

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? X Yes No

II. OPERATOR: Smith & Marrs, Inc.

ADDRESS: C/o Dalton Bell 811 Bullock Ave. Artesia, NM 88210

CONTACT PARTY: Dalton Bell PHONE: 505-748-2134

III Well Data

A See Injection Well Data Sheet

"

IV This is not an expansion of an existing project

V Map Inclosed

VI Attached

VII

1. Expect to Inject Approx. 80 BBLs Per Day @ 300# Pressure (estimated)
2. System is enclosed.
3. Aprrox. 300 # Pressure
- 4 Injected fluid will come from same zone.
- 5 Injection is into same productive zone

VIII There are no drinking Water Wells any where near this Well.

IX NA
X On record

XI None

XII None Found. No other Seven Rivers Wells producing in the areaaa
except on this Lease.

XIII Enclosed.

XIV Proof of Notice enclosed.



INJECTION WELL DATA SHEETOPERATOR: Smith & Marrs IncWELL NAME & NUMBER: Harbold # 16 API 30-015-25374WELL LOCATION: Unit C 396 N & 2250 W Lines Sec. 35, T17S R27E Eddy Co. NM

FOOTAGE LOCATION

UNIT LETTER

SECTION

TOWNSHIP

RANGE

WELLBORE SCHEMATICCEMENT
CIRCULATED

Production Casing
5 1/2 17 #
396' # Cmt. w/
@ 150 Sx Sx TOC CIRC.
7"
Hole Size NA
Max Mud Wt. #/G

0
Cmt w/ Sx
TOC @ Hole
Size Max Mud
Wt. #/G

396
O.H.
407

WELL CONSTRUCTION DATASurface Casing None

Hole Size: _____ Casing Size: _____

Cemented with: _____ sx. or _____ ft³

Top of Cement: _____ Method Determined: _____

Intermediate Casing

Hole Size: _____ Casing Size: _____

Cemented with: _____ sx. or _____ ft³

Top of Cement: _____ Method Determined: _____

Production CasingHole Size: 7" Casing Size: 5 1/2Cemented with: 150 sx. or _____ ft³Top of Cement: Circ. Method Determined VisualTotal Depth: 407Injection Interval396 feet to 407 OH

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8 Lining Material: Plastic Coated
 Type of Packer: Baker PC
 Packer Setting Depth: 360 + -
 Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? Yes X No
 If no, for what purpose was the well originally drilled? Proeuction

2. Name of the Injection Formation: Yates Seven Rivers
3. Name of Field or Pool (if applicable): Empire Yates Seven Rivers
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. None

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: No Other Zones Penetrated

Wilson, Earl
OXY
OXY Chop
STICKS F.D.
Schneider
"Berry" U.S.

Hondo
HBP
08679
OXY Ethal
3-1-2005
TASU
J.L.Tarver
(Belmont)
058181
C.S.
Trainor

SOX
S/R
A
23 L
More
SI
Z
Im
Chase Oil
6683
Jerry's
Mack
Arch
In TE
Franko
Mam
Mack
Fred
Joe
Mack E
Servor
Holy En
Emph
Ja Fed
to 393
we six

Pronghorn
Jeffers -
Pronghorn
Sawyer
Yates
Rajo
Chose

Affidavit of Publication

NO. 18051

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott being duly

sworn, says: That he is the Publisher of The
Artesia Daily Press, a daily newspaper of general
circulation, published in English at Artesia, said county
and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said
Artesia Daily Press, a daily newspaper duly qualified
for that purpose within the meaning of Chapter 167 of
the 1937 Session Laws of the state of New Mexico for
1 consecutive weeks/days on the same

day as follows:

First Publication April 18 2003

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____

Subscribed and sworn to before me this

18th day of April 2003

Brian R. Beans
Notary Public, Eddy County, New Mexico

My Commission expires September: 23, 2003

Copy of Publication:

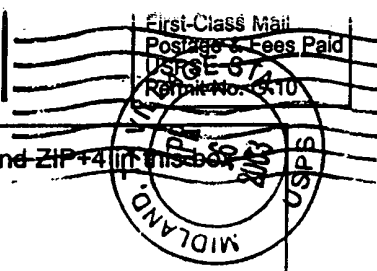
Smith & Marre, Inc., c/o
811 Bullock, will file form
C-108 (Application for
Authorization to Inject)
with the New Mexico Oil
Conservation Division
seeking administrative
approval for salt water
injection into the Harbold
#16 (API No.
30-015-25374). The loca-
tion is Unit C, 2310' from
the North and 2310' from
the west lines of Sec. 35,
T17S, R27E, NMPM. The
injected water will be into
the Yates-Seven Rivers
formation. This well is lo-
cated approximately 8
miles Southeast of Arte-
sia, N.M.

All interested parties op-
posing the application
must file objection or re-
quests for hearing with
the New Mexico Oil
Conservation Division,
P.O. Box 6429, 1220 S.
Saint Francis Dr., Santa
Fe, NM 87504 within 15
days of this notice. Addi-
tional information can be
obtained by contacting
Dalton Bell, 811 Bullock,
or 748-2134.

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Daily Press, Artesia,
N.M. April 18, 2003.

Legal 18051

UNITED STATES POSTAL SERVICE



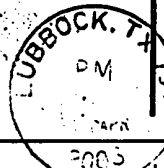
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DALTON BELL
811 BULLOCK AVE
ARTESIA NM 88210

102



UNITED STATES POSTAL SERVICE



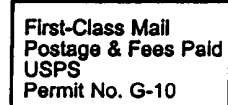
• Sender: Please print your name, address, and ZIP+4 in this box •

DALTON BELL
811 BULLOCK AVE
ARTESIA NM 88210

88210+2334



UNITED STATES POSTAL SERVICE



• Sender: Please print your name, address, and ZIP+4 in this box •

DALTON BELL
811 BULLOCK AVE
ARTESIA NM 88210

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SDX RESOURCES, INC.
Box 5061
MIDLAND TX 79704

2. Article Number

7002 2030 0001 8271 1185

(Transfer from service label)

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x Barbara Nickham

☐ Agent☒ Addressee

B. Received by (Printed Name)

BARBARA NICKHAM

C. Date of Delivery

4-7-03

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☒ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MC QUADRANGLE LLC
7008 SALEM AVE.
LUBBOCK TX 79424

2. Article Number

7002 2030 0001 8271 1192

(Transfer from service label)

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x Dan Clark

☐ Agent☒ Addressee

B. Received by (Printed Name)

DAN CLARK

C. Date of Delivery

4/15/03

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

LOUIS FULTON
BOX 251
ARTESIA NM
88210

2. Article Number

7002 2030 0001 8271 1178

(Transfer from service label)

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x Lou Harris

☐ Agent☒ Addressee

B. Received by (Printed Name)

DON DAVIDS

C. Date of Delivery

04-19-03

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SDX RESOURCES, INC.

P.O. BOX 5061

MIDLAND, TEXAS 79704

(915) 685-1761

April 17, 2003

Mr. Dalton Bell
811 Bullock Ave
Artesia, NM 88210

Re: Harbold #16
35-17-27
Eddy Co., NM

Dear Mr. Bell:

SDX Resources, Inc. has no objection to the use of the above referenced well as a disposal well.

We will not file an objection with the State OCD.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Pool', is written over the word 'Sincerely,'.

John Pool
Vice President

DALTON BELL



ARTESIA, NEW MEXICO 88210
811 BULLOCK AVE. 505-748-2134
FAX 505-746-2345

State Of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
Santa Fe, NM

20-015-25374

Enclosed Please find a copy of an Application to inject produced water.
as Required By the OCD of New Mexico. I hope you will find it in order
and have no objection.

If you have questions please contact me at the above number.

Dalton Bell for Smith & Marrs, Inc Operator & Reata Res. Inc. owner.

Thank you,

Dalton Bell

cc Artesia Office

