating
3300 North "A" St, Ste 2-104
Midland, TX 79705

Gruy Petroleum
ATTN: Zeno Ferris
PO Box 140907
Irving, TX 75014-0907

DOYLE HARTMAN
OFFSET OPERATOR
RECEIVED

OCT 12 1999

SDX RESOURCES, INC.

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

Sept. 17, 1999

NMOCD
2040 South Pacheco Street
Santa Fe, NM 87505

Attention: Mr. Mike Stogner

RE: Jalmat Federal Com # 2
Sec. 31, T24S, R37E
1650' FSL, 760 FWL
Lea County, New Mexico

Dear Mr. Stogner,

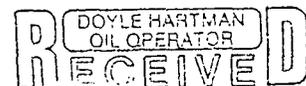
SDX Resources, Inc. is the operator of the Federal Jalmat Com # 1 well located in unit D of sec. 6 T25S R37E of Lea Co., N.M.. The well is dedicated to a 120 acre non-standard gas proration unit SCR 434 and consist of the NW/4 NW/4 Sec. 6 T25S R37 E, W/2 SW/4 Sec. 31 T24S R37E. SDX is planning to drill the Jalmat Federal Com # 2 well on the same 120 acre proration unit at the above-mentioned location. This will be a non-standard location as the location has been moved due to the wells proximity to a pipeline. SDX request that this letter serve as application to simultaneously dedicate this 120 acre non-standard proration unit to the Jalmat Federal Com # 1, and # 2 wells, and as application for administrative approval of the non-standard location. BLM form 3160 and OCD form C-102 for the #2 well, an outlined lease map, and other pertinent information is attached to this application. All offset operators have been notified and proof of notification is attached. Your assistance on this is appreciated.

Sincerely,



Chuck Morgan

Enclosures



OCT 12 1999

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TR DATE*
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

C.M

APPLICATION FOR PERMIT TO DRILL OR DEEPEN			5. LEASE DESIGNATION AND SERIAL NO. NM-12610
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			7. UNIT AGREEMENT NAME SCR 434
2. NAME OF OPERATOR SDX Resources, Inc.			8. FARM OR LEASE NAME, WELL NO. Jalmat Federal Com #2
3. ADDRESS AND TELEPHONE NO. PO Box 5061, Midland, TX 79704			9. API WELL NO.
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1650' FSL 760' FWL Unit L At proposed prod. zone Same			10. FIELD AND POOL, OR WILDCAT Jalmat Gas
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 3 miles N of Jal, NM			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 31, T24S, R37E
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drilg. unit line, if any)	560	16. NO. OF ACRES IN LEASE 120	17. NO. OF ACRES ASSIGNED TO THIS WELL 120
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	2240	19. PROPOSED DEPTH 3200	20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3241			22. APPROX. DATE WORK WILL START* 11/01/99

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	600'	350 sx
7-7/8"	4-1/2" - 5-1/2"	9.5 - 17#	3200'	400 sx Lite + 200 sx C

Plan to drill 12-1/4" hole to appx 600'. Set 8-5/8" surface csg. Circ Class C cmt. Drill 7-7/8" hole to 3200'. Set 4-1/2" or 5-1/2" csg & circ cmt. Perf Yates gas zone & stimulate as necessary for optimum production.

Specific Program.

- Exhibit #1: BOP Diagram
- Exhibit #2: Survey Plat
- Exhibit #3: Existing & Proposed Road Map
- Exhibit #4: Producing Well Area Map
- Exhibit #5: Drill Site Layout

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, 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 Bonnie Alvarado TITLE Regulatory Tech. DATE 09/23/99

(This space for Federal or State office use)

PERMIT NO _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon
CONDITIONS OF APPROVAL, IF ANY

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

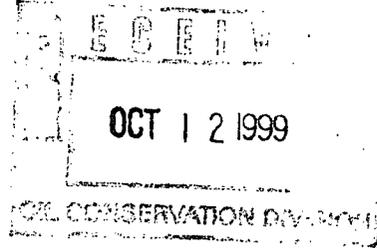
~~NSC (SD)~~ 11/1/99

SDX RESOURCES, INC.

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

Sept.08, 1999

NMOCD
2040 South Pacheco Street
Santa Fe, NM 87505



Attention: Mr. Mike Stogner

RE: ~~Wells Fed #23~~
Sec. 5, T25S, R37E
1886' FNL, 758' FWL
Lea County, New Mexico

~~Wells Fed #22~~
Sec. 5, T25S, R37E
660' FNL, 1780 FWL
Lea County, New Mexico

Dear Mr. Stogner,

SDX Resources, Inc. is the operator of the Wells Fed. #4 and # 15 wells located in units F and D of sec. 5 T25S R37E of Lea Co., N.M.. Theses wells are dedicated to a 160 acre non-standard gas proration unit created by NSL-1821 (5/17/84),consisting of the NW/4 of sec. 5. SDX is planning to drill the Wells Fed. #22 & 23 wells on the same 160 acre proration unit at the above-mentioned locations. This reduced spacing is necessary to promote efficient drainage of the proration unit. The Wells # 22 & 23 will also be a non-standard locations because the locations were moved due to their proximity to existing 7-Rivers oil wells. SDX request that this letter serve as application to simultaneously dedicate this 160 acre non-standard gas proration unit to the existing Wells Fed. #4, # 15, and the proposed #22 & 23 wells, and as application for administrative approval of the non-standard locations. BLM form 3160 and OCD form C-102 for the #22 & 23 wells, an outlined lease map, and other pertinent information is attached to this application. All offset operators have been notified and proof of notification is attached. Your assistance on this is appreciated.

Sincerely,

Chuck Morgan

Enclosures

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

cm

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. LC-055546
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR SDX Resources, Inc.			7. UNIT AGREEMENT NAME
3. ADDRESS AND TELEPHONE NO. PO Box 5061, Midland, TX 79704			8. FARM OR LEASE NAME, WELL NO. Wells Federal #22
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 660' FNL 1780' FWL, Unit C At proposed prod. zone Same			9. API WELL NO.
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 2 miles NE of Jal, NM			10. FIELD AND POOL, OR WILDCAT Jalmat Gas
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drilg. unit line, if any) 660'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 5, T25S, R37E
16. NO. OF ACRES IN LEASE 918			12. COUNTY OR PARISH 13. STATE Lea NM
17. NO. OF ACRES ASSIGNED TO THIS WELL 160			
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1335			20. ROTARY OR CABLE TOOLS Rotary
19. PROPOSED DEPTH 3200			
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3245' GR			22. APPROX. DATE WORK WILL START* 10/15/99

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	600'	350 sx
7-7/8"	4-1/2 - 5-1/2"	9.5 - 17#	3200'	400 sx Lite + 200 sx C

Plan to drill 12-1/4" hole to appx 600'. Set 8-5/8" surface csg. Circ Class C cmt. Drill 7-7/8" hole to 3200'. Set 4-1/2" or 5-1/2" csg & circ cmt. Perf Yates gas zone & stimulate as necessary for optimum production.

Specific Program:

- Exhibit #1: BOP Diagram
- Exhibit #2: Survey Plat
- Exhibit #3: Existing & Proposed Road Map
- Exhibit #4: Producing Well Area Map
- Exhibit #5: Drill Site Layout

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, 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 Bonnie Atwater TITLE Regulatory Tech. DATE 09/22/99

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

***See Instructions On Reverse Side**

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

cm
FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN			5. LEASE DESIGNATION AND SERIAL NO. LC-055546		
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			7. UNIT AGREEMENT NAME		
2. NAME OF OPERATOR SDX Resources, Inc.			8. FARM OR LEASE NAME, WELL NO. Wells Federal #23		
3. ADDRESS AND TELEPHONE NO. PO Box 5061, Midland, TX 79704			9. API WELL NO.		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *) At surface 1886' FNL 758' FWL, Unit E At proposed prod. zone Same			10. FIELD AND POOL, OR WILDCAT Jalmat Gas		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 2 miles NE of Jal, NM			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 5, T25S, R37E	12. COUNTY OR PARISH Lea	13. STATE NM
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 758'	16. NO. OF ACRES IN LEASE 918	17. NO. OF ACRES ASSIGNED TO THIS WELL 160			
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1116'	19. PROPOSED DEPTH 3200	20. ROTARY OR CABLE TOOLS Rotary			
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3237			22. APPROX. DATE WORK WILL START* 10/15/99		

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	600'	350 sx
7-7/8"	4-1/2 - 5-1/2"	9.5 - 17#	3200'	400 sx Lite + 200 sx C

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- Exhibit #5: Drill Site Layout

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24. SIGNED Bonnie Atwater TITLE Regulatory Tech. DATE 09/23/99

(This space for Federal or State office use)

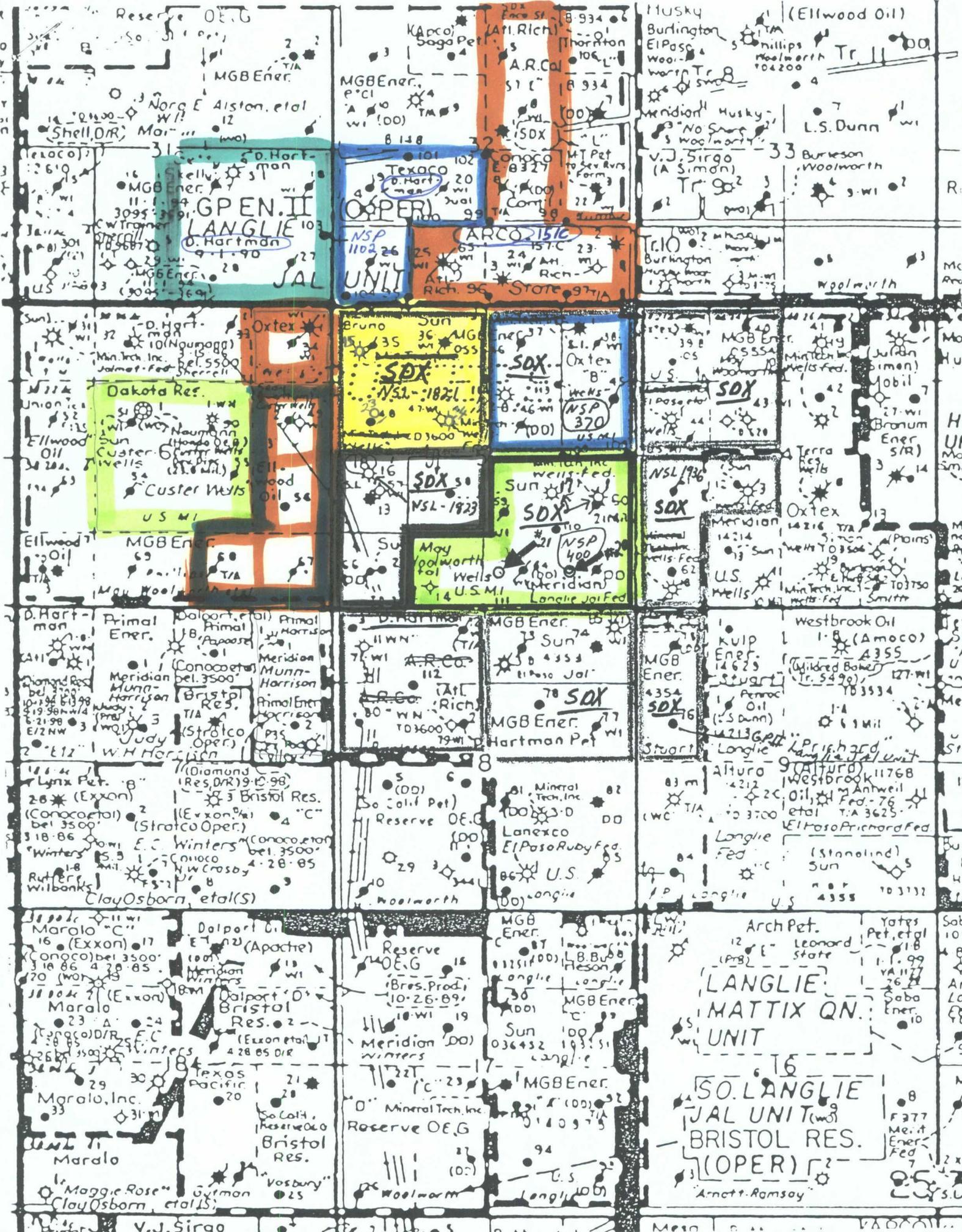
PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

***See Instructions On Reverse Side**

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



Reserve O.E.G.

Norg E Alston, etal
(Shell, D/R) Mar

G.PEN. II
LANGLIE
O. Hartman

Dakota Res.

MGB Ener.

Primal Ener.

Maralo "C"

Maralo

Maralo, Inc.

Maralo

V.J. Sirgo

Kapco Soga Pet

MGB Ener.

Texaco

N.S.P.

Sun

Sun

Sun

MGB Ener.

Reserve O.E.G.

Reserve O.E.G.

Reserve O.E.G.

Reserve O.E.G.

Reserve O.E.G.

APR. Rich

A.R.C.

Conoco

ARC-2151C

Sun

Sun

Sun

MGB Ener.

MGB Ener.

MGB Ener.

MGB Ener.

MGB Ener.

MGB Ener.

Musk

Burlington

V.J. Sirgo

Tr. 10

MGB Ener.

NSL 1936

NSL

MGB Ener.

Altura

Arch Pet.

SO. LANGLIE

JAL UNIT

Minn. Tech. Inc.

(Ellwood Oil)

Phillips

Burkeson

Woolworth

MGB Ener.

Oxtex

Oxtex

Westbrook Oil

Westbrook

Langlie

Langlie

Langlie

Langlie



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

May 17, 1984

Doyle Hartman
Oil Operator
P. O. BOX 10426
Midland, Texas 79702

Attention: Michelle Hembree, Administrative Assistant

Administrative Order NSL-1821 (SD)

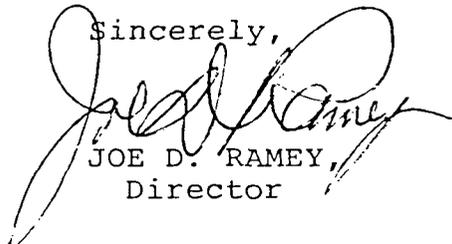
Gentlemen:

Reference is made to your application for a non-standard location and simultaneous dedication for your Wells Federal Well No. 15 located 810 feet from the North line and 460 feet from the West line, NW/4 of Section 5, Township 25 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico.

By authority granted me under the provisions of Rule 3, Section 1 of Division Order No. R-1670, the above-described unorthodox location is hereby approved, and is to be simultaneously dedicated to the existing 160-acre non-standard gas proration unit comprising the NW/4 of Section 5 with your Wells Federal Well No. 4 located in Unit F of said section, both wells in Township 25 South, Range 37 East, Lea County, New Mexico.

Further, you are hereby permitted to produce the allowable from any of the wells on the proration unit in any proration.

Sincerely,



JOE D. RAMEY,
Director

JDR/bok

cc: Oil Conservation Division - Aztec
Oil & Gas Engineering Committee - Hobbs
Bureau of Land Management - Farmington

MAY 24 1984

R1670 MAY 17, 1984
 NSR-1812

NEW MEXICO OIL CONSERVATION COMMISSION
 WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
 Supersedes C-128
 Effective 1-1-65

Now SOX

All distances must be from the outer boundaries of the Section

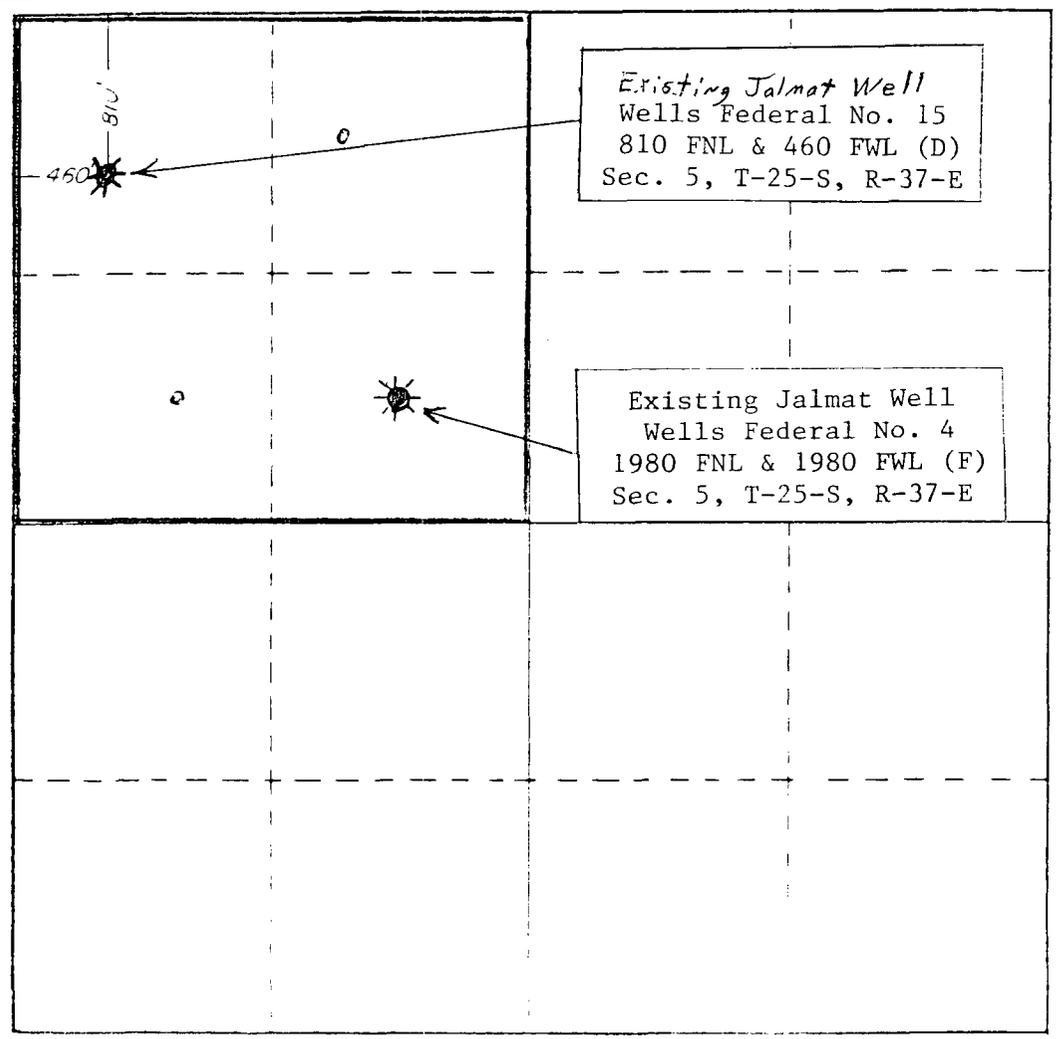
Operator DOYLE HARTMAN			Lease WELLS FEDERAL		Well No. 15
Unit Letter D	Section 5	Township 25S	Range 37E	County LEA	
Actual Footage Location of Well:					
810 feet from the NORTH line and		460 feet from the WEST line			
Ground Level Elev. 5231.5	Producing Formation YATES-SEVEN RIVERS	Pool JALMAT (GAS)		Dedicated Acreage: 160 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure 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 interests 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 interests, has been approved by the Commission.



CERTIFICATION

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

Name
Larry G. Nenny

Position
Engineer

Company
Doyle Hartman

Date
April 25, 1984

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
4/25/84

Signature of Professional Engineer and Surveyor
John W. White

WELL LOCATION AND ACREAGE DEDICATION

Supp. Res C-12a
Effective 1-1-65

New Doyle Hartman

All distances must be from the outer boundaries of the Section.

Operator GETTY OIL COMPANY		Lease J.W. Sherrell		Well No. 5
Section J	Section 31	Township 24S.	Range 37E.	County 10a
Dist. Postage Location of Well: 2250 feet from the South line and 1650 feet from the East line		Producing Formation Yates		
Well Level Elev. 3224	Pool Jalmat Yates (Gas)		Dedicated Acreage: 160 Acres	

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

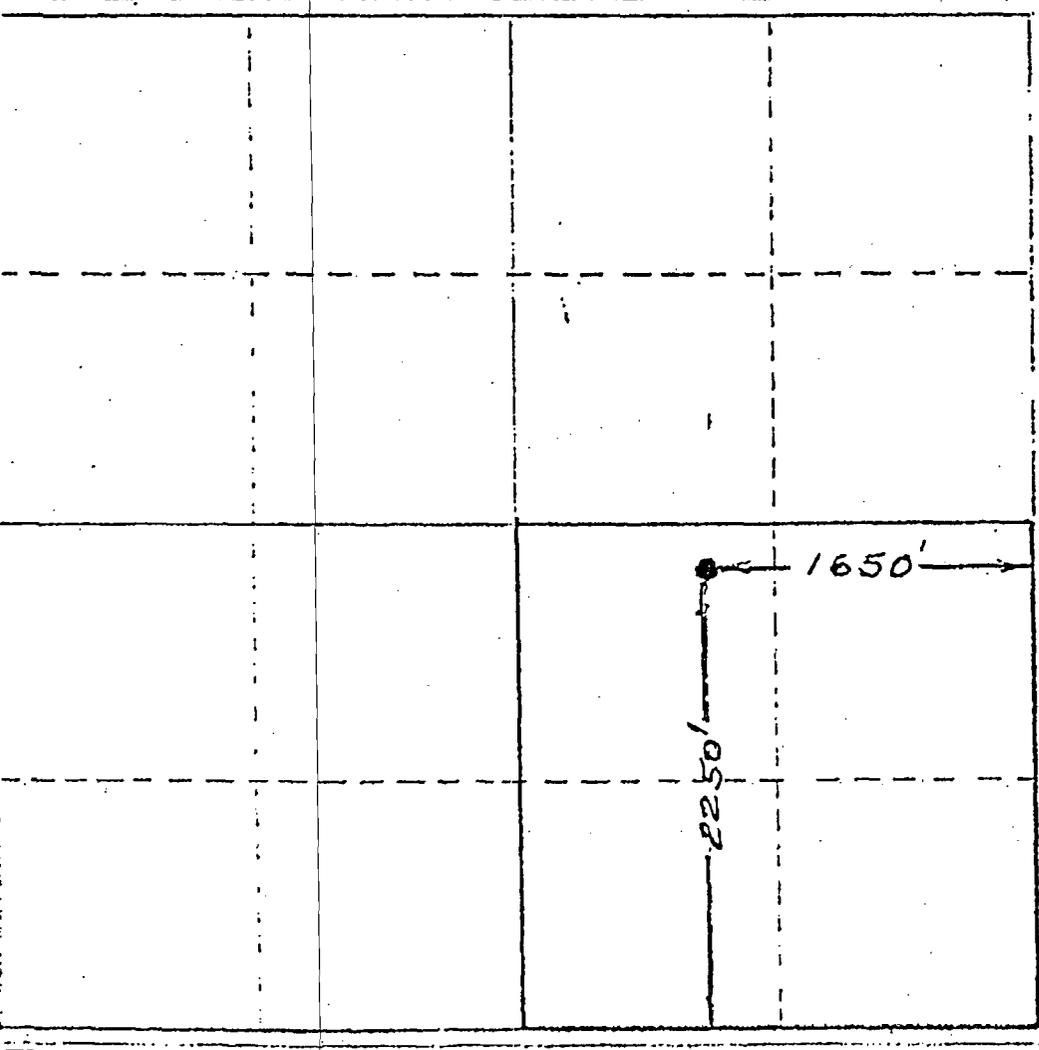
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Commission.



CERTIFICATION

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

Name: *David C. Baker*

Position: **Area Superintendent**

Company: **Getty Oil Company**

Date: **1-24-79**

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: **23 Feb 1979**

Registered Professional Engineer and/or Land Surveyor: **JONES 3640**

STATE OF ARIZONA
LAND SURVEYOR

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-105
Revised 1-1-89

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

WELL API NO.
30-025-26070

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
OIL WELL GAS WELL DRY OTHER _____
b. Type of Completion:
NEW WELL WORK OVER DEEPEN PLUG BACK DIFF RESVR OTHER Add More Perfs

7. Lease Name or Unit Agreement Name
J.W. Sherrell

2. Name of Operator
Doyle Hartman

8. Well No.
9

3. Address of Operator
P.O. Box 10426 Midland, Texas 79702

9. Pool name or Wildcat
Jalmat (Tansil-Yates-7R)

4. Well Location
Unit Letter J : 2250 Feet From The South Line and 1650 Feet From The East Line
Section 31 Township 24-S Range 37-E NMPM Lea County

10. Date Spudded 6-29-78 orig 11. Date T.D. Reached 9-9-78 orig 12. Date Compl. (Ready to Prod.) 9-16-78 orig 11-15-89 recompl 13. Elevations (DF& RKB, RT, GR, etc.) 3224 GL 14. Elev. Casinghead 3227

15. Total Depth 3250 16. Plug Back T.D. 3219 17. If Multiple Compl. How Many Zones? - 18. Intervals Drilled By Rotary Tools 0-3250 Cable Tools _____

19. Producing Interval(s), of this completion - Top, Bottom, Name Yates - 7 Rivers 20. Was Directional Survey Made No

21. Type Electric and Other Logs Run Original DLL, MLL, GRC, CDL, CN 22. Was Well Cored No

CASING RECORD (Report all strings set in well) * Same as Original

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8	23 #/ft	495	12 1/4"	400 sxs	Circ
5 1/2	15.5 #/ft	3247	7 7/8"	720 sxs	Circ

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 3/8	3171 RKB	None

16. Perforation record (interval, size, and number) 1 SPF
Old Perfs-2928,43,52,62,66,73,79,84,89,96
3000,06,11,23,31,44,52,60,65,78, & 88
21 (.42") Shots
New Perfs Added (11-13-89)-2908,38,46,53,70,74,78.5, & 3016 1 SPF

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
<u>2928 - 3088</u>	<u>3000 gals 15% NEFE</u>

18. PRODUCTION
Date First Production 11-15-89 Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping 8.5 spm x 54" strong x 1 1/4" insert pump Well Status (Prod. or Shut-in) Shut-in

Date of Test 11-16-89 Hours Tested 24 Choke Size 32/64 Prod'n For Test Period Oil - Bbl. Trace Gas - MCF 257 Water - Bbl. 29 Gas - Oil Ratio _____

Flow Tubing Press. CSG 36 psig Casing Pressure SICP 86 psig Calculated 24-Hour Rate Oil - Bbl. Trace Gas - MCF 257 Water - Bbl. 29 Oil Gravity - API - (Corr.) _____

9. Disposition of Gas (Sold, used for fuel, vented, etc.) Vented Test Witnessed By H. Swain

0. List Attachments

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature [Signature] Printed Name Mike Stewart Title Engineer Date 12-6-89

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-128
Supersedes C-128
Effective 1-1-65

New: Doyle Hartman All distances must be from the outer boundaries of the Section.
Operator

GETTY OIL COMPANY		Lease Skelly "N" State		Well No. 4
-------------------	--	------------------------	--	------------

Unit Letter "L"	Section 32	Township 24 South	Range 37 East	County Lea
-----------------	------------	-------------------	---------------	------------

Actual Footage Location of Well:
1650 feet from the South line and 660 feet from the West line

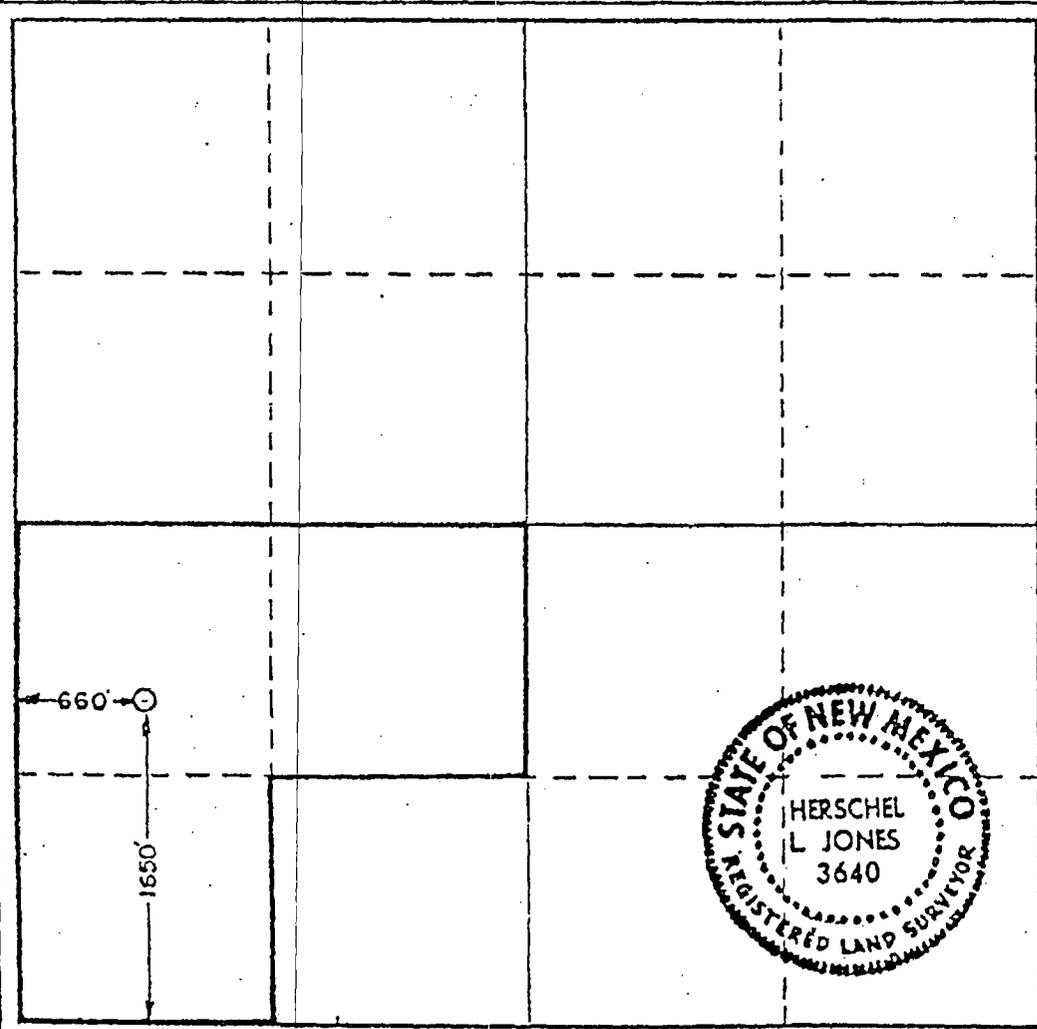
Ground Level Elev. 3238.6	Producing Formation YATES	Pool JALMAT (YATES)	Dedicated Acreage 120 Acres
---------------------------	---------------------------	---------------------	-----------------------------

- Outline the acreage dedicated to the subject well by colored pencil or hachure 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 interests 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 interests, has been approved by the Commission.



CERTIFICATION

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

Name **ORIGINAL SIGNED BY DALE R. CROCKETT**
 Position AREA SUPERINTENDENT
 Company GETTY OIL COMPANY
 Date JUNE 19, 1978

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 June 15, 1978
 Registered Professional Engineer and/or Land Surveyor

Herschel L. Jones
 Certificate No. 3640

Submit 5 Copies
 Appropriate District Office
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

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-104
 Revised 1-1-89
 See Instructions
 at Bottom of Page

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

58061

**REQUEST FOR ALLOWABLE AND AUTHORIZATION
 TO TRANSPORT OIL AND NATURAL GAS**

I. Operator **Doyle Hartman** Well API No. **30-025-25974**
 Address **P. O. Box 10426 Midland, Texas 79702**
 Reason(s) for Filing (Check proper box) Other (Please explain)
 New Well Change in Transporter of:
 Recompletion Oil Dry Gas Change in Transporter effective
 Change in Operator Casinghead Gas Condensate November 1, 1991
 (change of operator give name and address of previous operator)

II. DESCRIPTION OF WELL AND LEASE

Lease Name **Skelly M State** Well No. **4** Pool Name, including Formation **Jalmat (T-Y-7R)** Kind of Lease **State, Federal or Fee** Lease No. **B-1327**
 Location
 Unit Letter **L** : **1650** Feet From The **South** Line and **660** Feet From The **West** Line
 Section **32** Township **24S** Range **37E**, **NMPM**, Lea County

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil or Condensate Address (Give address to which approved copy of this form is to be sent)
 Name of Authorized Transporter of Casinghead Gas or Dry Gas Address (Give address to which approved copy of this form is to be sent)
Sid Richardson Carbon & Gasoline Company 201 Main Street, Fort Worth, Texas 76102
 Well produces oil or liquids, or location of tanks. Unit Sec. Twp. Rge. Is gas actually connected? When?

This production is commingled with that from any other lease or pool, give commingling order number **SID RICHARDSON GASOLINE CO. - # 3/1/09**

IV. COMPLETION DATA

Designate Type of Completion - (X)	<input checked="" type="checkbox"/> Oil Well	<input type="checkbox"/> Gas Well	<input type="checkbox"/> New Well	<input type="checkbox"/> Workover	<input type="checkbox"/> Deepen	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Same Res'v	<input type="checkbox"/> Diff Res'v
Date Spudded	Date Compl. Ready to Prod.		Total Depth			P.B.T.D.		
Conditions (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay			Tubing Depth		
Iterations				Depth Casing Shoe				

TUBING, CASING AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT

TEST DATA AND REQUEST FOR ALLOWABLE

WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)
 Date First New Oil Run To Tank Date of Test Producing Method (Flow, pump, gas lift, etc.)
 Length of Test Tubing Pressure Casing Pressure Choke Size
 Actual Prod. During Test Oil - Bbls. Water - Bbls. Gas - MCF

AS WELL
 Actual Prod. Test - MCF/D Length of Test Bbls. Condensate/MMCF Gravity of Condensate
 Logging Method (pilot, back pt.) Tubing Pressure (Shut-in) Casing Pressure (Shut-in) Choke Size

V. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Patrick K. Worrell
 Signature **Patrick K. Worrell** Engineer
 Printed Name Title
 Date **11/21/91** Telephone No. **915-684-4011**

OIL CONSERVATION DIVISION
 Date Approved **NOV 27 1991**
 By **ORIGINAL SIGNED BY JERRY GENTON**
DISTRICT I SUPERVISOR
 Title
FOR RECORD ONLY MAY 11 1993

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104
 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
 2) All sections of this form must be filled out for allowable on new and recompleted wells.
 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
 4) Separate Form C-104 must be filed for each pool in multiply completed wells



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JE APDACA
GOVERNOR

August 16, 1978

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

NICK FRANKLIN
SECRETARY

Getty Oil Company
P. O. Box 730
Hobbs, New Mexico 88240

Administrative Order NSP-1102 *

Gentlemen:

Reference is made to your application for approval of a 120-acre non-standard gas proration unit consisting of the following acreage in the Jalmat Yates Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 32: N/2 SW/4 and SW/4 SW/4

It is my understanding that this unit is to be dedicated to your Skelly "M" State Well No. 4 located 1650 feet from the South line and 660 feet from the West line of the above-described Section 32.

By authority granted me under the provisions of Rule 5C3 of Order No. R-1670, you are hereby authorized to operate the above-described acreage as a non-standard unit.

Very truly yours,

JOE D. RAMEY,
Director

JDR/RLS/dr

cc: Oil Conservation Division - Hobbs
Oil & Gas Engineering Committee - Hobbs
Central Leasing - State Land Office - Santa Fe

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

ARCO

All distances must be from the outer boundaries of the Section.

Atlantic Richfield Company			Lease <u>State 157-E</u>		Well No. <u>1</u>
Section	Township	Range	County		
<u>32</u>	<u>24S</u>	<u>37E</u>	<u>Lea</u>		
Section	Township		Range	County	
<u>32</u>	<u>24S</u>		<u>37E</u>	<u>Lea</u>	
Actual Footage Location of Well:					
2310 feet from the North line and		2310 feet from the East line			
Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:		
<u>3251'</u>	<u>Yates</u>	<u>Jalpat Gas</u>	<u>240</u> Acres		

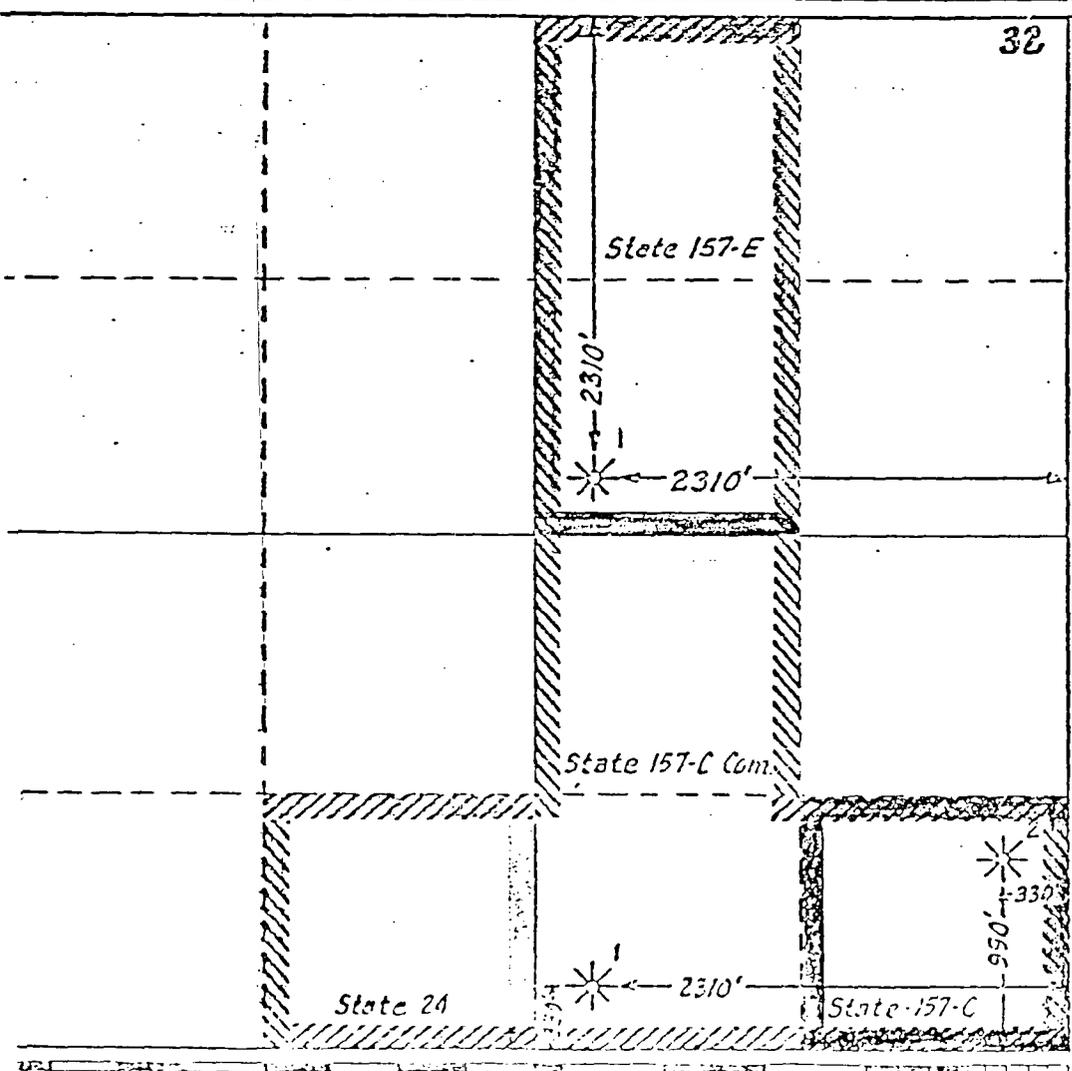
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation Communitization

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 interests, has been approved by the Commission.

R-37-E



CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name	<u>Louis C. Sullivan</u>
Position	<u>Engineer</u>
Company	<u>Atlantic Richfield Company</u>
Date	<u>November 1, 1974</u>
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	
Registered Professional Engineer and/or Land Surveyor	
Certificate No.	

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-12
Effective 1-1-65

Now SDX

All distances must be from the outer boundaries of the Section

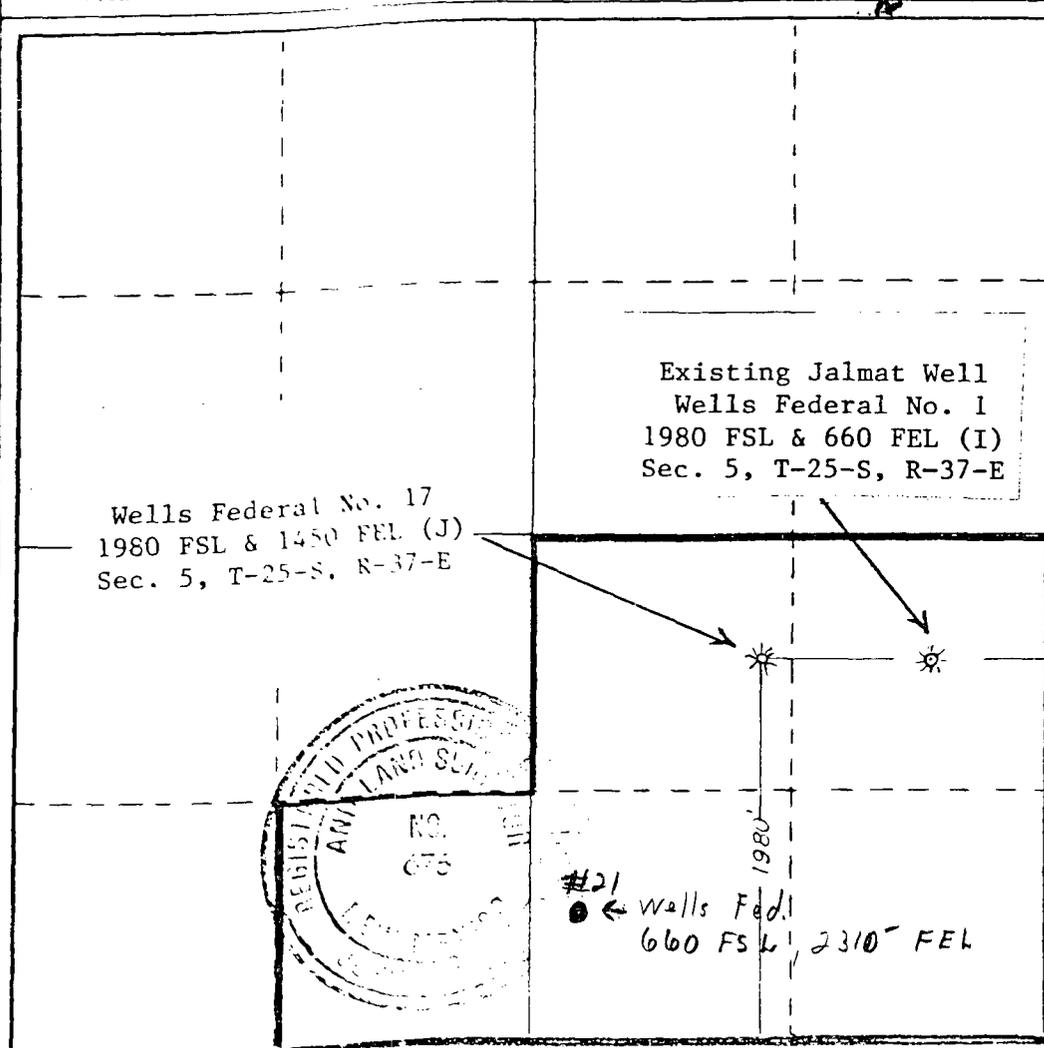
Operator DOYLE HARTMAN		Lease WELLS FEDERAL			Well No. 17
Unit Letter	Section	Township 25S	Range 37E	County LEA	
Actual Footage Location of Well 1450 feet from the EAST line and 1980 feet from the SOUTH line					
Ground Level Elev. 3229.9	Producing Formation YATES-SEVEN RIVERS		Pool JALMAT (GAS)		Dedicated Acreage: 200 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 interests 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 interests, has been approved by the Commission.



CERTIFICATION

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

Name
Larry A. Manning
Position
Engineer
Company
Doyle Hartman
Date
July 24, 1984

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
4/12/84
Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. JOHN W. WEST. 676
RONALD J. EDSON, 3239



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 31, 1999

MAR 31 1999

SDX Resources, Inc.
P. O. Box 5061
Midland, Texas 79704
Attention: Chuck Morgan

Administrative Order NSL-4248(SD)

Dear Mr. Morgan:

Reference is made to your applications dated March 4, 1999 for two unorthodox Jalmat gas well locations in an existing non-standard 200-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising the SE/4 SW/4 and SE/4 of Section 5, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico. This non-standard GPU was established by Division Administrative Order NSP-400, dated November 11, 1957 and had dedicated thereon the Wells Federal Well No. 1 (API No. 30-025-11462), located 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 5.

By amendment to Division Administrative Order NSP-400 (L) (SD), dated August 17, 1984, a second well, the Wells Federal Well No. 17 (API No. 30-025-28850), located at an unorthodox gas well location 1980 feet from the South line and 1450 feet from the East line (Unit J) of Section 5 was approved for this GPU.

By authority granted me under the provisions of Rule 2(d) of the "*Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended, and Division Rule 104.F (2) the following two wells to be drilled at unorthodox Jalmat gas well locations in Section 5 are hereby approved:

Wells Federal Well No. 20
820' FSL & 1238' FEL (Unit P)

Wells Federal Well No. 21
660' FSL & 2310' FEL (Unit O)

Also, you are hereby authorized to simultaneously dedicate Jalmat gas production from the proposed Wells Federal Wells No. 20 and 21 with the existing Wells Federal Wells No. 1 and 17.

Administrative Order NSL-4248(SD)

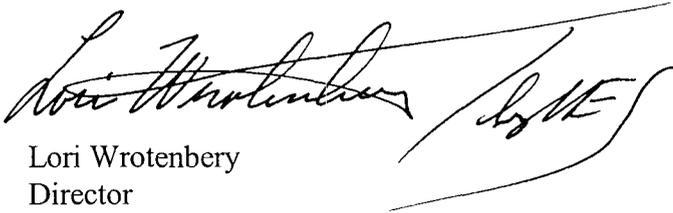
SDX Resources, Inc.

March 31, 1999

Page 2

Furthermore, you are hereby permitted to produce the allowable assigned the subject 200-acre GPU from all four wells in any proportion.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery", followed by a large, stylized flourish that resembles the initials "LW/MES".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: NSP-400

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form No. 1
Superseded Edition
1-1-78

New SDX

All distances must be from the outer boundaries of the Section

Owner DOYLE HARTMAN		Lease WELLS "B5"		Section 2	
Section G	Section 5	Township 25 SOUTH	Range 37 EAST	County LEA	
Distance from the North 1552		Line and NORTH		Distance from the East 2230	
Ground Level Elev 3249.1	Producing Formation Yates	Pool Jalmat (Gas)		Section 160*	

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 (as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

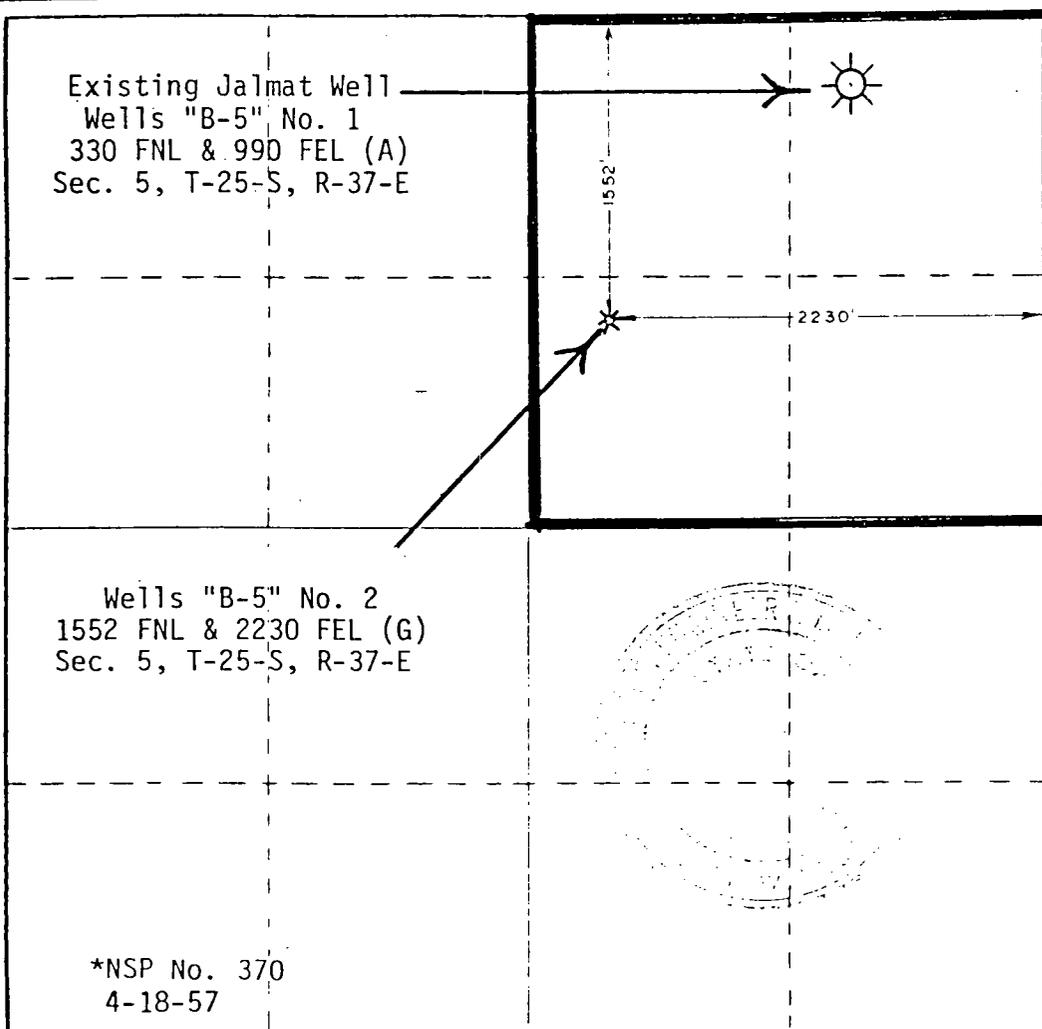
Communitization Agreement
(14-08-0001-3889)

Yes No If answer is "yes," type of consolidation

**** Please see reverse side**

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (List 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 interests, has been approved by the Commission.



CERTIFICATION

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

Larry A. Romero
Engineer

Engineer

Doyle Hartman

September 8, 1982

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

10/04/82

Registered Professional Engineer

John W. West

Certificate No. **JOHN W. WEST 878**
PATRICK A. ROMERO 6668
Fonold J. Edgton 3239

Well Location and Acreage Dedication Plat

Date August 2, 1957

Section A.

Operator El Paso Natural Gas Company Lease Wells B-5
Well No. 1 Unit Letter A Section 5 Township 25 S Range 37 E NMPM
Located 330 Feet From North Line, 990 Feet From East Line
County Lea G. L. Elevation 3262 Dedicated Acreage 160 Acres
Name of Producing Formation Yates Pool Jalpat

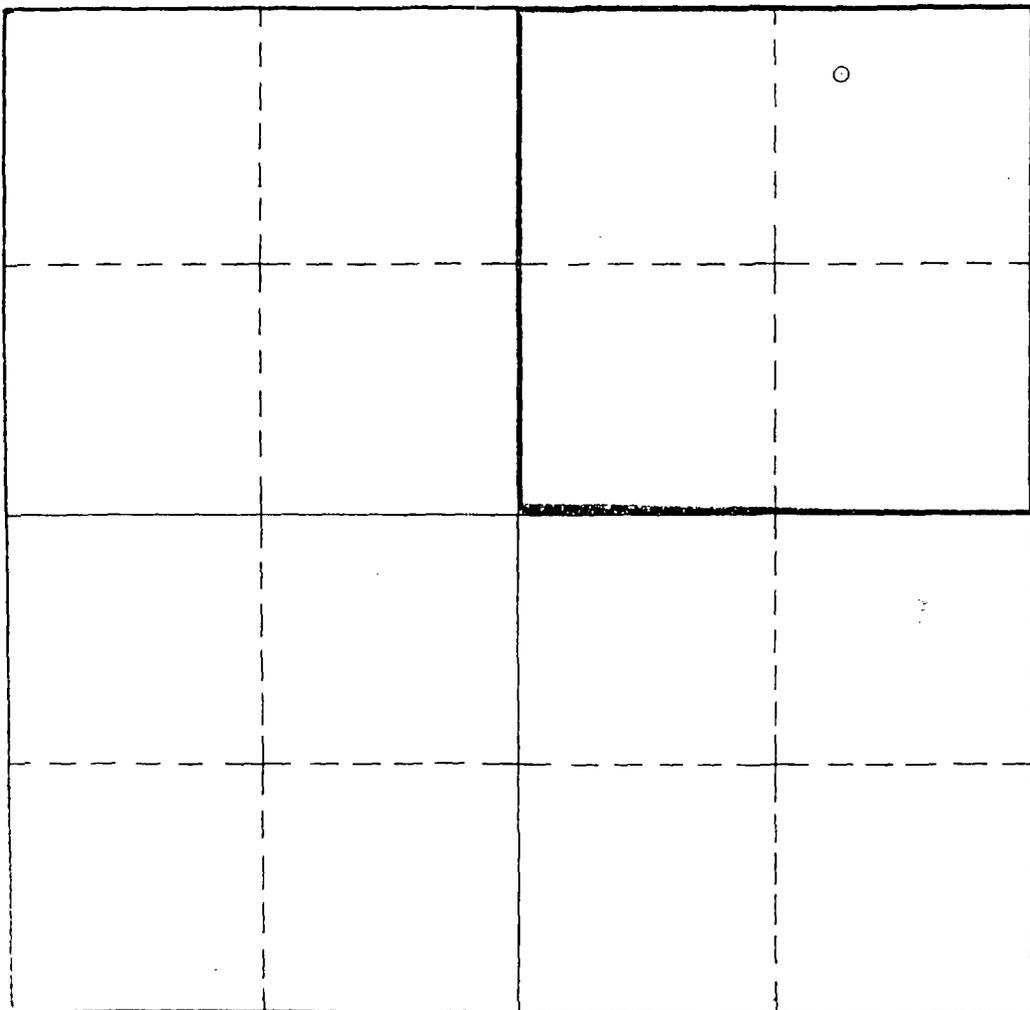
1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes _____ No X.
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes X No _____. If answer is "yes," Type of Consolidation Communitization Agreement dated February 1, 1957
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner

Land Description

<u>Owner</u>	<u>Land Description</u>

Section B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

El Paso Natural Gas Company
(Operator)

Loyd B. Baskin
(Representative)

Loyd B. Baskin
501 Wilco Building, Midland, Texas
Address

This is to certify that the well location shown on the plat in Section B 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 _____

Registered Professional Engineer and/or Land Surveyor. 601 23 1982

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

(See instructions for completing this form on the reverse side) Certificate No. _____

El Paso Natural Gas Company

El Paso, Texas
April 1, 1957

to Holder OCC

NSP 370

due 5-9-57

New Mexico Oil and Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Re: Application of El Paso Natural Gas Company for Administrative Approval for a 160.25 acre Non-Standard Gas Proration Unit in the Jalmat Gas Pool for the Westates Petroleum Corporation Wells B-5 #1 Gas Well which is located in Lot 1 of Section 5, Township 25 South, Range 37 East, N.M.P.M. Lea County, New Mexico

Gentlemen:

El Paso Natural Gas Company respectfully requests Administrative Approval under the provisions of Rule 5(a) and 5(b) of Order No. R-520 for a Non-Standard Gas Proration Unit of 160.25 acres, more or less, consisting of Lots 1, 2, and the S/2 NE/4 of Section 5, Township 25 South, Range 37 East, N.M.P.M. Jalmat Gas Pool, Lea County, New Mexico, and in support thereof states the following facts:

1. That effective as of April 1, 1957, Lots 1, 2, and the S/2 NE/4 of Section 5, Township 25 South, Range 37 East, N.M.P.M. was communitized in order to form a 160.25 acres, more or less, Non-Standard Proration Unit for the Wells B-5 #1 Gas Well.
2. That El Paso Natural Gas Company is the Operator of said communitized tract.
3. That the Westates Petroleum Corporation Wells B-5 #1 Gas Well was drilled at a location of 330 feet from the North line and 990 feet from the East line of Section 5, Township 25 South, Range 37 East, N.M.P.M. and was completed on February 13, 1939 at a total depth of 3556 feet and was plugged back to 3380 feet. A deliverability test was taken on this well on June 26, 1954 and the well gaged 2,661 M.C.F.
4. That this well was completed and producing from the Yates and Upper Seven Rivers Formations prior to September 1, 1954, which is the effective date of the Special Rules for the Jalmat Gas Pool.
5. That Rule 5(a) of Order No. R-520 pertaining to the Special Rules of the Jalmat Gas Pool grants a maximum tolerance of 330 feet in respect to spacing requirements for wells drilled and producing prior to the effective date of said order.
6. That the acreage to be dedicated to this proposed Non-Standard Gas Proration Unit will substantially comply with the maximum acreage allowed under the Provisions of Rule 5(a) of Order No. R-520 with respect to the well location plus the allowed tolerances.

April 1, 1957

Page #2

7. That the proposed Non-Standard Gas Proration Unit will meet the requirements of Rule 5(b) of Order No. R-520 in that the proposed unit consists of contiguous quarter-quarter sections within a single governmental section, that the length or width thereof does not exceed 5280 feet, and that the entire area of the proposed unit lies within the horizontal limits of the Jalmal Gas Pool and may reasonably be presumed to be productive of gas.

8. That by a copy of this Letter of Applicagion, all of the other operators owning an interest in the section in which the proposed Non-Standard Proration Unit is situated and all operators owning an interest within 1500 feet of the well have by registered mail been notified.

9. That a plat showing the acreage to be dedicated to the proposed Non-Standard Gas Proration Unit, the location of the said well, and the offset ownership is attached hereto.

10. El Paso Natural Gas Company intends to use said well as the unit well.

In view of the existence of the facts herein stated and in compliance with the provisions of Rule 5(b) of Order No. R-520, El Paso Natural Gas Company requests Administrative Approval of said proposed 160.25 acre Non-Standard Gas Proration Unit.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY

BY



R. L. Hamblin, Manager
Lease Department

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION AT

Form C-102
Supersedes C-128
Effective 1-1-65

Now SDX

All distances must be from the outer boundaries of the Section

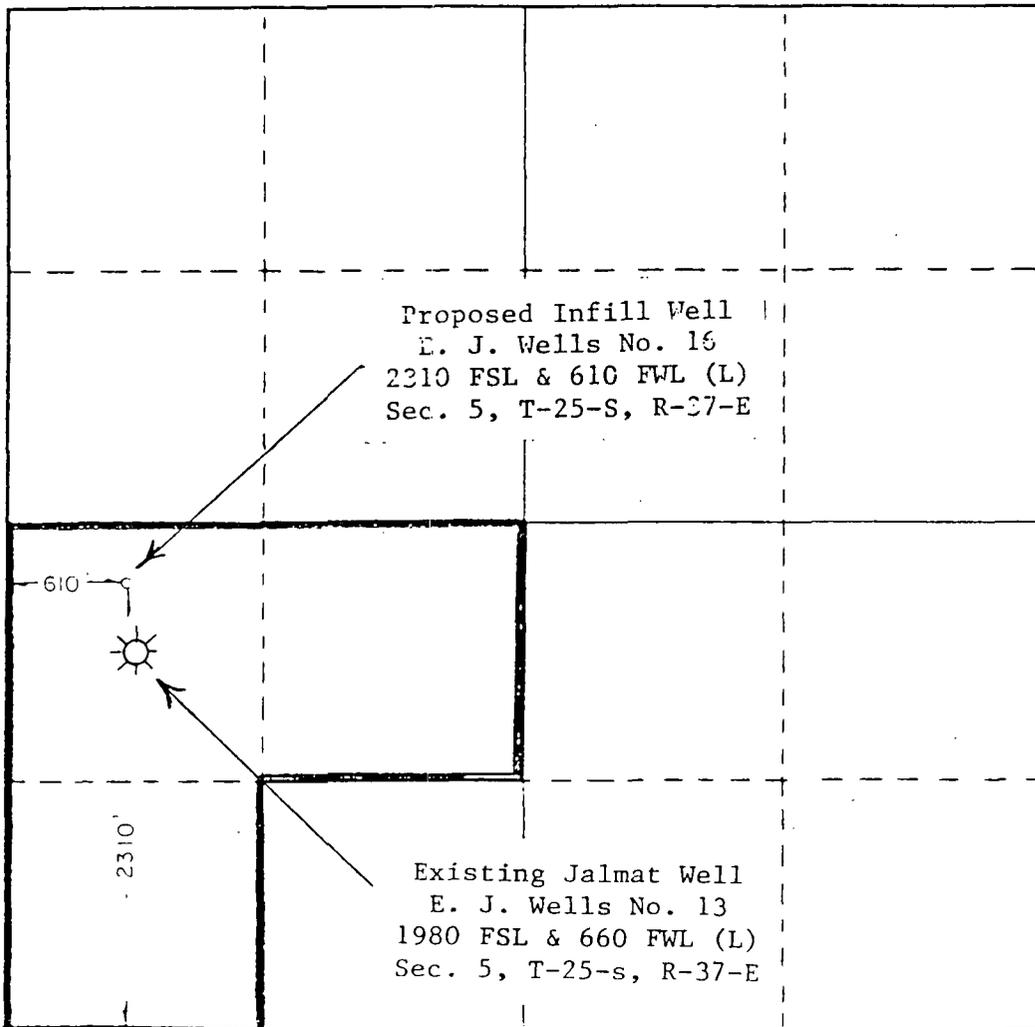
Lessor DOYLE HARTMAN			Lease E. J. WELLS			Well No. 16		
Unit Letter L	Section 5	Township 25 SOUTH	Range 37 EAST	County USA				
Actual Footage Location of Well: 2310 feet from the SOUTH line and 610 feet from the WEST line								
Ground Level Elev. 3219.7	Producing Formation YATES-SEVEN RIVERS			Pool JALMAT (GAS)			Dedicated Acreage: 120 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 interests 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 interests, has been approved by the Commission.



CERTIFICATION

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

Name: *Larry A. Nemmer*
 Position: Engineer
 Company: Doyle Hartman
 Date: May 29, 1984

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 20, 1984
 Registered Professional Engineer and/or Land Surveyor: *[Signature]*

Certificate No. JOHN W. WEST, 676
 RONALD J. EIDSON, 3239

APR 24 1984



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

June 22, 1984

Doyle Hartman
Oil Operator
P.O. Box 10426
Midland, Texas 79702

Attention: Michelle Hembree

Administrative Order NSL-1823

Gentlemen:

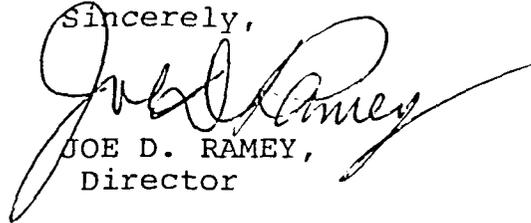
Reference is made to your application for a non-standard location and simultaneous dedication for your E. J. Well No. 16 located 2310 feet from the South line and 610 feet from the West line of Section 5, Township 25 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico.

By authority granted me under the provisions of Rule 3, Section 1 of Division Order No. R-1670, the above-described unorthodox location is hereby approved, and is to be simultaneously dedicated to the existing 120-acre non-standard gas proration unit comprising the W/2 SW/4 and NE/4 SW/4 of Section 5 with your E. J. Well No. 13 located in Unit L of said Section, both wells in Township 25 South, Range 37 East, Lea County, New Mexico.

JUN 28 1984

Further, you are hereby permitted to produce the allowable from any of the wells on the proration unit in any proportion.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joe D. Ramey". The signature is written in black ink and is positioned above the typed name and title.

JOE D. RAMEY,
Director

JDR/RLS/dp

cc: Oil Conservation Division - Hobbs
Oil & Gas Engineering Committee - Hobbs
Bureau of Land Management - Hobbs

OIL CONSERVATION DIVISION

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

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

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

**REQUEST FOR ALLOWABLE AND AUTHORIZATION
 TO TRANSPORT OIL AND NATURAL GAS**

Operator Permian Resources, Inc., d/b/a Permian Partners, Inc. Well API No. 30-025-11467 ✓

Address P. O. Box 590 Midland, Texas 79702

Reason(s) for Filing (Check proper box) Other (Please explain)

New Well Change in Transporter of:
 Re-completion Oil Dry Gas
 Change in Operator Casinghead Gas Condensate

Change of operator give name and address of previous operator Earl R. Bruno Company P. O. Box 590 Midland, TX 79702

DESCRIPTION OF WELL AND LEASE

Well Name <u>Wells B-6</u>	Well No. <u>1</u>	Pool Name, including Formation <u>Galmat T. (water)</u>	Kind of Lease State, <input checked="" type="checkbox"/> Federal or Fee	Lease No. <u>12052956(E)</u>
Location Unit Letter <u>A</u> : <u>330</u> Feet From The <u>North</u> Line and <u>330</u> Feet From The <u>East</u> Line Section <u>6</u> Township <u>25S</u> Range <u>37E</u> , NMPM, <u>Olmito</u> County				

I. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
<u>Richardson Carbon Sealing Co.</u>	<u>201 Main St., St. Louis, MO 63102</u>					
Well produces oil or liquids, and location of tanks.	Unit	Sec.	Twp.	Rge.	Is gas actually connected?	When?
					<u>Yes</u>	<u>N/A</u>
This production is commingled with that from any other lease or pool, give commingling order numbers.						

COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
<input checked="" type="checkbox"/>								
Date Spudded	Date Compl. Ready to Prod.		Total Depth			P.B.T.D.		
Productions (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay			Tubing Depth		
Productions						Depth Casing Shoe		

TUBING, CASING AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT

TEST DATA AND REQUEST FOR ALLOWABLE

NEW WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

First New Oil Run To Tank	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Total Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF

EXISTING WELL

Total Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Producing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

OPERATOR CERTIFICATE OF COMPLIANCE
 I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Randy Bruno Title President
 Dated May 17, 1993 Telephone No. 915/685-0113

OIL CONSERVATION DIVISION
 Date Approved JUN 14 1993
 By ORIGINAL SIGNED BY JERRY SEXTON
 DISTRICT I SUPERVISOR
 Title _____

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each well in multiple completed wells.

Permian

OIL CONSERVATION COMMISSION

NSP 15

Now Wells B-6

Date Nov. 4, 1953

Westates Pet. Corp.
Operator

E. J. Wells
Lease

#1 B 6-1
Well No.

Name of Producing Formation Y - SR Pool Jalco

No. Acres Dedicated to the Well 40

SECTION 6 TOWNSHIP 25 S. RANGE 37 E

	<i>40 acres</i>		<i>x</i>
	<i>Apr</i>		
	<i>to</i>		
	<i>NSP 15</i>		

RECEIVED
 NOV 10 1953
 OIL CONSERVATION COMMISSION
 HOUSTON OFFICE

RECEIVED
 NOV 10 1953
 OIL CONSERVATION COMMISSION
 HOUSTON OFFICE

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

Name J. Benton
 Position Div. Supt.
 Representing Westates Pet. Corp.
 Address P. O. Box 1381, Jal, N. M.

Permian Resources, Inc.
P.O. Box 590
Midland, TX 79702

(over)

N.M. OIL CONS. COMMISSION
P.O. BOX 1980
MORRS, NEW MEXICO 88240

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

3. Lease Designation and Serial No.
LC-055546

6. If Indian, Allotment or Tribal Matter

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Wells WN #1

9. API Well No.
30-025-11466

10. Field and Pool, or Exploratory Area
Jalmat (Yates)

11. County or Parish, State
Lea County, NM

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Seav Exploration, Inc

3. Address and Telephone No.
407 N. Big Spring, Suite 200, Midland, TX 79701

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980 FNL & 1980 FEL, Unit G, Sec. 6, T25S, R37E

3. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Lease	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recommission
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>workover old producing</u> zone.
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Related Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give precise dates, including completion date of starting any proposed work. If well is permanently drilled, give subsurface locations and measured and true vertical depths for all shutters and screen perforations to that work.)

Please see attached workover procedure.

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

Signed VB Seav Title Owner Date 5-18-92

(This space for Federal or State office use)

Approved by [Signature] Title Petroleum Engineer Date 5/29/92
Conditions of approval, if any:

OIL CONSERVATION COMMISSION

NSP-218
Seay Exploration
Western Natural Gas Co.

Wells on
Wells

Date November 27, 1953

1

Operator

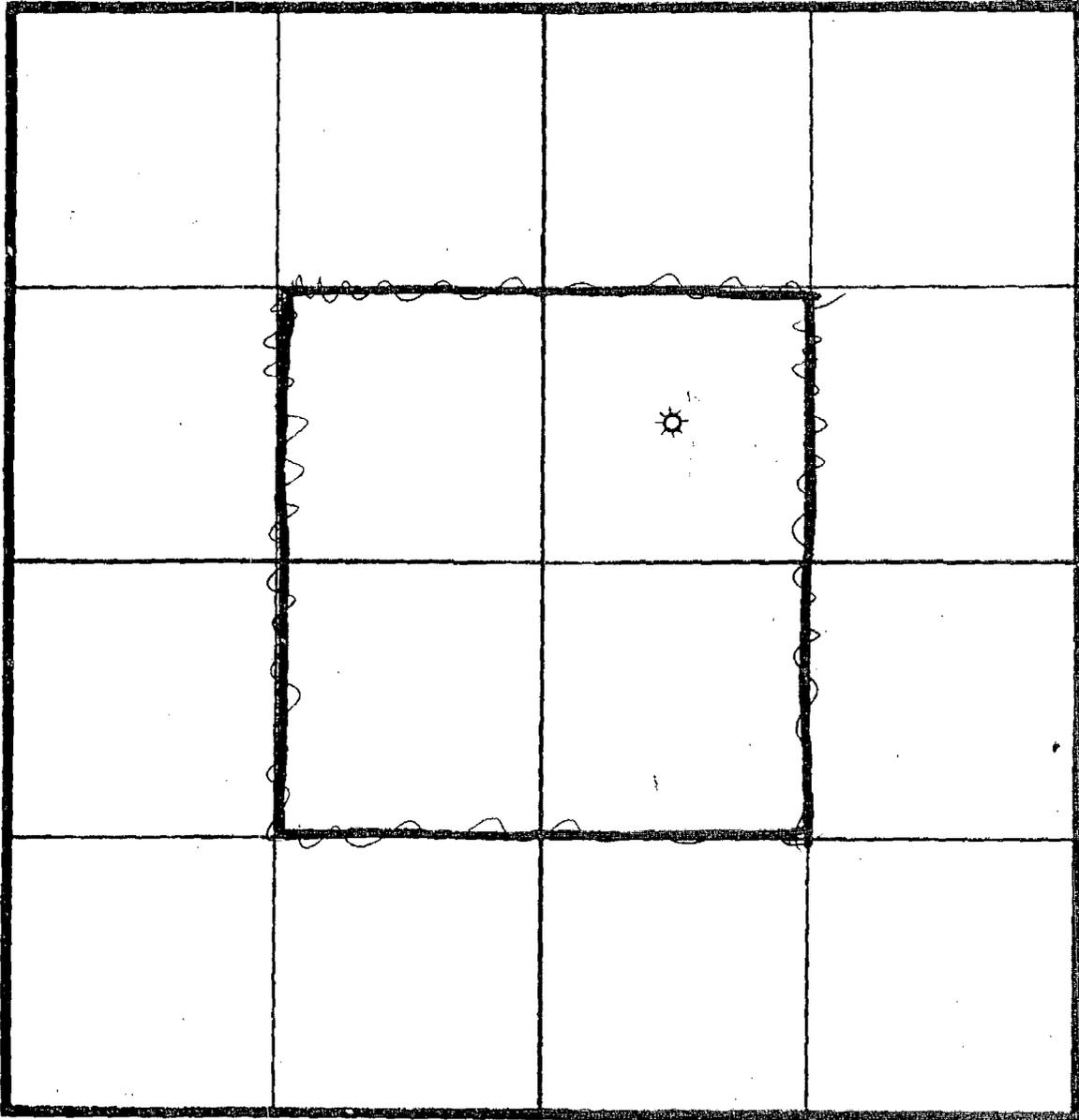
Lease

Well No.

Name of Producing Formation Brown Line-Vates Pool Jalco

No. Acres Dedicated to the Well 160

SECTION 6 TOWNSHIP 25S RANGE 37E



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

Name R. A. McKey
Position Division Superintendent
Representing Western Natural Gas Company
Address 823 Midland Tower, Midland, Texas

NEW MEXICO
OIL CONSERVATION COMMISSION

Gas Well Plat.

HOBBS OFFICE OCC

Date February 17, 1955

Operator Phillips Petroleum Company Lease C.D. Woolworth Group

1954 FEB 23 AM 9:26
Well No.

Name of Producing Formation Yates Gas Pool Jalmat

No. Acres Dedicated to the Well 160

SECTION 6 TOWNSHIP 25-S RANGE 37-E

			2
			3

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

Name W. Herston
Position District Chief Clerk
Representing Phillips Petroleum Company
Address Box 2105, Hobbs, New Mexico

(over)

NTP-91 gives
160 ACRES SE/4 NE/4
SE/2 SE/4 NE/4 SE/4 of 6

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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

OIL CONSERVATION DIVISION

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

WELL API NO.
30-025-1147800

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
WOOLWORTH GR. 3

8. Well No.
002

9. Pool name or Wildcat
JALMAT-TANSILL-YATES-SR-QN

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
OIL WELL GAS WELL OTHER

2. Name of Operator
Phillips Petroleum Company

3. Address of Operator
4001 Penbrook Street, Odessa, TX 79762

4. Well Location
Unit Letter H : 1963 Feet From The NORTH Line and 643 Feet From The EAST Line
Section 6 Township 25-S Range 37-E NMPM LEA County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3235.6' DF

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK PLUG AND ABANDON
TEMPORARILY ABANDON CHANGE PLANS
PULL OR ALTER CASING
OTHER:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING
COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT
CASING TEST AND CEMENT JOB
OTHER: PLUG & ABANDON WELL.

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

07/16/96 MIRU SIERRA WS #12, PMP 11 BBL FW DWN TBG, LOCK UP, PMP 82 BBL DWN CSG, STATIC, NU CL I BOP, LD 96 JTS 2.375" PROD TBG, SDON.
07/17/96 GIH W/CIBP ON 90 JTS 2.375" WS SET @ 2836', MIX 100 BBL 10# BRINE W/50 SX SALT GEL, CIRC W/90 BBLs, PMP PLUG #1 75 SX 2836-2386', TOH W/WS, PU 7" AD-1 RENTAL PKR, GIH T/1009' & SET PKR @ 1009', TST CSG T/350#, 2.375" X 7" ANNULUS WOULD NOT TST, TST BELOW PKR @ 1009' T/500# GOOD, RU WL TRUCK & PERF @ 1275' RD WL TRUCK, ATTEMPT T/ESTAB PI RATE VIA PERFS @ 1275', PRESS UP T/1500#, NO BLEED OFF, NMOCD OK'D T/SPOT PLUG F/1325-750+/-, HOLES IN 7" @ 786', LD CSG & PKR, TIH W/WS T/1326', PMP PLUG #2 130 SX 1326-542', WOC & TAG, TOH W/WS, SDON.
07/18/96 TIH & TAG PLUG #2 @ 695', TOH LD WS, GIH W/1 JT WS & PKR, SET @ 31', RU WL TRUCK & PERF W/85 BBLs 10# GELLED BRINE (MLF), DID NOT CIRC, PMP PLUG #3 24 SX 363'-3',
(CONTINUED ON BACK)

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

SIGNATURE Donna Carleton TITLE Senior Regulation Analyst DATE 7-22-96

TYPE OR PRINT NAME Larry M. Sanders TELEPHONE NO. (915)368-1488

(This space for State Use)

APPROVED BY Charlie Perry TITLE OIL & GAS INSPECTOR DATE JAN 28 1997

CONDITIONS OF APPROVAL, IF ANY:

JC

ml

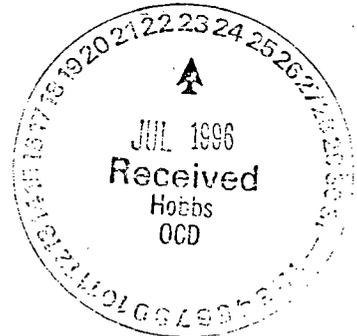
WOOLWORTH G3 #2 CONTINUED

07/18/96

CONTINUED

CMT CIRC T/SURF LEAVING INSIDE OF 7" CSG FULL & 9.625 X 7 ANNULUS FULL, DIG OUT CELLAR, CUT & CAP, INSTALL DRY HOLE MARKER, RDMO SIERRA WS #3 & CMT EQMT, PERFORM RECLAMATION WORK, WELL PA'D.

COMPLETE DROP FROM REPORT



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

OIL CONSERVATION DIVISION

310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

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

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

WELL API NO. 30-025-23868
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input checked="" type="checkbox"/> <u>Injection</u>
2. Name of Operator GP II Energy, Inc.
3. Address of Operator P. O. Box 50682 Midland, Tx 79710
4. Well Location Unit Letter <u>H</u> : <u>1980</u> Feet From The <u>N</u> Line and <u>510</u> Feet From The <u>E</u> Line Section <u>6</u> Township <u>25S</u> Range <u>37E</u> NMPM Lea County
10. Elevation (Show whether DF, RKB, RT, GR, etc.)

7. Lease Name or Unit Agreement Name Langlie Jal Unit
8. Well No. 49
9. Pool name or Wildcat Langlie Mattix (Seven Rivers)

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <u>squeeze perms, add perms</u> <input checked="" type="checkbox"/>		OTHER: _____ <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

--On or about February 27, 1996, add perms 3445' - 3511' & 3370' - 3430'. Squeeze perms 3260' - 3360'. Stimulate

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

SIGNATURE George P. Mitchell, II TITLE President DATE 2-20-96

TYPE OR PRINT NAME George P. Mitchell, II TELEPHONE NO. 915-684-4748

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY JERRY SEXTON TITLE DISTRICT I SUPERVISOR DATE FEB 26 1996

CONDITIONS OF APPROVAL, IF ANY:

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer 111, Artesia, NM 88211-0719
 District III
 1000 Rio Diazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, NM 87504-2088

AMENDED RETURN

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address GP II ENERGY, INC. P.O. Box 60682 Midland, TX 79710-1810		² OGRID Number 8359
⁴ API Number 30-025-11479	³ Pool Name LANGLIE MATTIX TRIVERS QUEEN	⁷ Reason for Filing Code 711 ** CHANGE OF Transport
⁷ Property Code 17180	⁸ Property Name LANGLIE JAL UNIT	⁶ Pool Code 3724 ⁹ Well Number 54

II. Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
NEISE	6	25S	37E		1930	N	710	E	LEA

Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

¹² Lse Code F	¹³ Producing Method Code P	¹⁴ Gas Connection Date 3/1/93	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date
-----------------------------	--	---	-----------------------------------	------------------------------------	-------------------------------------

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
22628	Texas New Mexico Pipeline Co.	1369810	0	** Transporting Only 7-1-95 thru 9-30-95
20809	Sid. Richardson Gas Co.	1369830	G	
20667	Shell Pipeline Co.	1369810	0	** Resumes Transporting 10-1-95

IV. Produced Water

²³ POD 1369850	²⁴ POD ULSTR Location and Description
------------------------------	--

V. Well Completion Data

²³ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ PBTD	²⁹ Perforations
³⁰ Hole Size	³¹ Casing & Tubing Size	³² Depth Set	³³ Sacks Cement	

VI. Well Test Data

³⁴ Date New Oil	³⁵ Gas Delivery Date	³⁶ Test Date	³⁷ Test Length	³⁸ Tbg. Pressure	³⁹ Csg. Pressure
⁴⁰ Choke Size	⁴¹ Oil	⁴² Water	⁴³ Gas	⁴⁴ AOP	⁴⁵ Test Method

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *[Signature]*
 Printed name: George Mitchell
 Title: President
 Date: 8/8/95
 Phone: 915 684 4248

OIL CONSERVATION DIVISION
 Approved by: ORIGINAL SIGNED BY JERRY SEXTON
 DISTRICT I SUPERVISOR
 Title:
 Approval Date: SEP 08 1995

¹⁷ If this is a change of operator fill in the OGRID number and name of the previous operator
 MERIDIAN OIL INC.
 REGULATORY COMP 5/31/95

Previous Operator Signature _____ Printed Name _____ Title _____ Date _____

OFFSET OPERATORS

WELLS FEDERAL #22

Doyle Hartman
PO Box 10426
Midland, TX 79702

Arco
PO Box 1089
Eunice, NM 88231-1089

Permian Resources
PO Box 590
Midland, TX 79702

Seay Exploration
407 N. Big Spring, #200
Midland, TX 79701

Phillips
4001 Penbrook
Odessa, TX 79762

GP II
713 W. Wadley
Midland, TX 79705

CMD : ONGARD 10/14/99 14:34:36
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPOC

API Well No : 30 25 28725 Eff Date : 12-01-1998 WC Status : A
Pool Idn : 79240 JALMAT;TAN-YATES-7 RVRS (PRO GAS)
OGRID Idn : 20451 SDX RESOURCES INC
Prop Idn : 23990 WELLS FEDERAL

Well No : 015
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: 4	5	25S	37E	FTG 810 F N FTG	460 F W	A

Lot Identifier:

Dedicated Acre: 159.95

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 10/14/99 14:35:22
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPOC

API Well No : 30 25 11465 Eff Date : 12-01-1998 WC Status : A
Pool Idn : 79240 JALMAT;TAN-YATES-7 RVRS (PRO GAS)
OGRID Idn : 20451 SDX RESOURCES INC
Prop Idn : 23990 WELLS FEDERAL

Well No : 004
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: F	5	25S	37E	FTG 1980 F N	FTG 1980 F W	A

Lot Identifier:

Dedicated Acre: 159.95

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/14/99 14:32:11
OGOMES -TPOC
PAGE NO: 1

Sec : 05 Twp : 25S Rng : 37E Section Type : NORMAL

4 39.94 Federal owned U A A	3 40.01 Federal owned U A	2 40.09 Federal owned U A A	1 40.16 Federal owned U A A
E 40.00 Federal owned U A	F 40.00 Federal owned U A A	G 40.00 Federal owned U A A A	H 40.00 Federal owned U A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

79.94
80.01
159.95

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/14/99 14:32:22
OGOMES -TP0C
PAGE NO: 2

Sec : 05 Twp : 25S Rng : 37E Section Type : NORMAL

L 40.00 Federal owned U A A A	K 40.00 Federal owned U A	J 40.00 Federal owned U A A A	I 40.00 Federal owned U A A A A A
M 40.00 Federal owned U A	N 40.00 Federal owned U A	O 40.00 Federal owned U A A A	P 40.00 Federal owned U A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

May 17, 1984

Doyle Hartman
Oil Operator
P. O. BOX 10426
Midland, Texas 79702

Attention: Michelle Hembree, Administrative Assistant

Administrative Order NSL-1821 (SD)

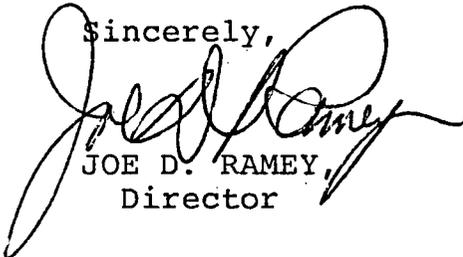
Gentlemen:

Reference is made to your application for a non-standard location and simultaneous dedication for your Wells Federal Well No. 15 located 810 feet from the North line and 460 feet from the West line, NW/4 of Section 5, Township 25 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico.

By authority granted me under the provisions of Rule 3, Section 1 of Division Order No. R-1670, the above-described unorthodox location is hereby approved, and is to be simultaneously dedicated to the existing 160-acre non-standard gas proration unit comprising the NW/4 of Section 5 with your Wells Federal Well No. 4 located in Unit F of said section, both wells in Township 25 South, Range 37 East, Lea County, New Mexico.

Further, you are hereby permitted to produce the allowable from any of the wells on the proration unit in any proration.

Sincerely,


JOE D. RAMEY,
Director

JDR/bok

cc: Oil Conservation Division - Aztec
Oil & Gas Engineering Committee - Hobbs
Bureau of Land Management - Farmington

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

HOBBBS, NEW MEXICO

Date: Mar. 10, 1957

March 10, 1957

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Proposed NSP 358

Proposed NSI _____

Attention: Mr. R. L. Hamblin

Administrative Order NSP-358

Gentlemen:

Reference is made to your application dated 2/15/57

Reference is made to your application for approval of a 160-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the following acreage:

and my recommendations are Township 25 South, Range 37 East
Lots 3 & 4 & S/2 NW/4 of Section 5

C.R. --- E.J.F.

It is understood that this unit is to be ascribed to your Wells Federal Well No. 4, located 1980 feet from the North line and 1980 feet from the West line and in the SE/4 NW/4 of Section 5, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

By authority granted me under provisions of Rule 5, Section (b)-6 of the Special Rules and Regulations for the Jalmat Gas Pool, as set forth in Order R-520, you are hereby authorized to operate the above described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with Rule 12 of the pool rules, based upon the unit size of 160 acres after submission of proof of communitization to both the Santa Fe and Hobbs Offices.

Very truly yours,

Engineer

A. L. PORTER, JR.
Secretary-Director

WWM:dea

cc: Oil Conservation Commission, Hobbs, New Mexico
New Mexico Oil & Gas Engineering Committee, Hobbs, New Mexico
El Paso Natural Gas Company, Jal, New Mexico
El Paso Natural Gas Company, El Paso, Texas

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

March 8, 2000

Ms. Lori Wrotenbery, Director
Oil Conservation Division
2030 South Pacheco
Santa Fe, New Mexico 87505

Re: NMOCD Cases 12301 and 12302--Applications of SDX Resources, Inc. for unorthodox infill gas well locations, Jalmat Gas Pool, Lea County, New Mexico.

Re: NMOCD Cases 12361 and 12362 Objections of Doyle Hartman to Division Administrative Orders SD 99-14 and SD-99-15 (SDX Resources, Inc.)

Dear Ms. Wrotenbery:

The reference cases now pending hearing before the Division involve various applications by SDX Resources, Inc. for the following five (5) proposed wells in the Jalmat Gas Pool:

(a) OCD Case 12361: SDX's State A-32 Well No. 6, to be drilled at a standard location in Unit E, Section 32, T24S, R37E which was approved by the Division on November 8, 1999 by Administrative Order SD-99-14;

(b) OCD Case 12362: SDX's Wells Federal Well No. 22 and Well No. 23, both to be drilled at standard locations in Unit C and E, respectively, Section 5, T25S, R37E which were approved by the Division on November 8, 1999 by Administrative Order SD-99-15;

(c) OCD Case 12301: SDX's E. J. Wells No 25, in Unit K of Section 5, T25S, R37E to be drilled at an unorthodox location but not encroaching towards Hartman's GPU; and

Ms. Lori Wrotenbery, Director

March 8, 2000

-Page 2-

(d) OCD Case 12302: SDX's Jalmat Federal Com Well No. 2, in Unit L of Section 31, T25S, R37E to be drilled at an unorthodox location encroaching some 62 feet towards Hartman's GPU.

On behalf of SDX Resources, Inc. I wish to inform you that SDX Resources, Inc. does not intend to pursue the drilling of these wells at this time. Accordingly, please vacate Administrative Orders SD-99-14 and 99-15 and dismiss cases 12301 and 12302.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a faint, illegible typed name.

W. Thomas Kellahin

cc: David R. Catanach,
Division Examiner
Lyn Hebert, Esq.
Attorney for the Division
J. E. Gallegos, Esq.
Attorney for Doyle Hartman
William F. Carr, Esq.
Attorney for Raptor Resources Inc.
SDX Resources Inc.
Attn: Steve Sell



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

January 5, 2000

W. Thomas Kellahin, Esq.
Kellahin & Kellahin
P.O. Box 2265
Santa Fe, NM 87504-2265

Attorneys for SDX Resources, Inc.

J.E. Gallegos, Esq.
Michael J. Condon, Esq.
Gallegos Law Firm
460 St. Michael's Drive
Santa Fe, NM 87505

Attorneys for Doyle Hartman, Oil Operator

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
P.O. Box 2208
Santa Fe, NM 87504-2208

Attorneys for Raptor Resources, Inc.

RE: Clarification of December 22, 1999 letter from Rand Carroll

Gentlemen:

Paragraph (i) of the above-referenced letter refers to Division actions regarding SDX and Raptor wells. This letter clarifies which wells and/or applications are affected by that letter and what actions will be taken by the Division.

Cases No. 12301, 12302, 12303 and 12304 will be continued to the March 16, 2000 docket, the docket after the docket at which the Division's application to review the Jalmat Special Pool Rules will be heard.

Hartman's objections/protests to Orders No. SD 99-14 and SD 99-15 will be set for hearing as an application of Hartman for rescission of those orders. This application will also be set for hearing on March 16, 2000.

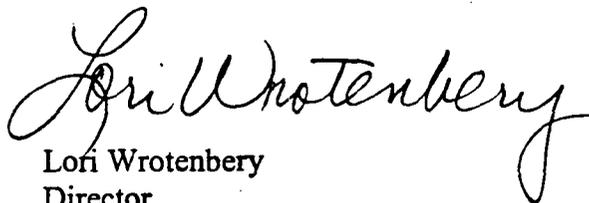
The NSL orders issued to Raptor in which notice should have been given to Hartman as an offset operator but was not are reopened pursuant to Rule 1207.D. and will also be set for hearing on March 16, 2000. Such NSL orders include Orders No. NSL 2872-C(SD), NSL 2723-D(SD), NSL 2723-E and NSL 2816-C(SD). Hartman must notify the Division of any additional NSL applications in this category.

No wells other than the wells that are the subject of the above-referenced cases and orders are affected by the December 22, 1999 letter.

Approvals for all Jalmat infill wells on a density of less than 160 acres per well have been held since December 23, 1999 and will continue to be held pending the March 2, 2000 hearing.

The Division trusts that the parties will actively participate at the Jalmat Pool operators meeting on January 25, 2000 at the OCD District Office in Hobbs and that an agreeable solution can be worked out regarding further development of the Jalmat Pool.

Sincerely,



Lori Wrotenbery
Director

c: Don Kane, Esq., Gorsuch & Kirgis LLP
Rand Carroll, OCD Legal Counsel
Michael E. Stogner, OCD Hearing Examiner
David Catanach, OCD Hearing Examiner
Mark Ashley, OCD Hearing Examiner
Chris Williams, OCD Hobbs District Supervisor



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

December 22, 1999

W. Thomas Kellahin, Esq.
Kellahin & Kellahin
P.O. Box 2265
Santa Fe, NM 87504-2265

Attorneys for SDX Resources, Inc.

J.E. Gallegos, Esq.
Michael J. Condon, Esq.
Gallegos Law Firm
460 St. Michael's Drive
Santa Fe, NM 87505

Attorneys for Doyle Hartman, Oil Operator

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
P.O. Box 2208
Santa Fe, NM 87504-2208

Attorneys for Raptor Resources, Inc.

RE: Cases No. 12301 and 12302 ---Applications of SDX Resources, Inc. for
unorthodox infill gas well locations in the Jalmat Gas Pool
Cases No. 12303 and 12304---Applications of Raptor Resources, Inc. for
unorthodox infill gas well locations in the Jalmat Gas Pool

Gentlemen:

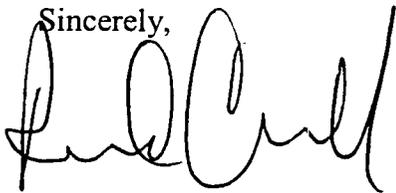
At the prehearing conference held on Tuesday, December 21, the Division took the following actions:

- (i) the APDs and other approvals for the SDX and Raptor wells complained of by Hartman were rescinded with the applications to be stayed pending the March 2, 2000, hearing on the Jalmat Special Pool Rules;
- (ii) a new case will be docketed by the Division for March 2, 2000, to review the Jalmat Special Pool Rules;

- (iii) a Jalmat Pool operators meeting will be held on Tuesday, January 25 at the OCD Hobbs District Office to review the Jalmat Special Pool Rules with SDX, Raptor and Hartman to attend, with the possibility of a second operators meeting to be held prior to the March 2, 2000, hearing;
- (iv) a notice will be issued to all Jalmat Pool operators placing a moratorium on all new Jalmat infill wells on a greater density than 160 acres pending the March 2 hearing; and
- (v) the above-referenced applications as well as the Motions to Quash will be stayed pending the March 2 hearing.

If you have any questions, please feel free to call me at 827-8156. I will be out of the office until January 4, 2000.

Sincerely,

A handwritten signature in black ink, appearing to read "Rand Carroll". The signature is written in a cursive style with large, sweeping letters.

Rand Carroll

c: Lori Wrotenbery, OCD Director
Michael E. Stogner, OCD Hearing Examiner
David Catanach, OCD Hearing Examiner
Mark Ashley, OCD Hearing Examiner
Chris Williams, OCD Hobbs District Supervisor