



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

May 8, 1996

SDX Resources, Inc.
P. O. Box 5061
Midland, Texas 79704
Attn: John Pool, Vice-President

Administrative Order NSP-1759

Administrative Order NSL-3670

Dear Mr. Pool:

Reference is made to your applications dated February 12 and April 8, 1996 for re-dedication of acreage and for two unorthodox oil well locations in the Jalmat Gas Pool on SDX Resources's Meyers Federal Lease located in the NE/4 of Section 22, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico.

Currently, a non-standard **160-acre** gas spacing and proration unit comprising the NE/4 is dedicated to the Meyers Well No. 1 (API No. **30-025-09604**), located 1650 feet from the North line and 330 feet from the East line (Unit H) of said Section 22. Said gas well location and 160-acre gas spacing and proration unit were authorized by Division Order No. R-520, dated August 12, 1954, and by **Rule 2(b)2** of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended.

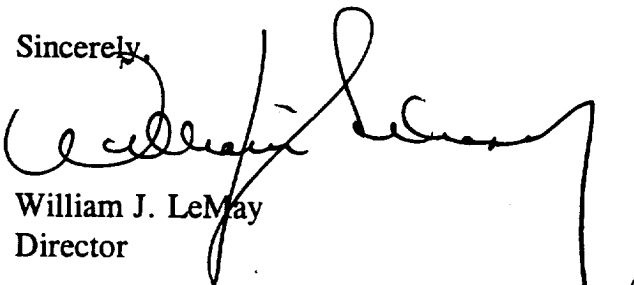
It is our understanding at this time that SDX Resources, Inc. now seeks to form a non-standard **40-acre** gas spacing and proration unit comprising the **SE/4 NE/4 (Unit H)** of said Section 22 to be dedicated to said Meyers Well No. 1. Further, the remaining 120 acres in the NE/4 of said Section 22 would be developed as follows:

- (a) the **NE/4 NE/4 (Unit A)**, being a standard 40-acre oil spacing and proration unit, pursuant to **Rule 2(a)2** of said special Jalmat Gas Pool rules, is to be dedicated to the proposed Meyers Federal Well No. 6 (API No. **30-025-33363**), to be drilled at a **standard** Jalmat oil well location 330 feet from the North and East lines of said Section 22;

- (b) the NW/4 NE/4 (Unit B), being a standard 40-acre oil spacing and proration unit, pursuant to **Rule 2(a)2** of said special Jalmat Gas Pool rules, is to be dedicated to the proposed Meyers Federal Well No. 8 (API No. 30-025-33362), to be drilled at an **unorthodox** Jalmat oil well location 330 feet from the North line and 1400 feet from the East line of said Section 22; and,
- (b) the SW/4 NE/4 (Unit G), being a standard 40-acre oil spacing and proration unit, pursuant to **Rule 2(a)2** of said special Jalmat Gas Pool rules, is to be dedicated to the proposed Meyers Federal Well No. 7 (API No. 30-025-33361), to be drilled at an **unorthodox** Jalmat oil well location 1400 feet from the North line and 1650 feet from the East line of said Section 22.

By authority granted me under the provisions of **Rule 2(d)** of said special Jalmat Gas Pool rules the above-described acreage rededication and formation of the **40-acre** non-standard gas spacing and proration unit, to be dedicated to the Meyers Well No. 7, and the two unorthodox Jalmat oil well locations for the Meyers Federal Well Nos. 7 and 8 are hereby approved.

Sincerely,



William J. LeMay
Director

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
Tenison Oil Company - Dallas, Texas

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N. M. OIL CONS. COMMISSION
P.O. BOX 1980
HOBBS, NEW MEXICO 87401

FORM 3160-5
Budget Bureau No. 1004-0135
Expires: March 31, 1993

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

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

SDX Resources, Inc.

3. Address and Telephone No.

PO Box 5061, Midland TX 79704 915/685-1761

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1400' FNL & 1650' FEL, Sec 22, T24S, R36E, Unit G

5. Lease Designation and Serial No.

LC-032451-C

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Meyers Federal #7

9. API Well No.

30-025-33361

10. Field and Pool, or Exploratory Area

Jalmat: Tan-Yts-7R

11. County or Parish, State

Lea, NM

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

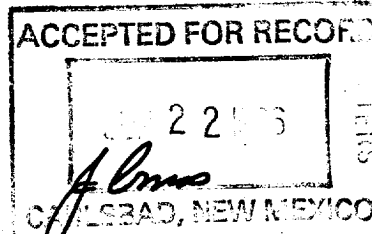
- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Spud & set surf. csq.
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

6-14-96 MI & RU Rod Ric rig #4. Spud 12-1/4" hole to 485', 9:00pm 6-14-96.
Ran 11 jts 8-5/8" 24 #, J-55 csg. Landed off @ 430'. RU Dowell &
cmt w/325 sx. Class C w/2% CaCl. PD @ 6:30 am 6-15-96. Did not
circ. WOC

6-15-96 Cmt annulus w/88 sx Class C w/2% CaCl thru 1" tbg @ 110'. WOC 13 hrs.
(Option 2). Test BOP & csg to 1000# for 30 min - OK.. Continue drill



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

Signed James Country Title Regulatory Tech.

Date 6-17-96

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____ Date _____

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.

*See Instruction on Reverse Side