12-790

HOBBS OCD

OCD SEP 20 2012

RECEIVED

Form 3160-3
(August 2007)

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NMLC 062170-A

6. If Indian, Allotee or Tribe Name

1a. Type of work ☑ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No

1b. Type of Well ☑ Oil Well ☐ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
Parcell Federal #5 309281

2. Name of Operator SandRidge Expl. & Prod , LLC 270265

9. API Well No.
30-025- 40759

3a. Address 123 Robert S. Kerr Ave.
Oklahoma City, OK 73102

3b. Phone No. *(include area code)*
405-429-6518

10. Field and Pool, or Exploratory
Wantz; Abo 62700

4. Location of Well *(Report location clearly and in accordance with any State requirements *)*
At surface 1515' FSL & 1275' FEL Unit I
At proposed prod. zone 2310' FSL & 990' FEL

UNORTHODOX LOCATION

11. Sec., T. R. M. or Blk. and Survey or Area
Sec 8 T21S R38E

14. Distance in miles and direction from nearest town or post office*
Approximately 5 miles NE of Eunice, NM

12. County or Parish
Lea

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig. unit line, if any) 1275'

16. No. of acres in lease
170.69

17. Spacing Unit dedicated to this well
40 ac

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 100'

19. Proposed Depth
MD: 8163'
TVD: 8100'

20. BLM/BIA Bond No. on file
Nationwide: ~~B005997~~ NMB000598
Statewide: ~~B006211~~ NMB000130

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3564' GL

22. Approximate date work will start*
09/01/2012

23. Estimated duration
15 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

1. Well plat certified by a registered surveyor
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature Spence Laird — Name *(Printed/Typed)* Spence Laird — Date 07/20/2012

Title
Regulatory Analyst

Approved by *(Signature)* /s/ Don Peterson — Name *(Printed/Typed)* /s/ Don Peterson — Date SEP 18 2012

Title for FIELD MANAGER — Office CARLSBAD FIELD OFFICE

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, are attached

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Continued on page 2)

*(Instructions on page 2)

Capitan Controlled Water Basin

KZ 9/24/12

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Approval Subject to General Requirements & Special Stipulations Attached

SEP 25 2012

DRILLING PROGRAM

SandRidge Exploration and Production, LLC
Parcell Federal #5
Surface Location: 1515' FSL, 1275' FEL, Unit I, Sec 8, T21S R38E, Lea County, New Mexico
Bottom Hole Location: 2310' FSL, 990' FEL, Unit I, Sec 8, T21S R38E, Lea County, New Mexico

1. **Geologic Name of Surface Formation:**
   Quaternary

2. **Estimated KB Tops of Geological Markers & Depths of Anticipated Fresh Water, Oil or Gas:**

a.	Ogallala	100'	Water
b.	Rustler	1609'	Barren
c.	Top of Salt	1674'	Barren
d.	Base of Salt	2791'	Barren
e.	Tansil	2790'	Barren
f.	Yates	2922'	Oil/Gas
g.	Seven Rivers	3165'	Barren
h.	Queen	3496'	Barren
i.	Grayburg	4135'	Oil
j.	San Andres	4305'	Oil
k.	Glorieta	5566'	Oil
l.	Paddock	5675'	Barren
m.	Blinebry	6025'	Oil
n.	Tubb	6618'	Oil
o.	Drinkard	6821'	Oil
p.	Abo	7237'	Oil
q.	Total Depth	8100' TVD 8163' MD	

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 8-5/8" casing @ 1644' and circulating cement back to the surface. The Abo intervals will be isolated by setting 5-1/2" casing to total depth and circulating cement to the surface.

3. **Casing Program:**

Hole Size	Hole Interval	OD Csg	Casing Interval	Weight	Collar	Grade	N/U
17	0-80'	14	0-80'	50#			
12 -1/4"	80-1644'	8-5/8"	0-1644'	24#	STC	J-55	New
7-7/8"	1644-8163'	5-1/2"	0-8163'	17#	LTC	L-80	New

Design Parameter Factors:

Casing Size	Collapse Design Factor	Burst Design Factor	Tension Design Factor

8-5/8"	1.78	3.83	6.18
5-1/2"	1.49	1.84	2.45

Casing load assumptions for new 8-5/8" J-55 24# casing:

Collapse: Fluid inside casing is evacuated. A full column of 9 ppg fluid is present in the annulus.
Burst: Fluid in the annulus is evacuated and a full column of 9 ppg fluid is present in the casing.
Tension: All fluid inside wellbore is evacuated

Casing load assumptions for new 5 ½" L-80 17# casing:

Collapse: Fluid inside casing is evacuated. A full column of 10 ppg fluid is present in the annulus.
Burst: Surface treating pressures will not exceed 4200 psi exposure to the casing.
Tension: All fluid inside wellbore is evacuated

4. Cement Program:

a. 14" Conductor

Ready-mix concrete

b. 8 -5/8" Surface

Lead: 535 sacks (100% excess) Class C (65:35) Poz Cement ECONOCEM ™ System +3% lbm/sk Poly-E-Flake, 12.8 ppg, Yield: 1.86 ft^3/sk , Mixing Fluid: 9.94 gal/sk.

Tail: 270 sacks (100% excess) Class C Cement Halcem ™ System+ 2% Calcium Chloride+ 0.125 lbm/sk Poly-E-Flake, 14.8 ppg, Yield:1.35 ft^3/sk, Mixing Fluid 6.37 gal/sk. **TOC @ surface.**

c. 5 ½" Production

See COA

Lead: 400 sacks (25% excess) Class H (50:50) Poz EXTENDACEM ™ System + 5 #/sk Gilsonite, 12.2 ppg, Yield 2.26 ft^3/sk, Mixing fluid:12.07 gal/sk.

Tail: 710 sacks (25% excess) Class H (50:50) Poz Versacem ™ System + 0.3% Halad ®-9 + 3% Salt + 5 lbm/sk Gilsonite, 14.4 ppg, Yield: 1.25 ft^3/sk, Mixing fluid: 5.06 gal/sk. **TOC @ surface.**

Final volumes will be determined using caliper log and 25% excess.

5. Pressure Control Equipment:

BOP DESIGN: The BOP system used to drill the production hole will consist of an 11" 3M Double Ram and Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2 as a 3M system prior to drilling out the surface casing shoe.

The pipe rams will be operated and checked each 24-hour period and each time the drill pipe is out of the hole. These tests will be logged into the daily driller's log. A 2" kill line and 3" choke line will be incorporated into the drilling spool below the ram BOP. In addition to the rams and annular preventer, additional BOP accessories include a Kelly cock, floor safety valve, choke lines, and choke manifold rated at 3000 psi WP.

6. **MUD PROGRAM SUMMARY:**

DEPTH (TVD)	HOLE SIZE	CASING SIZE	MUD WT. (ppg)	VISCOSITY (Cp)	FLUID LOSS (cc)
0 - 1,644'	12-1/4"	8-5/8"	8.6 – 9.4 FW	31 – 33	NC
1,644'- 4,100'	7-7/8"	5-1/2"	10.0 Brine	28 – 29	NC
4,100'' – 6,300	7-7/8"	5-1/2"	10.0 Brine	30 – 31	15 – 10
6,300' – 8,100'	7- 7/8"	5-1/2"	10.0 Brine	32 – 38	10 – 6

7. **Auxiliary Well Control and Monitoring Equipment:**
   a. A Kelly cock will be in the drill string at all times.
   b. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.
   c. Hydrogen Sulfide detection equipment will be in operation prior to spud and throughout the entire drilling process until total depth is reached. Breathing equipment will be on location prior to spud and until total depth is reached.

8. **Logging, Coring, and Testing Program:** See COA
   Gamma Ray / Neutron – Surface to TD (8163' MD)
   Spectral Gamma Ray, Density / Resistivity – Surface casing to TD (8163' MD)

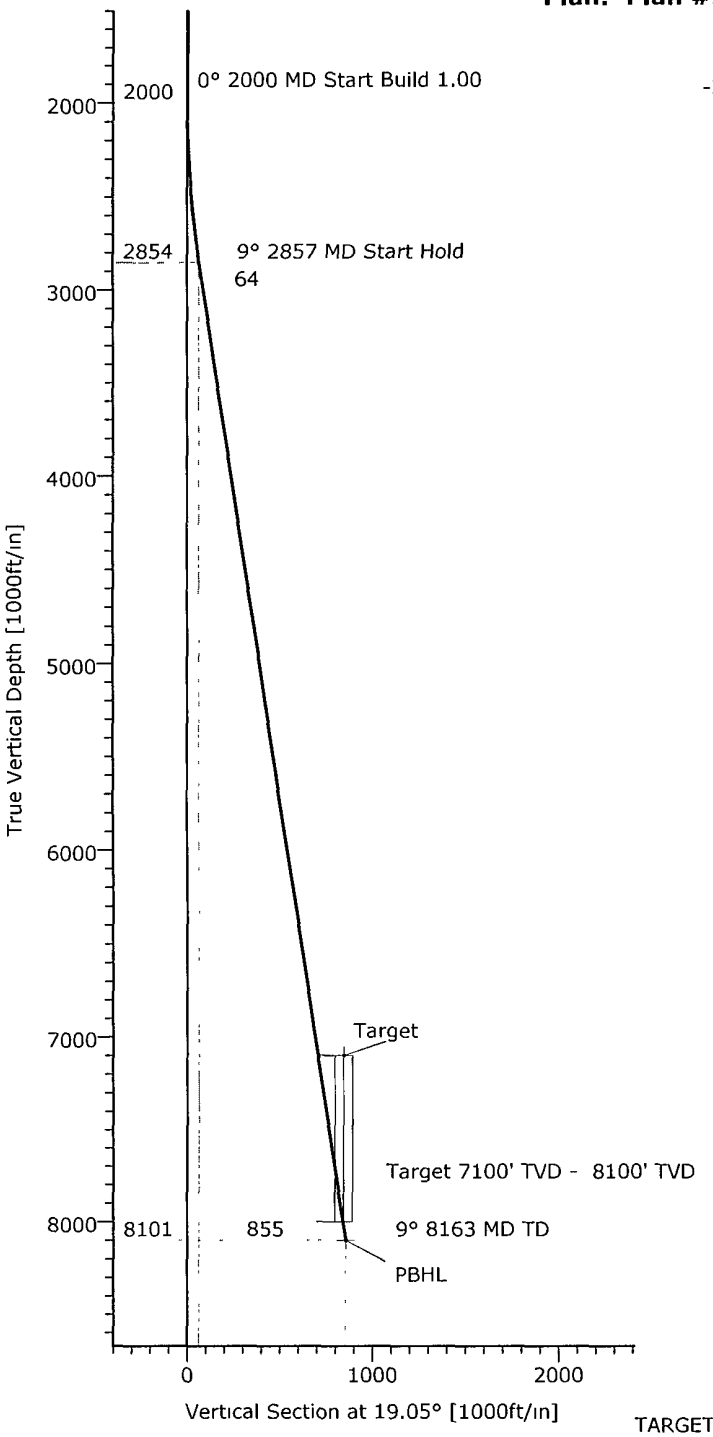
9. **Potential Hazards:**
   No abnormal pressures or temperatures are expected. If H2S is encountered, the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 4212 psi and estimated BHT 149 degrees. H2S monitoring equipment will be on location 24/7 during drilling operations.

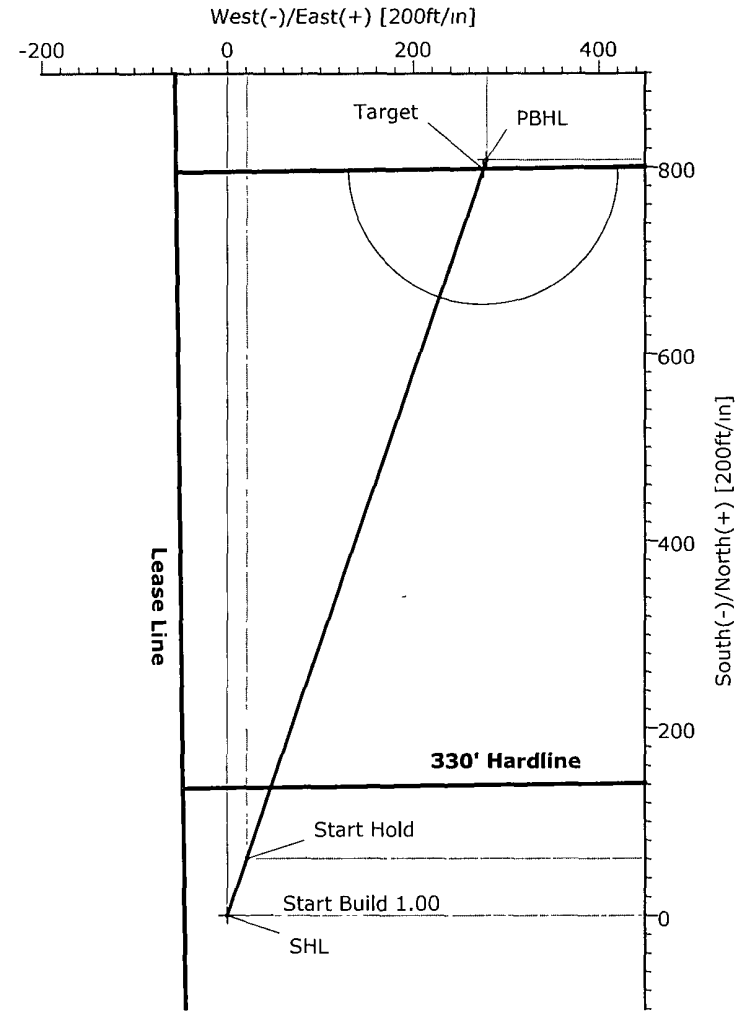
10. **Anticipated Starting Date and Duration of Operations:**
    a. Location construction will begin after the BLM and NMOCD have approved the APD. Anticipated spud date will be as soon after approval as rig is available. Move in operations and drilling is expected to take 15 days.
    b. If production casing is run, an additional 30 days will be required to complete well and construct surface facilities and/or lay flow lines in order to place the well on production.

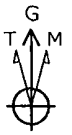
SANDRIDGE ENERGY

Field: Lea County NME Nad 27
Site: Parcell Federal #5
Well: #5
Wellpath: Original Hole
Plan: Plan #2

Precision Directional Services







Azimuths to Grid North
True North: -0.67°
Magnetic North: 6.59°

Magnetic Field
Strength: 48770nT
Dip Angle: 60.50°
Date: 2012/04/26
Model: IGRF2010

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
SHL	0.00	0.00	0.00	544373.40	887231.50	32°29'25.175N	103°04'38.971W	Point
Target	7100.00	798.40	275.70	545171.80	887507.20	32°29'33.041N	103°04'35.643W	Ellipse (145x145)
PBHL	8101.00	808.27	279.11	545181.67	887510.61	32°29'33.139N	103°04'35.601W	Point

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	19.05	0.00	0.00	0.00	0.00	0.00	0.00	
2	2000.00	0.00	19.05	2000.00	0.00	0.00	0.00	0.00	0.00	
3	2857.40	8.57	19.05	2854.21	60.53	20.90	1.00	19.05	64.03	
4	8163.50	8.57	19.05	8101.00	808.27	279.11	0.00	0.00	855.10	PBHL

Plan Plan #2 (#5/Original Hole)
Created By Marcus Mitcham Date 2012/05/15

Precision Directional Services, Inc
Planning Report

Company:	SANDRIDGE ENERGY	**Date:** 2012/05/15	**Time:** 09:06:12	**Page:**	1
Field:	Lea County NME Nad 27	**Co-ordinate(NE) Reference:**	Well: #5, Grid North		
Site:	Parcell Federal #5	**Vertical (TVD) Reference:**	3564' GL + 13' KB 3577.0		
Well:	#5	**Section (VS) Reference:**	Well (0.00N,0.00E,19.05Azi)		
Wellpath:	Original Hole	**Plan:**	Plan #2		

Field: Lea County NME Nad 27
Lea County, New Mexico

Map System:	US State Plane Coordinate System 1927	**Map Zone:**	New Mexico, Eastern Zone
Geo Datum:	NAD27 (Clarke 1866)	**Coordinate System:**	Well Centre
Sys Datum:	Mean Sea Level	**Geomagnetic Model:**	IGRF2010

Site: Parcell Federal #5
Section 8, Township 21-S, Range 38-E
Lea County, New Mexico

Site Position:			**Northing:**	544373.40 ft	**Latitude:**	32	29	25.175	N
From:	Map		**Easting:**	887231.50 ft	**Longitude:**	103	4	38.971	W
Position Uncertainty:		0.00 ft			**North Reference:**			Grid	
Ground Level:		3564.00 ft			**Grid Convergence:**			0.67	deg

Well: #5 **Slot Name:**

Well Position:	**+N/-S**	0.00 ft	**Northing:**	544373.40 ft	**Latitude:**	32	29	25.175	N
	+E/-W	0.00 ft	**Easting :**	887231.50 ft	**Longitude:**	103	4	38.971	W
Position Uncertainty:		0.00 ft							

Wellpath: Original Hole **Drilled From:** Surface
Tie-on Depth: 0.00 ft

Current Datum:	3564' GL + 13' KB	**Height** 3577.00 ft	**Above System Datum:** Mean Sea Level
Magnetic Data:	2012/04/26		**Declination:** 7.27 deg
Field Strength:	48770 nT		**Mag Dip Angle:** 60.50 deg

Vertical Section:	**Depth From (TVD)** ft	**+N/-S** ft	**+E/-W** ft	**Direction** deg
	0.00	0.00	0.00	19.05

Plan: Plan #2 **Date Composed:** 2012/05/15
Version: 1
Principal: No **Tied-to:** From Surface

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	19.05	0.00	0 00	0.00	0 00	0.00	0.00	0.00	
2000.00	0.00	19.05	2000 00	0.00	0.00	0.00	0.00	0.00	0.00	
2857.40	8.57	19 05	2854.21	60.53	20.90	1.00	1.00	0.00	19.05	
8163.50	8 57	19.05	8101.00	808.27	279.11	0.00	0.00	0.00	0.00	PBHL

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
2000.00	0.00	19.05	2000 00	0.00	0 00	0.00	0.00	0.00	0.00	
2100.00	1.00	19.05	2099.99	0.82	0 28	0.87	1.00	1.00	0.00	
2200.00	2.00	19.05	2199.96	3.30	1.14	3.49	1.00	1.00	0.00	
2300.00	3.00	19.05	2299.86	7.42	2.56	7.85	1.00	1.00	0.00	
2400.00	4.00	19.05	2399.68	13.19	4.56	13.96	1.00	1.00	0.00	
2500.00	5.00	19 05	2499.37	20.61	7.12	21 80	1.00	1.00	0.00	
2600.00	6.00	19.05	2598.90	29.67	10.24	31.39	1.00	1.00	0.00	
2700.00	7.00	19.05	2698.26	40.37	13.94	42.71	1.00	1.00	0 00	
2800.00	8.00	19.05	2797.40	52.71	18.20	55.76	1.00	1.00	0.00	
2857.40	8.57	19.05	2854.21	60.53	20.90	64.03	1.00	1.00	0.00	
2900.00	8.57	19.05	2896.33	66.53	22.97	70.38	0.00	0.00	0.00	
3000.00	8.57	19.05	2995.21	80.62	27.84	85.29	0.00	0.00	0.00	
3100.00	8.57	19.05	3094.09	94.71	32.71	100.20	0.00	0.00	0.00	
3200 00	8.57	19.05	3192.97	108.81	37.57	115.11	0.00	0.00	0.00	
3300.00	8.57	19.05	3291.86	122.90	42.44	130.02	0.00	0.00	0.00	
3400.00	8.57	19.05	3390.74	136 99	47.31	144.93	0.00	0.00	0.00	
3500.00	8.57	19.05	3489.62	151.08	52.17	159.84	0.00	0.00	0.00	

Precision Directional Services, Inc
Planning Report

Company:	SANDRIDGE ENERGY	**Date:** 2012/05/15	**Time:** 09:06:12	**Page:**	2
Field:	Lea County NME Nad 27	**Co-ordinate(NE) Reference:**	Well: #5, Grid North		
Site:	Parcell Federal #5	**Vertical (TVD) Reference:**	3564' GL + 13' KB 3577.0		
Well:	#5	**Section (VS) Reference:**	Well (0.00N,0.00E,19.05Azi)		
Wellpath:	Original Hole	**Plan:**	Plan #2		

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
3600 00	8.57	19.05	3588.50	165.17	57.04	174.75	0.00	0.00	0 00	
3700.00	8.57	19 05	3687.39	179.27	61.90	189.65	0.00	0.00	0.00	
3800.00	8.57	19.05	3786.27	193.36	66.77	204 56	0.00	0.00	0.00	
3900 00	8.57	19.05	3885.15	207.45	71.64	219.47	0.00	0.00	0.00	
4000.00	8.57	19 05	3984 03	221.54	76.50	234 38	0.00	0.00	0.00	
4100.00	8.57	19.05	4082.92	235.64	81.37	249.29	0.00	0.00	0.00	
4200 00	8.57	19.05	4181.80	249.73	86.24	264.20	0.00	0 00	0.00	
4300 00	8.57	19.05	4280.68	263 82	91.10	279.11	0.00	0.00	0.00	
4400 00	8.57	19.05	4379.56	277.91	95.97	294.01	0.00	0.00	0.00	
4500.00	8.57	19.05	4478.45	292 00	100.83	308.92	0.00	0.00	0 00	
4600 00	8.57	19.05	4577 33	306.10	105.70	323.83	0.00	0.00	0.00	
4700.00	8.57	19.05	4676.21	320.19	110.57	338.74	0.00	0.00	0.00	
4800.00	8.57	19.05	4775.09	334 28	115.43	353 65	0.00	0.00	0.00	
4900.00	8.57	19.05	4873.98	348.37	120.30	368.56	0.00	0.00	0.00	
5000.00	8 57	19.05	4972.86	362.46	125.17	383.47	0.00	0.00	0.00	
5100.00	8.57	19.05	5071.74	376.56	130.03	398.38	0.00	0.00	0.00	
5200.00	8.57	19.05	5170.62	390.65	134.90	413.28	0 00	0.00	0.00	
5300.00	8.57	19.05	5269.51	404.74	139.76	428.19	0.00	0.00	0.00	
5400.00	8.57	19.05	5368.39	418.83	144.63	443.10	0.00	0.00	0.00	
5500.00	8.57	19 05	5467.27	432.93	149.50	458.01	0 00	0.00	0.00	
5600.00	8 57	19.05	5566.15	447.02	154.36	472.92	0.00	0 00	0.00	
5700.00	8.57	19 05	5665.03	461.11	159.23	487.83	0 00	0.00	0.00	
5800.00	8.57	19.05	5763.92	475.20	164.10	502.74	0.00	0.00	0.00	
5900.00	8 57	19.05	5862.80	489.29	168.96	517.65	0.00	0.00	0.00	
6000.00	8.57	19.05	5961.68	503.39	173.83	532.55	0.00	0.00	0.00	
6100.00	8.57	19.05	6060.56	517.48	178.69	547.46	0.00	0.00	0.00	
6200 00	8.57	19.05	6159 45	531 57	183.56	562.37	0.00	0.00	0.00	
6300.00	8.57	19 05	6258.33	545.66	188 43	577.28	0.00	0.00	0.00	
6400.00	8.57	19.05	6357.21	559.76	193.29	592 19	0.00	0.00	0 00	
6500 00	8.57	19.05	6456.09	573 85	198.16	607.10	0 00	0.00	0.00	
6600.00	8 57	19.05	6554.98	587.94	203.03	622.01	0.00	0.00	0.00	
6700.00	8.57	19.05	6653.86	602 03	207.89	636 92	0.00	0.00	0.00	
6800.00	8.57	19.05	6752 74	616.12	212.76	651.82	0.00	0.00	0.00	
6900.00	8.57	19.05	6851.62	630 22	217.62	666.73	0 00	0.00	0.00	
7000.00	8.57	19.05	6950.51	644.31	222 49	681.64	0.00	0.00	0.00	
7100.00	8.57	19.05	7049.39	658 40	227 36	696.55	0.00	0.00	0.00	
7151.18	8.57	19.05	7100.00	665.61	229.85	704 18	0.00	0.00	0.00	Target
7200.00	8.57	19.05	7148.27	672.49	232.22	711.46	0.00	0.00	0.00	
7300.00	8.57	19.05	7247.15	686.58	237.09	726.37	0.00	0.00	0.00	
7400.00	8 57	19.05	7346 04	700.68	241 96	741.28	0.00	0.00	0.00	
7500.00	8 57	19.05	7444.92	714 77	246.82	756.19	0.00	0 00	0.00	
7600 00	8.57	19.05	7543.80	728.86	251.69	771.09	0 00	0 00	0.00	
7700 00	8.57	19 05	7642.68	742.95	256.55	786 00	0.00	0.00	0.00	
7800.00	8.57	19.05	7741.57	757.05	261.42	800.91	0.00	0.00	0.00	
7900.00	8 57	19.05	7840.45	771.14	266.29	815.82	0.00	0.00	0.00	
8000.00	8.57	19.05	7939.33	785.23	271.15	830.73	0.00	0.00	0.00	
8100.00	8.57	19.05	8038.21	799 32	276 02	845.64	0.00	0.00	0.00	
8163.50	8.57	19.05	8101.00	808.27	279.11	855 10	0.00	0.00	0.00	PBHL

Precision Directional Services, Inc
Planning Report

Company:	SANDRIDGE ENERGY	**Date:** 2012/05/15	**Time:** 09:06:12	**Page:**	3
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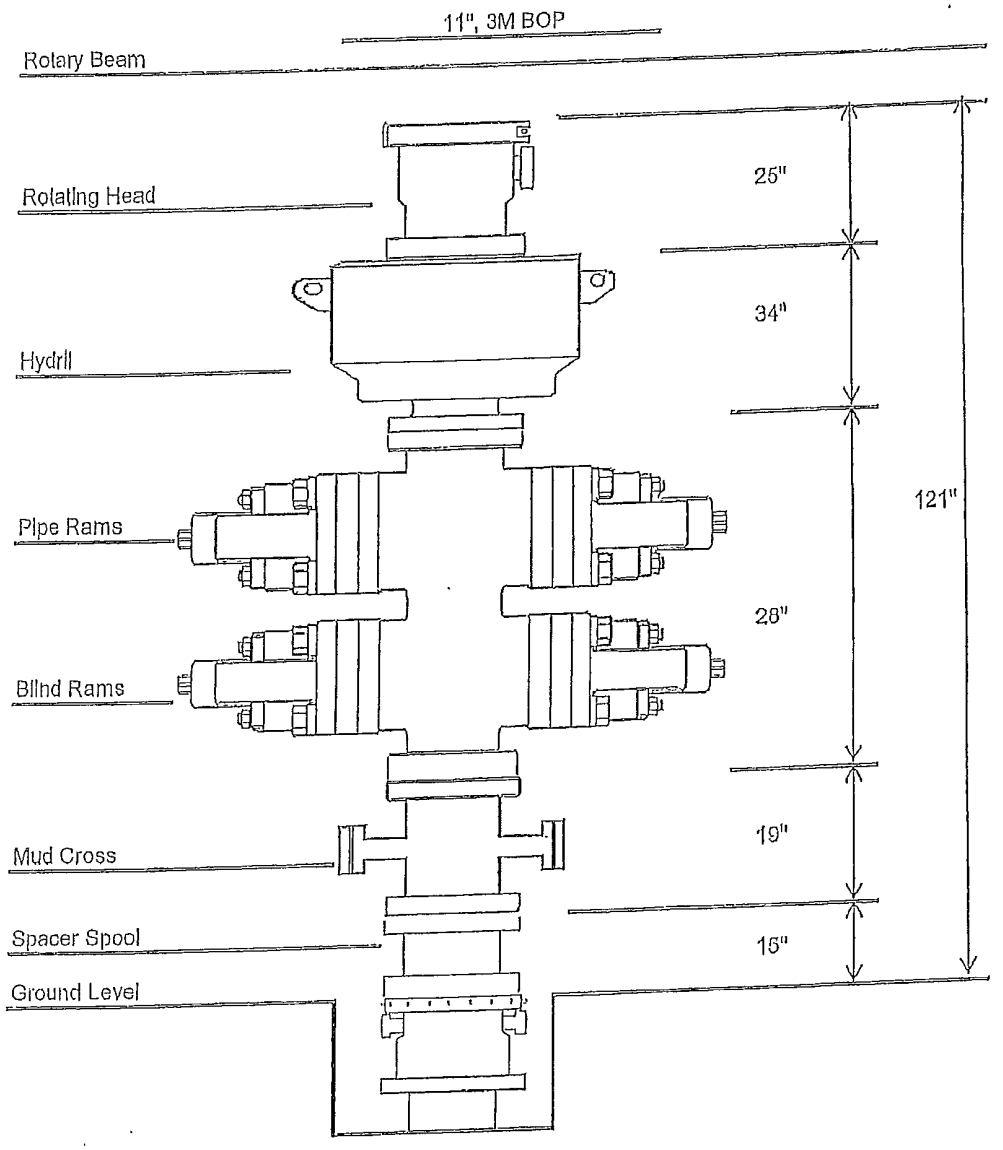
Site:	Parcell Federal #5	**Vertical (TVD) Reference:**	3564' GL + 13' KB 3577.0		
Well:	#5	**Section (VS) Reference:**	Well (0.00N,0.00E,19.05Azi)		
Wellpath:	Original Hole	**Plan:**	Plan #2		

Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<---- Latitude ----> Deg Min Sec	<--- Longitude ---> Deg Min Sec
SHL			0.00	0.00	0.00	544373.40	887231.50	32 29 25.175 N	103 4 38.971 W
Target			7100.00	798.40	275 70	545171.80	887507.20	32 29 33.041 N	103 4 35.643 W
-Ellipse (145x145)									
-Plan out by 140.48 at			7100.00	665.61	229.85	545039.01	887461.35	32 29 31.733 N	103 4 36.196 W
PBHL			8101.00	808.27	279.11	545181.67	887510.61	32 29 33.139 N	103 4 35.601 W
-Plan hit target									

Lariat 17 BOP



Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTERS
SandRidge Exploration and Production, LLC
Parcell Federal #5
Surface Location: 1515' FSL, 1275' FEL, Unit I, Sec 8, T21S R38E, Lea County, New Mexico
Bottom Hole Location: 2310' FSL, 990' FEL, Unit I, Sec 8, T21S R38E, Lea County, New Mexico

1. Drilling nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal BOP bore.

2. Wear ring will be properly installed in head.

3. Blowout preventer and all associated fittings will be in operable condition to withstand a minimum 3000 psi working pressure.

4. All fittings will be flanged.

5. A full bore safety valve tested to a minimum of 3000 psi WP with proper thread connections will be available on the rotary rig floor at all times.

6. All choke lines will be anchored to prevent movement.

7. All BOP equipment will be equal to or larger in bore than the internal diameter of the last casing string.

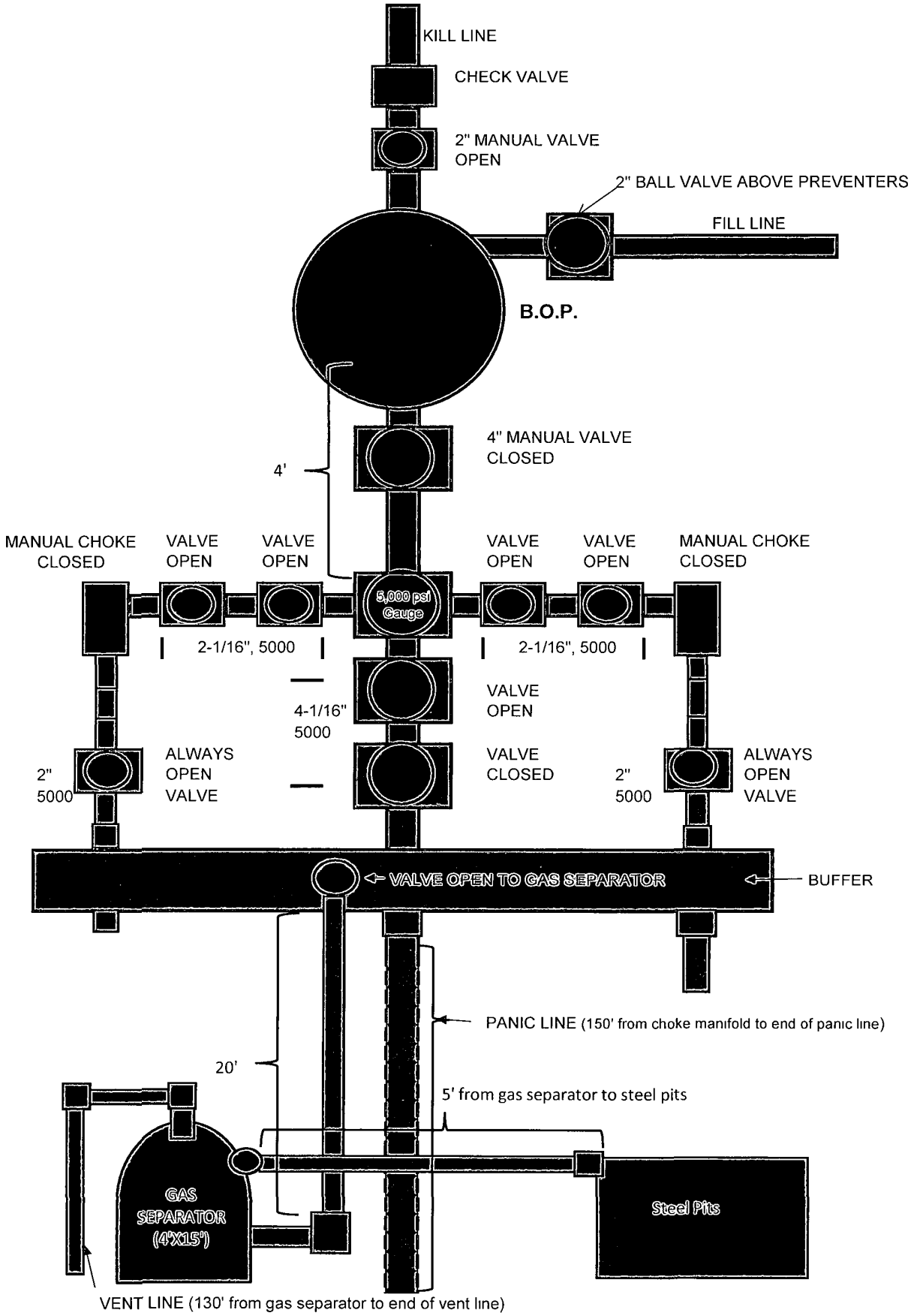
8. Will maintain a Kelly cock attached to the Kelly.

9. Hand wheels and wrenches will be properly installed and tested for safe operations.

10. Hydraulic floor control for blowout preventer will be location as near in proximity to the driller's controls as practical.

11. All BOP equipment will meet API standards and include a minimum 40-gallon accumulator having two independent means of power to initiate closing operations.

Lariat 17 choke Manifold



DESIGN PLAN

Above ground steel tanks will be utilized for the management of all fluids.

OPERATIONS AND MAINTENANCE PLAN

SandRidge E&P, LLC, will operate and maintain all above ground steel tanks in a prudent manner to prevent any spills. Operator will conduct daily visual tank inspection to locate any leak which might occur and potentially cause spoil or ground water contamination. NMOCD will be notified immediately of any significant volume(s) pursuant to NMOCD rule 19.15.29.

CLOSURE PLAN

Solids and fluids will be removed from steel tanks and hauled off by trucking companies. They will be taken to the nearest approved public disposal: (See Form C-144EZ, Item 5.).