| Drawe | | ION OPERATOR | S COPY | v - | 30-015 | -27000 | |
|---|---|---|--|--|---|--------------------------------------|--|
| Form 9-331 C Artes (May 1963) | | | SUBMIT IN TR (Other instruc reverse si | tions on | Form approve Budget Bureau | nd. 1 No. 42-R1425. | |
| | | OF THE INTER | RIOR | Ī | 5. LEASE DESIGNATION | | |
| APPLICATION | N FOR PERMIT | | EN OR PLUG R | ACK | G. IF INDIAN, ALLOTTE | | |
| 1a. TYPE OF WORK | | • | ······································ | | | | |
| b. TYPE OF WELL | | DEEPEN | PLUG BAG | | 7. UNIT AGREEMENT N | AME | |
| - V | | | INGLE MULTIP ONE ZONE | | 8. FARM OR LEASE NAL | | |
| SDX Resourc | es, Inc. | | | - | 9. WELL NO. | rederal | |
| | Box 5061, M: | idland, TX 79 | | | 5 10. FIELD AND POOL, C | B Witt D.G. m | |
| 4. LOCATION OF WELL (R At surface | Box 5061, M: Seport location clearly and | in accordance with any S | | × | Grayburg-J | ackson | |
| At proposed prod. zor | d 2310' FEL, | Unit Letter | в APR 2 4 1 | 992 | 11. SEC., T., R., M., OR AND SURVEY OR AN | BLK. EA | |
| 14. DISTANCE IN MILES | AND DIRECTION FROM NEA | | 0. C. D. | | 33-17S-29E | | |
| <u>17 miles ea</u> | st of Artesia | | - ARTESIA CAR | K. | 12. COUNTY OR PARISH Eddy | 13. STATE NM | |
| 15. DISTANCE FROM PROP LOCATION TO NEARES PROPERTY OR LEASE 1 | T LINE ET | 16. NO | D. OF ACRES IN LEASE | | ACRES ASSIGNED | | |
| (Also to dearest dr) 18. DISTANCE FROM PROF TO NEAREST WELL, D | AND LOCIDIONS | | 160 ROPOSED DEPTH | 20. ROTAR | 40 Y OR CABLE TOOLS | | |
| OR APPLIED FOR, ON TH 21. ELEVATIONS (Show wh | IIS LEASE, PEPPTOX. | 300' | 3500' | | Rotary | | |
| 3544' Gr. | (inc. D1, 111, 011, etc.) | | | | 22. APPROX. DATE WO 5-1-9 | | |
| 23. | I | PROPOSED CASING ANI | D CEMENTING PROGRA | AM S | - Water Basin | | |
| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | | QUANTITY OF CEMEI | | |
| 12 1/4 | 8 5/8 | 24# | 350' | | <u>ient to cir</u> oximately 3 | | |
| 7 7/8 | 5 1 /0 | | | Class | "C" | | |
| 1 1/8 | 5 1/2 | ' 15.5# | | w/appr | <pre>ient to cir oximately 8 "C/Poz"</pre> | | |
| at T.D. If sistent wit | Suri Exh: Exh: | l. If productive, the well yulations. Stion and Dedicting Program: face Use and bit A - Accettion B - Existication B - Existin B - Existication B - Existication B - Existicatio | pth sufficie tive, 5 1/2" will be plu pecifics are ation Plat Operating Pr ss Roads to ting Area Pr | nt to casin gged i outli ogram Locati | test the Sa g will be c n a manner ned in the Pos on | emented | |
| | Exh: Exh: | ibit C - Loca ibit D - Prod ibit E - B.O. | tion Layout uction Facil | ities | Lavout | 82 F 1114 | |
| IN ABOVE SPACE DESCRIBI zone. If proposal is to preventer program, if an 24. | E PROPOSED PROGRAM : If drill or deepen directions | Droposal is to deepen or . | olug hools oles date | | | d new productive 18. Give blowout | |
| SIGNED Alls | .BL | | Agent | | DATE 4 - | 20-02 | |
| (This space for Fede | eral or State office use) | | | | | 20-92 | |
| PERMIT NO. | | | APPBOVAL DATE | | | | |
| APPROVED BY | 2 | | i e la chi riii i i i i i | | DATE 4-2 | 163 | |
| CONDITIONS OF APPROV APPROVAL SULLES CONTRAL REQUIRE | ut t <u>o</u> Ments <u>And</u> | fitle | | | DATE7 | 1-70 | |
| - SPECIAL STIPULAT ADDACHED | IONS | *See Instructions | On Reverse Side | | | | |

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

<u>DISTRICT 1</u> P.O. Box 1980, Hobbs, NM 88240

<u>DISTRICT II</u> 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



OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

| Operator | | | | Lease | | | | Well No. |
|---------------------|---|------------------------|------------------|------------------|---------------------------------------|----------------|------------------------------------|---|
| SDX RE | SOURCES INC | • | | LEONA | RD B FEDER | АТ | | |
| Unit Letter | Section | Township | | Range | LO D FEDER | <u>AL</u> | County | 5 |
| B | 33 | 17 S | OUTH | 29 H | AST | | | |
| Actual Footage Loca | ation of Well: | | <u> </u> | | | NMPM | EDDI | COUNTY, NM |
| 990 | feet from the | NORTH | line and | 23 | | | | |
| Ground level Elev. | Produciu | g Formation | | Pool | 0 | feet from | the EAST | line Dedicated Acreage: |
| 3544. | 1200 | 2010 Chil | | Geny | Duba Th | dee | \sim | |
| 1. Outline | the acreage dedicate | d to the subject wel | by colored pen | cil or hachure r | parks on the hist being | xclesser | | Koc Acres |
| | e than one lease is de | | | | | | | |
| 3. If more | e than one lease of di | fferent ownership is | dedicated to the | well have the | interest of all | as to workin | ng interest and i | royalty). |
| unitizat | tion, force-pooling, et | | | | | been consol | idated by comn | nunitization, |
| | Yes | No If any | wer is "yes" typ | e of consolidati | on | | | |
| this form | is "no" list the owne if neccessary. | rs and tract descripti | ons which have | actually been c | onsolidated. (Use rev | verse side of | | |
| No allow: | able will be assigned | to the well until all | ntereste have h | | | | | |
| or until a | non-standard unit, eli | minating such inter | st, has been app | proved by the D | ivision. | n, unitization | , forced-pooling | g, or otherwise) |
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| | i | | | | 1 | | | certify that the information |
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| | | | | | | 1 1 | osition Agent | |
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| | 1 | | | | | 1 1 | Company | |
| | 1 | | | | | | | ources, Inc. |
| | 1 | | | | | 1 1 | March 3] | 1000 |
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| | | <u> </u> | | | | | SURVEY | OR CERTIFICATION |
| | 1 | | | | | 1 | hereby certify | y that the well location show |
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| ├─ | | | ↓ | | | | Date Surveyed | |
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DRILLING PROGRAM

SDX RESOURCES, INC. LEONARD B FEDERAL #5 S33-T17S-R29E EDDY COUNTY, NEW MEXICO

- 1. <u>GEOLOGIC NAME OF SURFACE FORMATION</u>: Permian
- 2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

.

| Permian | Surface |
|-----------------|---------|
| Base of Salt | 1000' |
| Seven Rivers | 1350' |
| Queen | 2050' |
| Loco Hills | 2410' |
| Metex | 2530' |
| Premier | 2675' |
| San Andres Sand | 2825' |
| San Andres | 2960' |

3. <u>ESTIMATED DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS</u>: Upper Permian Sands 100' Fresh Water Seven Rivers 1350' Oil San Andres 2725' Oil

No other formations are expected to give up oil, gas, or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 8 5/8" casing at 350' and circulating cement to surface. Any potash will be protected by setting 5 1/2" casing and circulating back to surface. Producing zones will have cement circulated across them.

4. CASING PROGRAM:

~ :

| Size | <u>Interval</u> | <u>Weight</u> | Grade | Toint |
|--------|-----------------|---------------|-------|-------|
| 8 5/8" | 0 - 350' | 24.0# | J-55 | Joint |
| 5 1/2" | 0 - 3600' | 15.5# | | STC |
| • | • 5000 | 10.0# | J-55 | STC |

CEMEMT PROGRAM:

Size8 5/8"Surface casing cemented to surface with 350 sxs.5 1/2"of Class "C" plus 2% CaCl2 and 1/4#/sx. Flocele.Production casing cemented with 800 sxs. of 50/50Class "C" Poz plus .8% Halad 9 and 1/4#/sx. Flocele.Class "C" procele.This cement run is designed to bring TOCto surface.

5. <u>PRESSURE CONTROL EQUIPMENT</u>: The BOP shown on Exhibit D will consist of a hydraulically operated double ram-type preventer equipped with blind rams on top and 4 1/2" drill pipe rams on bottom. The BOP will be nippled up on the 8 5/8" casing and used continuously until TD is reached. All BOP equipment will be tested to 1000 psi before drilling out surface casing.

Pipe rams will be operationally checked every 24 hours. Blind rams will be checked on each trip out of the hole. A 2" kill line and a 2" choke line will be included in the drilling spool located below the ram-type preventer. Other accessories to the BOP equipment will include a kelly cock and floor safety valve (inside BOP) and the choke lines and choke manifold with a 3000 psi rating.

6. PROPOSED MUD PROGRAM:

| Depth Mud Type | N | 0' - 350' Native | 350' - 3500' Cut Brine | Mud Interval LSND | |
|-------------------|------|-----------------------------|-----------------------------|----------------------|--|
| Properties | рН 9 | 8.4 - 9.0 ppg 9.5 - 10.0 | 9.3 - 9.6 ppg 9.5 - 10.0 | 9.5 ppg 9.0 | |
| | | | ··· • • | 30 - 40 cc | |
| | | N/C 28 - 32 sec/qt | N/C 28 sec/qt | 30 - 40 32-34 se | |

- 7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:
 - A. A kelly cock will be kept in the drill string at all times.B. A full opening drill pipe stabbing valve (inside BOP) with proper
 - drill pipe connections will be on the rig floor at all times.
 C. A mud logging unit complete with an H2S detector will be continuously monitoring drilling penetration rate and hydrocarbon shows from 1350' to TD.
- 8. <u>TESTING, LOGGING AND CORING PROGRAMS</u>: No coring or DST's are planned. Electric logs will include a CDL-CN-GR, DLL-GR. Further testing procedures will be determined after the 5 1/2" production casing has been cemented at TD based on drill shows and log evaluation.
- 9. <u>ABNORMAL PRESSURES, TEMPERATURES OR GASES</u>: No abnormal pressures, temperature or gases are anticipated. BHT at TD is 90 degrees and estimated maximum BHP is 2500 psig.
- <u>ANTICIPATED STARTING DATE</u>: It is planned that operations will commence about April 21, 1992. Duration of drilling, completion and testing operations should be 15 to 45 days.





Exhibit "C"





Exhibit "D"



BOP STACK

3000 PSI WORKING PRESSURE

- Drilling nipple to be constructed so that it can be removed without 1. using welder through rotary table opening, with minimum ID equal to 2.
- Wear ring to be properly installed in head. 3.
- BOP and all fittings must be in good condition, 3000 psi WP minimum. All fittings to be flanged. 4. 5.
- Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 3000 psi WP minimum. 6.
- All choke and fill lines to be securely anchored, especially ends of choke lines. 7.
- Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through. 8.
- Kelly cock on kelly. 9.
- Extension wrenches and hand wheels to be properly installed. 10.
- BOP control to be located as close to driller's position as feasible. BOP closing equipment to include minimum 40 gallon accumulator, two 11. independent sources of pump power on each closing unit installation, and meet all API standards.

| | | and the second | | | | |
|---|--|--|---------------------------|---------------------------|---|---------------------|
| Form .9-331 C (May 1963) | UNIT | ED STATES | reverse | ictions on | Form approve Budget Bureau | d. No. 42-R1425. |
| | DEPARTMENT | | | | 5. LEASE DESIGNATION | AND SEBIAL NO. |
| | GEOLO | GICAL SURVEY | · | | LC-0574 | 51 |
| APPLICATION | I FOR PERMIT 1 | O DRILL, DE | EPEN, OR PLUG | BACK | 6. IF INDIAN, ALLOTTEE | OR TRIBE NAME |
| 1a. TYPE OF WORK | LLX | | PLUG BA | | 7. UNIT AGREEMENT N | AME |
| b. TYPE OF WELL | | | | | | |
| | ELL OTHER | | SINGLE MULTI ZONE ZONE | | S. FARM OR LEASE NAM | (E |
| 2. NAME OF OPERATOR | | | | | Leonard B | Federal |
| SDX Resourc | es, Inc. | | | | 9. WELL NO. | |
| 3. ADDRESS OF OPERATOR | | | | | 5 | |
| Post Office | Box 5061, Mi eport location clearly and | dland, TX | 79704 | | 10. FIELD AND POOL, O | R WILDCAT |
| 4. LOCATION OF WELL (R At surface | eport location clearly and | in accordance with a | iny State requirements.*) | | Gravburg-J | ackson |
| 990' FNL an | d 2310' FEL, | Unit Lette | r B | | Grayburg-Jackson 11. SEC., T., B., M., OR BLK. | |
| At proposed prod. zon | = | onite Decce | | | AND SURVEY OR AR | ea Ea |
| | | | | | 22 170 200 | |
| 14. DISTANCE IN MILES | AND DIRECTION FROM NEAD | EST TOWN OR POST O | FFICE* | | 33-17S-29E 12. COUNTY OR PARISH | 13. STATE |
| 17 miles ea | st of Artosia | NTM | | | n 1 J | |
| 15. DISTANCE FROM PROPO | <u>st of Artesia</u> Deser• | | 6. NO. OF ACRES IN LEASE | 17. NO. 0 | Eddy | NM |
| LOCATION TO NEAREST PROPERTY OR LEASE I | INE. FT. | | 1.60 | TO TE | US WELL | |
| (Also to nearest drig 18. DISTANCE FROM PROP | | | 160 | 40 | | |
| TO NEAREST WELL D | BULLING COMPLETED | - | 9. PROPOSED DEPTH | 20. ROTARY OR CABLE TOOLS | | |
| | is LEASE, Papprox. | 300' | 3500' | | Rotar | у |
| 21. ELEVATIONS (Show who | ether DF, RT, GR, etc.) | | | | 22. APPROX. DATE WO | BK WILL START* |
| 3544' Gr. | | | | | 5-1-9 | 2 |
| 23. | F | ROPOSED CASING | AND CEMENTING PROGE | IAM NG | Water Basin | |
| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | | QUANTITY OF CEMEN | IT. |
| _12_1/4 | 8 5/8 | 24# | 3501 | Suffic | ient to cir | aulato |
| 77/8 | 5 1/2 | <u>15.5#</u> | 36001 | | Tene to en | curate |
| | , _ | | 5000 | | | |
| | L | | | | | |

Plan to drill well sufficient to test Seven Rivers, Queen, Grayburg and San Andres.

Pay zone will be selectively perforated and stimulated as needed for optimum production.

Attached are: Well location and acreage dedication plat. 1. 2. Supplemental Drilling Data.

- Thirteen Point Program. 3.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any. 1 .

| SIGNED Della Bhy | | DATE |
|---|---------------|------|
| (This space for Federal or State office use) | | |
| PERMIT NO. | APPROVAL DATE | |
| APPROVED BY Conditions of Approval, if any : | TITLE | DATE |

*See Instructions On Reverse Side

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

DIST P.O.

| LEONARD B FEDERAL 5 Bit Laster Section Township Rage County EDDY COUNTY, NM Actual focuse Location of Weil: 17 SOUTH 29 RAST NMFM EDDY COUNTY, NM 940 feet from the NORTH Ins. and 2310 feet from the EDDY COUNTY, NM 1 Outlie the arreage dedicated to the subject well by colored peacif or hachine marks on the piat below. 1 Acre. 1 Outlie the arreage dedicated to the well, outline each and identify the ownership increaf (both at to working interest and royaly). 3.11 more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-poling, etc.? If answer is "yea" type of consolidation 1 arrest more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-poling, or otherwise) If answer is "yea" type of consolidation 1 arrest more than one lease of different ownership is dedicated to the well, we the interest of all owners been consolidated by communitization, unitization, force-oping, or otherwise) If and the more is one the provide of the bit of the interest of all owners been consolidated for interest ownership is dedicated to the well well interest of all owners been consolidated for otherwise) 1 arrest arrest arrest 2 | <u>DISTRICT III</u> 1000 Rio Brazos Rd | ., Aziec, NM 87410 | | | | | DICATION PLAT | | | |
|--|---|---|---|--------------------------------------|-----------------------|-----------|---------------------------|--|--|--|
| LEONARD B FEDERAL 5 Dist Letter Section Township Rage County EDDY COUNTY, NM Section Get from the NORTH 29 RAST MMM EDDY COUNTY, NM Section Fee from the NORTH Instantion Pool EDDY COUNTY, NM Section Fee from the NORTH Instantion Pool EDDY COUNTY, NM Section Media Fordating Formation Pool EDDY COUNTY, NM EDDY COUNTY, NM Section Media Fordating Formation Pool Edit Section Accel 1 Counting the serves of contraction one lass is dedicated to the well, buy the interest of all owners base consolidated by communitization, tantization, forced proving, core cherwice) Accel Accel 1 Intermediation that one lass of different ownership is dedicated to the well, base the interest of all owners base consolidated by communitization, forced proving, core cherwice) Townership the interest of all owners base consolidated for ownership is acceleration 1 Intermediation the section of the interest of all owners base consolidated for ownership is acceleration Interest ownership is acceleration <t< td=""><td>Operator</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>Well No</td><td></td></t<> | Operator | | | | | | | | Well No | |
| B 33 17 SOUTH 29 EAST NHM County EDDY COUNTY, NM Actual Yooge Locate of Well; ine and 2310 feel from the CDT ine EDDE COUNTY, NM Optimize the servage dedicated to the subject well by colored peech or balance marks on the plat below. 1. Outline the servage dedicated to the well, outline each and identify the ownership facerof (both as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, fore-pooling, car ? Ares 1 outline the server of the device which have a smally been oscillated (for ownership thereof (both as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, fore-pooling, car ? Ares 1 outline the server of the device which have a smally been oscillated (for ownership thereof obstand to ownership in true and complete to being the owner which are and interest, has been approved by the Division. OPERATOR CERTIFICATION I hereby certify that the light of ownership therein in true and complete to being the ownership in the server ownership is fault and the ownership in the server owner and the ownership is the server ownership in the ownership in the server ownership in the serve | כחע מו | CONDORC THO | | | | р | RENEDAT | | | |
| B 33 17 SOUTH 29 EAST NMTM EDDY COUNTY, NM 990. Feet from the NORTH line and 2310 feet from the NORTH Declared Armage: 3544. Producing Formation Pool Acres Declared Armage: Acres 1. Oxidise the servage declared to the subject well by colored peecid or hackness michtage on the pist below. 2.1 Inore that one lases of different ownership is addicated to the well, have the interest of all owners been consolidated by communitation, unitation, the pool of the servage of the servage of the servage declared below well, have the interest of all owners been consolidated by communitation, the pool of the servage | Unit Letter | | | | - | <u>d</u> | FEDERAL | County | ر | |
| Actual Fockage Location of Well: NORTH line and 2310 feet from the Edited Acreage: 3544. Producing Formation Pool Pool Pool Acres. 1. Outline the acreage dedicated to the subject well by colored pencil on hachine mixts on the plat below. Acres. Acres. 2. If more than one lease of different overeship is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, dc.? If more than one lease of different overeship is dedicated to the well, have the interest of all owners been consolidated. (Use reverse aid of this form if necessary. If more than one lease of different overeship is dedicated to the well, have the interest of all owners been consolidated. (Use reverse aid of this form if necessary. No allowable will be setup of the well multi all arceuts have been consolidated. (Use reverse aid of the information on unitization, the information on unitization, the information on unitization, the information on unitization and complice to been all multi all arceuts have been consolidated. (Use reverse aid of the information on unitization, the information on unitization on unitization, the information on the information o | в | 33 | · · | ดเซาส | - | P | | | COINTRY | MM |
| Ground level Elev. Producing Formation Pool Dedicated Acreage: Acres. 1. Outline the acreage dedicated to the subject well by colored pencil or hachare murks on the plat below. 2. If more than one lease of different ownerhip is dedicated to the well, outline each and identify the ownerhip thereof (both as to working interest and royalty). 3. If more than one lease of different ownerhip is dedicated to the well, have the interest of all owners been accosolidated by communitization. Image: Communitization. Image: Communitization. If answer is "too" list to evenes and tred descriptions which have beauly been cossolidated (Use reverse aide of this form if necessary. No allowable will be assigned to the well utili all interests have been cossolidated (Pace communitization. unitization. forced-pooling. or otherwise) or util a non-standard unit, climinating such interest, has been approved by the Division. OPERATOR CERTIFICATION I have in the information contraded beneits in the and complete to beat of my beauding on ability. Signate 23/0' Image: Communitization. Image: Communitization. Image: Communitization. Image: Communitization. Signate: Communitization. Image: Communitization. Image: Communitization. Image: Communitization. Image: Communitization. Image: Communitization. Image: Communitization. Image: Communitization. Image: Communitization. Image: Communitization. Image: Communitin and communitization. Image: | | | | 0011 | 27 6451 | | <u>NMPM</u> | EDDI | | |
| Ground level Elev. Producing Formation Pool Dedicated Acreage: Acres. 1. Outline the acreage dedicated to the subject well by colored pencil or hachare murks on the plat below. 2. If more than one lease of different ownerhip is dedicated to the well, outline each and identify the ownerhip thereof (both as to working interest and royalty). 3. If more than one lease of different ownerhip is dedicated to the well, have the interest of all owners been accosolidated by communitization. Image: Communitization. Image: Communitization. If answer is "too" list to evenes and tred descriptions which have beauly been cossolidated (Use reverse aide of this form if necessary. No allowable will be assigned to the well utili all interests have been cossolidated (Pace communitization. unitization. forced-pooling. or otherwise) or util a non-standard unit, climinating such interest, has been approved by the Division. OPERATOR CERTIFICATION I have in the information contraded beneits in the and complete to beat of my beauding on ability. Signate 23/0' Image: Communitization. Image: Communitization. Image: Communitization. Image: Communitization. Signate: Communitization. Image: Communitization. Image: Communitization. Image: Communitization. Image: Communitization. Image: Communitization. Image: Communitization. Image: Communitization. Image: Communitization. Image: Communitization. Image: Communitin and communitization. Image: | 000 | feet from the | NODWI | line and | 0010 | | | | | |
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State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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



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| RICT I | | | |
| | Hobbs, NM | 88240 | |

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

SUPPLEMENTAL DRILLING DATA

SDX RESOURCES, INC. LEONARD B FEDERAL #5 S33-T17S-R29E EDDY COUNTY, NEW MEXICO

1. ESTIMATED TOPS OF GEOLOGIC MARKERS:

| Seven | Rivers | 1350' |
|--------|--------|-------|
| San An | ldres | 2725' |

2. <u>CASING DESIGN</u>:

| Size | Interval | Weight | Grade | <u>Joint</u> |
|--------|-----------|--------|-------|--------------|
| 8 5/8" | 0 - 350' | 24.0# | J-55 | STC |
| 5 1/2" | 0 - 3600' | 15.5# | J-55 | STC |

- 3. PRESSURE CONTROL EOUIPMENT: An annular or a double ram-type preventer.
- 4. <u>TESTING, LOGGING AND CORING PROGRAMS</u>: No coring or DST's are planned. Electric logs will include a CDL-CN-GR, DLL-GR.
- 5. ABNORMAL PRESSURES, TEMPERATURES OR GASES: None anticipated.
- 6. <u>ANTICIPATED STARTING DATE</u>: It is planned that operations will commence about May 1, 1992. Duration of drilling, completion and testing operations should be 15 to 45 days.



THIRTEEN POINT PROGRAM

- 1. EXISTING ROADS: Existing roads, which lead to the proposed drillsite, are shown on Exhibit "A".
- 2. <u>PROPOSED NEW ROAD</u>: Estimate 600' of new access road from existing road location.
- 3. LOCATION OF EXISTING WELLS: Existing wells in the vicinity of the proposed drillsite are shown on Exhibit "B".
- 4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:
 - A. This is a producing lease. The nearest well is approximately 300 feet away.
 - B. If the new well is productive, existing production and storage facilities will be upgraded.
- 5. <u>LOCATION AND TYPE OF WATER SUPPLY</u>: It is not planned to drill a water supply well. Water for leasehold operations will be purchased from a commercial water hauler.
- 6. <u>SOURCE OF CONSTRUCTION MATERIALS</u>: Materials needed for construction of the proposed well pad will be obtained on site and purchased from an approved site.
- 7. METHODS OF HANDLING WASTE DISPOSAL:
 - A. Drill cuttings will be disposed of in the drilling pits.
 - B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.
 - C. Water produced during tests will be disposed of in the drilling pits or hauled to an approved disposal facility.
 - D. Oil produced during tests will be stored in test tanks until sold.
 - E. Trash, waste paper, garbage, and junk will be stored in a trash container and hauled off. All waste material will be contained to prevent scattering by the wind.
 - F. All trash and debris will be removed from the wellsite within 45 days after finishing drilling and/or completion operations.
- <u>ANCILLARY FACILITIES</u>: No permanent camp or airstrip is planned. A trailer will be on location during drilling and completion operations.
- 9. WELLSITE LAYOUT: The dimensions and relative location of the drill pad, mud pit, and trash pit with respect to the well bore and existing pads are shown in Exhibit "C".

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. After abandonment, all equipment, trash and junk will be removed and the location cleaned. Any special rehabilitation and/or special revegetation requirements will be complied with and accomplished as expeditiously as possible.

11. OTHER INFORMATION:

- A. <u>Topography</u>: The wellsite is at an elevation of 3544'. The terrain surrounding the location slopes toward the west. The area is characterized by sand deposits with localized dune rises and a few deflation basins.
- B. <u>Soil</u>: Top soil at the wellsite is sandy.
- C. <u>Flora</u>: Flora consists primarily of scrub grass and other desert weeds.
- D. <u>Fauna</u>: No wildlife was observed, however, fauna for this type of habitat normally consists of lizards, snakes, rabbits, quail, coyotes, dove and other small birds.
- E. Ponds & Streams: None.
- F. <u>Residences & Other Structures</u>: House located within one mile to the west.
- G. Archaeological, Historical & Cultural Sites: None were observed.
- 12. <u>OPERATOR'S REPRESENTATIVE</u>: Representative responsible for assuring compliance with the approved drilling program:

| Lessee: | Representative: | | | |
|--|------------------------|--|--|--|
| SDX Resources, Inc. P. O. Box 5061 Midland, TX 79704 | Donald G. Becker, Jr. | | | |
| | Morexco, Inc. | | | |
| | P. O. Box 481 | | | |
| | Artesia, NM 88211-0481 | | | |

13. <u>CERTIFICATION</u>:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar

with the conditions which presently exist; that the statements made in this plan are, to the best of knowledge true and correct; and that the work associated with the operations proposed herein will be performed by SDX Resources, Inc. and its sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

March 31, 1992

QL14.BL

Donald G. Becker, Jr. Agent for SDX Resources, Inc.





Exhibit "C"

