

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Co. Division
P.O. Box 1980
Hobbs, NM 88241

FORM APPROVED
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.

P. O. Box 5061, Midland, TX 79704 915/685-1761

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

330' FNL & 1400' FEL, Unit B
Sec. 22, T24S, R36E

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 #8

9. API Well No.

30-025-33362

10. Field and Pool, or Exploratory Area

Jalmat, Tan-Yates-7 Rvrs

11. County or Parish, State

Lea Co., 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 Surf & Prod Casing.

- ☐ 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.)*

MI & RU J.C. Wells Drlg Co's Rig #4, 2/13 & 2/14/97. Spudded 12-1/4" hole @ 1:30 p.m (MST), 2/14/97. Ran 11 jts 8-5/8" J-55 24# casing, land off @ 418'. RU Halliburton & cmted w/ 350 sxs Cl C w/1% CaCl. PD @ midnight, circulated 25 sxs to pit. Test casing & BOP to 1000 psi, OK. Prep to drill 7-7/8" hole.

2/22/97 Reached depth 3432', TD. Reached TD @ 11:30 p.m., (MST), 2/21/97. Ran 38 jts 5-1/2" csg (J-55, 15.5#), land off @ 3430'. Halliburton cmted w/250 sxs Cl C w/2% CaCl & 450 sxs Lite. Circ 15 sxs to surface. Released J.C. Wells Rig #4 @ 11:00 p.m., (MST), 2/22/97.

2/23/ & 2/26/97 WO Completion. TD 3432', PBTD 3396'. RU Schlumberger & run CNL-GR-CCL cased hole log. 3/3/97 MI Yale Key reverse unit. Air drilled to a depth of 3548'. Ran 2-7/8" tbg (109 jts), SN @ 3389'. Run pump & rods. SI well. Waiting on orders 3/13/97 to 4/4/97.

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

Signed Janice Courtney

Title Regulatory Tech

Date 4/4/97

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Date



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;

SDX Resources Inc.

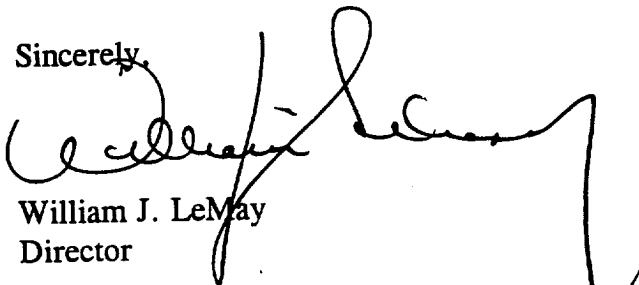
May 8, 1996

Page 2

- (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

N.M. OIL CONS. COMMISSION
P.O. BOX 1980
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 ☒ DEEPEN ☐

b. TYPE OF WELL
 OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
 SDX Resources, Inc.

3. ADDRESS AND TELEPHONE NO.
 P. O. Box 5061, Midland, TX. 79704 915/685-1761

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 330' FNL & 1400' FEL, Unit B
 At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 5 mi. NW from Jal, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
 (Also to nearest drlg. unit line, if any)
 300' 80'

16. NO. OF ACRES IN LEASE
 160

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 1070'

19. PROPOSED DEPTH
 4,000'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 GR 3341'

22. APPROX. DATE WORK WILL START*
 2/09/96

5. LEASE DESIGNATION AND SERIAL NO.
 LC-032451-C

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
 Meyers Federal #8

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT
 Jalmat, Tan-Yates-7 Rvrs

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 22, T24S, R36E

12. COUNTY OR PARISH
 Lea

13. STATE
 NM

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", J-55 | 24# | 350' | 350 sxs C1 "CIRCULATE" |
| 7-7/8" | 5-1/2", J-55 | 14# | 4000' | 350 sxs Poz, 400 sxs Lite (TIE BACK) |

Plan to drill 12-1/4" hole to approximately 350'; set 8-5/8" surface casing. Circulate Class "C" cement. Drill 7-7/8" hole to 4000'. Run open hole logs (LDT-CNL-GR & DLL). Set 5-1/2" casing and circulate cement. Perforate the Yates/Seven Rivers and stimulate as necessary for optimum production.

Specific programs as per Onshore Oil & Gas Order #1 are outlined in the following attachments: Drilling Program:

OPER. OGRID NO. 20451 Surface Use and Operating Plan
 PROPERTY NO. 18776 EXHIBIT #1 - Location and Elevation Plat
 POOL CODE 33820 EXHIBIT #2 - BOP Equipment
 EFF. DATE 4/2/96 EXHIBIT #3 - Planned Access Roads
 EXHIBIT #4 - One Mile Radius Map
 EXHIBIT #5 - Planned Production Facilities & Access
 EXHIBIT #6 - Drilling Rig Layout

RECEIVED
FEB 20 8 41 AM '96
CANNON
ARL

Well cannot produce until NSR is obtained
 IN ABOVE SPACE DESCRIBE PROPOSED 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.

SIGNED Janice Courtney TITLE Regulatory Tech
 (This space for Federal or State office use)

DATE 2/09/96

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

PERMIT NO. _____ APPROVAL DATE _____

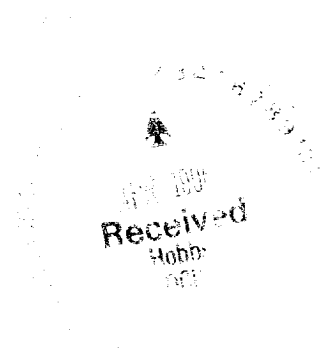
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations in accordance with the conditions of approval, if any.

APPROVED BY /s/ TIMOTHY J. BURKE

Acting Area Manager

MAR 27 1996

*See Instructions On Reverse Side



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

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---------------------------|--|--|--|---|----------------------|
| 1 API Number | | 2 Pool Code 79240 | | 3 Pool Name JALMAT, TAN-YATES-7 RVRS | |
| 4 Property Code 017002 | | 5 Property Name MEYERS FEDERAL | | | 6 Well Number 8 |
| 7 OGRID No. 020451 | | 8 Operator Name SDX RESOURCES, INC. | | | 9 Elevation 3341. |

10 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| B | 22 | 24-S | 36-E | | 330 | NORTH | 1400 | EAST | LEA |

11 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 |
|--------------------------|---------|--------------------|-------|-----------------------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| 12 Dedicated Acres 40 | | 13 Joint or Infill | | 14 Consolidation Code | | 15 Order No. | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | | | | | | | | | |
|----|--|--|--|--|--|--|--|--|--|
| 16 | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

330'

1400'

17 OPERATOR CERTIFICATION

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

Janice Courtney
Signature
Janice Courtney
Printed Name
Regulatory Tech
Title
1/29/96
Date

18 SURVEYOR CERTIFICATION

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 belief.

JANUARY 22, 1996
Date of Survey
Signature and Seal of Professional Surveyor:
