

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

1-6-97

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒ Re-Entry DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☐

OTHER Injection

SINGLE
ZONE ☐MULTIPLE
ZONE ☒

2. NAME OF OPERATOR

SDX Resources, Inc.

3. ADDRESS AND TELEPHONE NO.

PO Box 5061, Midland TX 79704

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface
660' FNL & 1980' FEL, Sec 22, T24S, R36EAt proposed prod. zone
Same

Unit B

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

6 miles NW of Jal NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

660'

660'

16. NO. OF ACRES IN LEASE

160

17. NO. OF ACRES ASSIGNED
TO THIS WELL

NA

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

667'

19. PROPOSED DEPTH

3800'

20. ROTARY OR CABLE TOOLS

Rotary

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

?

22. APPROX. DATE WORK WILL START*

Feb. 1, 1997

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
NA	13"	NA	238' 400	150 sx. witness
NA	9-5/8"	NA	3086'	775 sx. witness
NA	7"	NA	3527'	150 sx.

WELL PRESENTLY P&A'd. NO RECORDS AVAILABLE.

Plan to re-enter this well to original TD of 3800'. If 7" csg is intact to surface will test & use if okay. If not okay will run 5-1/2" liner to 3500' & circulate cmt to surface. NMOCD C-108 detailing injection parameters will accompany this APD.

WITNESS

Specific Programs:

1. Location & elevation plat
2. BOP
3. Access Roads

4. One mile
5. C-108

OPER. OGRID NO. 20451

PROPERTY NO. 18818

POOL CODE

EFF. DATE 3/10/97

API NO. 30-025-09603

SUBJECT TO
LIKE APPROVAL
BY STATE

SWD-653

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.

24.

SIGNED

Chuck Morgan

TITLE

Chuck Morgan

DATE

1-2-97

(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

(ORIG. SGD.) ARMANDO A. LOPEZ

TITLE

Acting

ADM. MINERALS

DATE

2-20-97

*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 21, 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

API Number 30-025-09603		Pool Code 96131		Pool Name SWD: Seven Rivers Jal Cooper	
Property Code 18818		Property Name A.H. Meyers A			Well Number 5
OGRID No. 20451		Operator Name SDX Resources, Inc.			Elevation

¹⁰ Surface Location

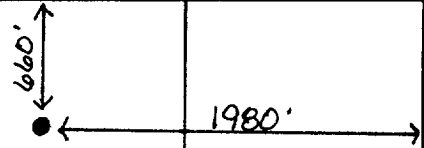
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
B	22	24S	36E		660'	North	1980'	East	Lea

¹¹ Bottom Hole Location If Different From Surface

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

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

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

<div>16</div> 	<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Chuck Morgan</i> Signature Chuck Morgan Printed Name Engineer Title 12-30-96 Date</p>	
	<div>18 SURVEYOR CERTIFICATION</div> <p>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.</p> <p>_____ Date of Survey _____ Signature and Seal of Professional Surveyer:</p>	
	Certificate Number	

DRILLING PROGRAM

SDX Resources, Inc.
AH Meyers A #5
660' FNL & 1980' FEL
Unit B Sec. 22, T24S, R36E
Lea County, New Mexico

1. Geologic Name of Surface Formation:

2. Estimated Tops of Important Geologic Markers:

Top of Salt	1200'
Base of Salt	2200'
Tansill	2950'
Yates	3170'
7 Rivers	3440'

3. Estimated Depth of Anticipated Fresh Water, Oil or Gas:

Water Sands	150'	Fresh H2O
Tansill	2940'	Oil & Gas
Yates	3170'	Oil & Gas
7 Rivers	3440'	Oil & Gas

Fresh water sands are protected by 13" casing set at 238' and cemented w/150 sx.

4. Casing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>OD csq</u>	<u>Weight Grade Jt Cond Type</u>
NA	0-238'	13"	NA (Existing csg) cmt w/150 sx.
NA	0-3086'	9-5/8"	NA (Existing csg) cmt w/775 sx.
NA	0-3527'	7"	NA (Existing csg) cmt w/150 sx.

Cement Program:

A. 5-1/2" liner - circ cmt to surf (if used).

5. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram workover preventer (3000 psi WP). Unit will be manually operated. BOP will be nipped up on the 13" csg and used continuously until TD is reached. BOP and accessory equipment will be tested to 1000 psi before drilling out of surface casing. A 2" kill line and a 2" choke line will be included in the drilling equipment. Other accessories to the BOP equipment will include a kelly cock.

6. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with 10# brine. Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be used if necessary.

7. Auxiliary Well Control and Monitoring Equipment:

A kelly cock will be kept in the drill string at all times.

8. Logging, Testing and Coring Program:

No logs.

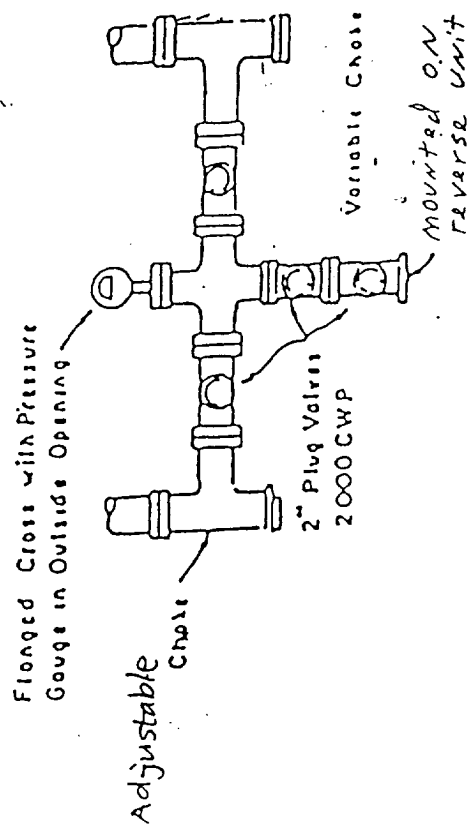
9. Abnormal Conditions, Pressures, Temperatures, & Potential Hazards:

No abnormal pressure or temperatures are anticipated. The estimated bottom hole temperature (BHT) at TD is 104 F and estimated maximum bottom-hole pressure (BHP) is 1200 psig. Very little H₂S or other hazardous gases or fluids should be encountered during the re-entry. H₂S warning signs, flags and safety monitors will be used at all times.

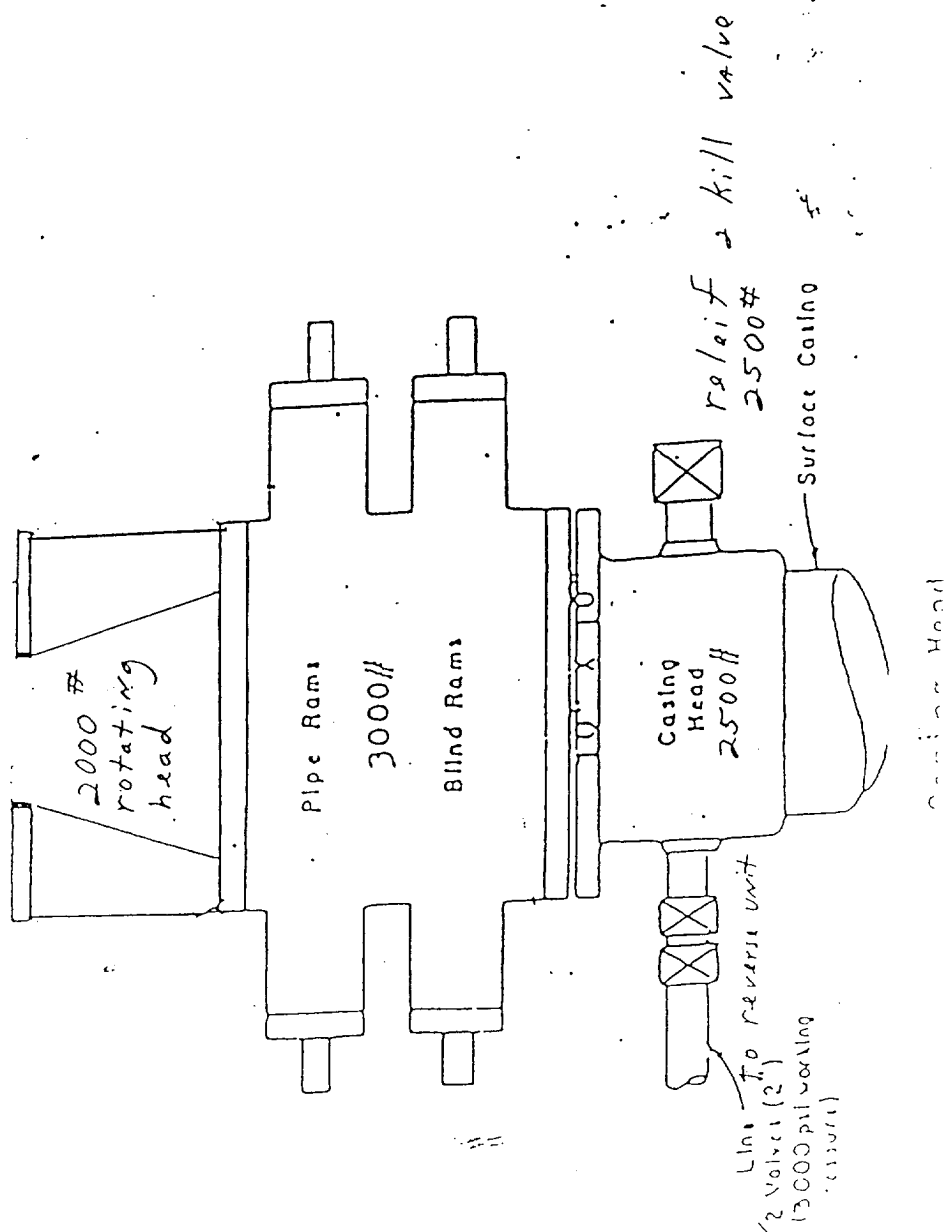
10. Anticipated Starting Date and Duration of Operations:

Road and location work will not begin until approval has been received from the BLM. The anticipated spud date is March 1, 1997. Once commenced, the drilling operation should be finished in approximately 3 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made to install permanent facilities.

EXHIBIT 2
BLOWOUT PREVENTER
DIAGRAM



PLAN VIEW - CHOKE MANIFOLD



Meyers Fed A-5
Stanolind

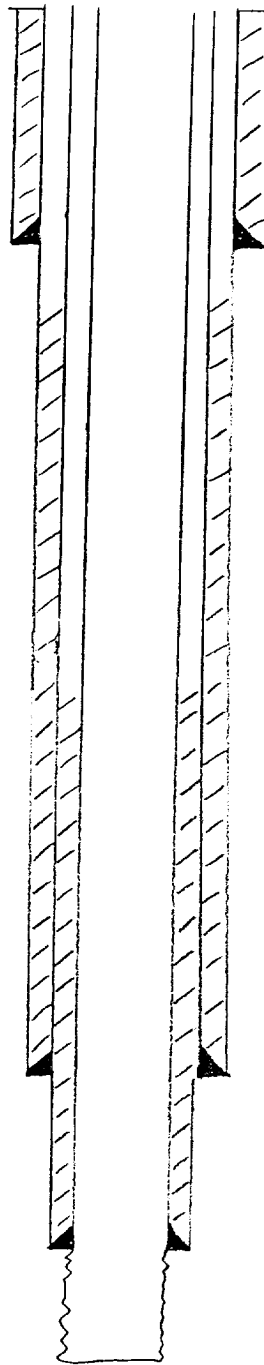
60' FNL + 1980' FEL
Sec 22, 24S-36E

"Current"

13" @ 238'
150 syx TOC surf
1 7/4" hole (assumed)
(calc 1.32 ft³/syx
.75 eff)

9 5/8" @ 3086'
775 syx 12" hole
(assumed) TOC 361'
(calc 1.32 ft³/syx
.75 eff)

7" @ 3527'
150 syx 8 5/8" hole
(assumed) TOC 2200'
(calc 1.32 ft³/syx
.75 eff)



TD 3575'

Meyers Fed A-45
Stanolind

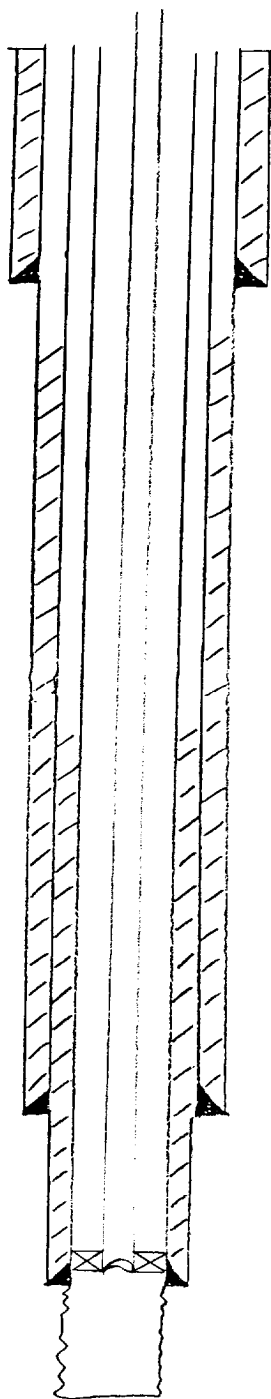
-360' FNL + 1980' FEL
Sec 22, 24S-36E

"Proposed"

13" @ 238'
150 ~~sq~~ TOC surf
1 7/4" hole (assumed)
(calc 1.32 ft³/sq
.75 eff)

9 5/8" @ 3086'
775 ~~sq~~ 12" hole
(assumed) TOC 361'
(calc 1.32 ft³/sq
.75 eff)

7" @ 3527'
150 ~~sq~~ 8 5/8" hole
(assumed) TOC 2200'
(calc 1.32 ft³/sq
.75 eff)



TD 3800'

Propose to set
7" AD-1 pkr
@ 3450' on 2 7/8" PC
thru OH interval
3527' - 3800'

Meyers Fed F⁻⁵
Stanolind

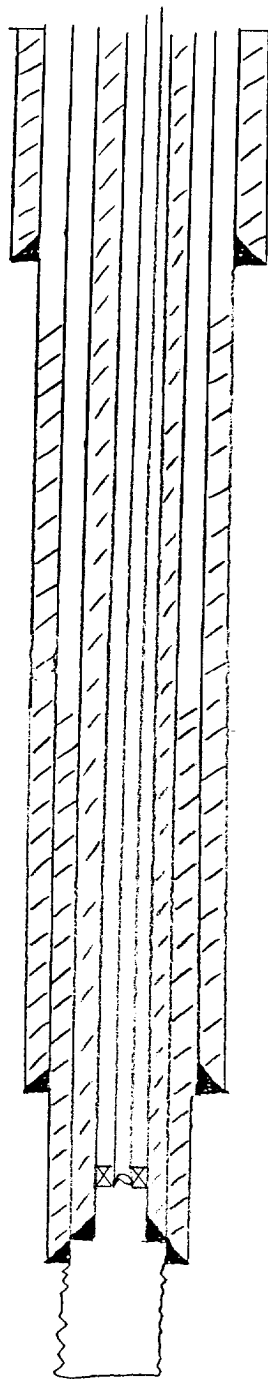
360' FNL + 1980' FEL
Sec 22, 245 - 36E

"Proposed Alternative"

13" @ 238'
150 ~~sq~~ TOC surf
1 7/4" hole (assumed)
(calc 1.32 ft³/sq
.75 eff)

9 5/8" @ 3086'
775 ~~sq~~ 12" hole
(assumed) TOC 361'
(calc 1.32 ft³/sq
.75 eff)

7" @ 3527'
150 ~~sq~~ 8 5/8" hole
(assumed) TOC 2200'
(calc 1.32 ft³/sq
.75 eff)



Propose to set a
5 1/2" liner from surf.
to 3500' w/ cement, circ
to surf.

5 1/2" AD-1 per set
@ 3400' on 2 7/8"
PC plug.
OH interval
3527' - 3800'

TD 3800'