

UNITED STATES ARTESIA, NM
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTC-40
01/94

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO LC-064050	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR SDX Resources, Inc. 20451			7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. PO Box 5061, Midland, TX 79704 915/685-1761			8. FARM OR LEASE NAME, WELL NO. Trigg Federal #1 25317	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 530' FNL 1650' FEL At proposed prod. zone Same Unit B			9. API WELL NO 30-015-30956	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 8 miles East of Artesia, NM			10. FIELD AND POOL, OR WILDCAT Red Lake JGN-GP-SA	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drg. unit line, if any) 330'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 26, T17S, R27E, Unit B	
16. NO. OF ACRES IN LEASE 280			12. COUNTY OR PARISH Eddy	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40			13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 4420			19. PROPOSED DEPTH 4000'	
20. ROTARY OR CABLE TOOLS Rotary			21. APPROX. DATE WORK WILL START* 02/01/00	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3580' GR			22. APPROX. DATE WORK WILL START* 02/01/00	

23. 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"	24#	350'	325 sx Class C
7-7/8"	4-1/2" or 5-1/2"	9.5# - 17#	4000'	400 sx Lite 300 sx CI C

Plan to drill a 12-1/4" hole to approximately 350'. Set 8-5/8" surface csg. Circ CI C cmt. Drill 7-7/8" hole to 4000'. Run OH logs (LDT-CNL-GR & DLL). Set 4-1/2" or 5-1/2" csg & circ cmt. Perf the SA & stimulate as necessary for optimum production.

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

Post 2-11-00

Drilling Program
Surface Use & Operating Plan
H2S Drilling Operating Plan
Exhibit #1 - Location & Elevation Plat
Exhibit #2 - BOP Equipment
Exhibit #3 - Planned Access Roads
Exhibit #4 - One Mile Radius Map
Exhibit #5 - Drilling Rig Layout
Letter of Responsibility

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE 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 Bonnie Otterster TITLE Regulatory Tech. DATE 12/29/99
(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 ISL/AMC TITLE Assistant Field Office Manager, Lands and Minerals DATE JAN

*See Instructions On Reverse Side

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.

RECEIVED
DEC 30 1999

DEC 30 1999

RECEIVED

District I
1825 N. French Dr., Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1008 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

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 51300	³ Pool Name Red Lake
⁴ Property Code	⁵ Property Name TRIGG FEDERAL		⁶ Well Number 1
⁷ OGRID No. 020451	⁸ Operator Name SDX RESOURCES, INC.		⁹ Elevation 3580.

¹⁰ Surface Location

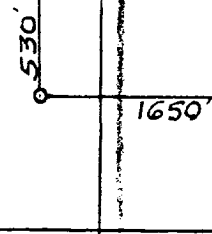
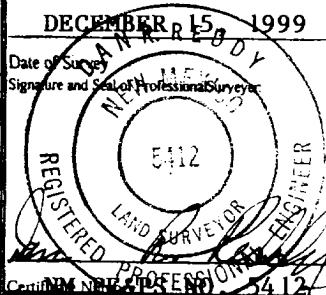
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	26	17-S	27-E		530	NORTH	1650	EAST	EDDY

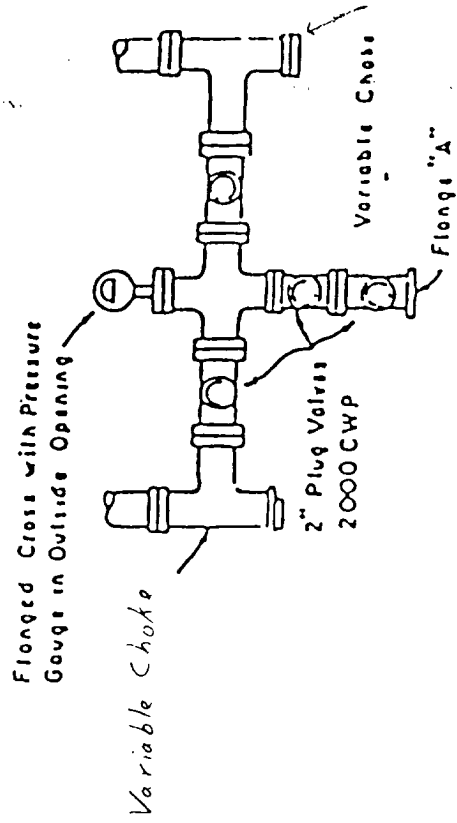
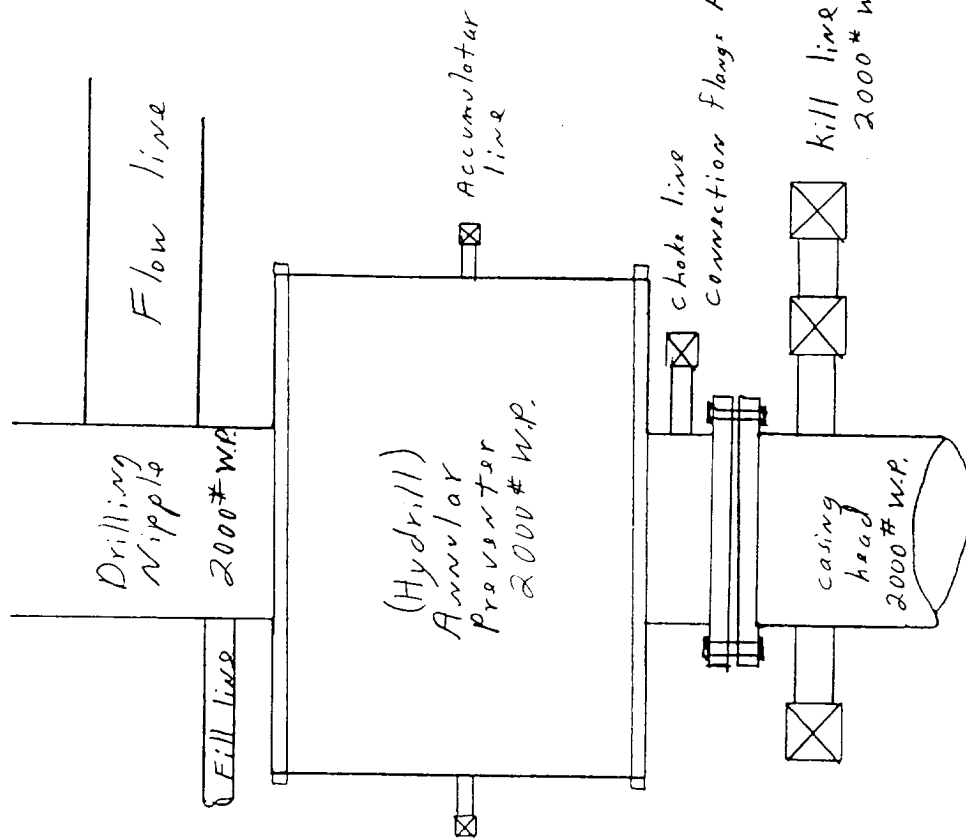
¹¹ Bottom Hole Location If Different From Surface

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.
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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		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Bonnie Atwater</i> Signature Printed Name Bonnie Atwater Title Regulatory Tech Date 12/29/99	
		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. DECEMBER 15 1999 Date of Survey Signature and Seal of Professional Surveyor 	



PLAN VIEW - CHOKE MANIFOLD

Exhibit #2

DRILLING PROGRAM
SDX Resources Inc.
Trigg Federal # 1
5300' FNL, 1650' FEL
Unit B, Sec. 26, T17S, R27E
Eddy Co., NM

1. Geologic Name of Surface Formation:

Permian

2. Estimated Tops of Important Geologic Markers:

Top of Salt	400'
Base of Salt	460'
Queen	1090'
Grayburg	1310'
San Andres	1660'

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

Water Sand	150' - 200'	Fresh Water
Grayburg	1630'	Oil & Gas
San Andres	2300'	Oil & Gas

Fresh water sands will be protected by running 8-5/8" casing to a minimum depth of 350' and circulating cement. All other zones will be isolated by running 4-1/2" or 5-1/2" production casing and circulating cement.

4. Casing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>OC Csg</u>	<u>Weight Grade Jt Cond Type</u>
12-1/4"	0 - 350	8-5/8"	24#, J55, New
7-7/8"	0 - TD	4-1/2" - 5-1/2"	9.5# - 17#, J55, Used

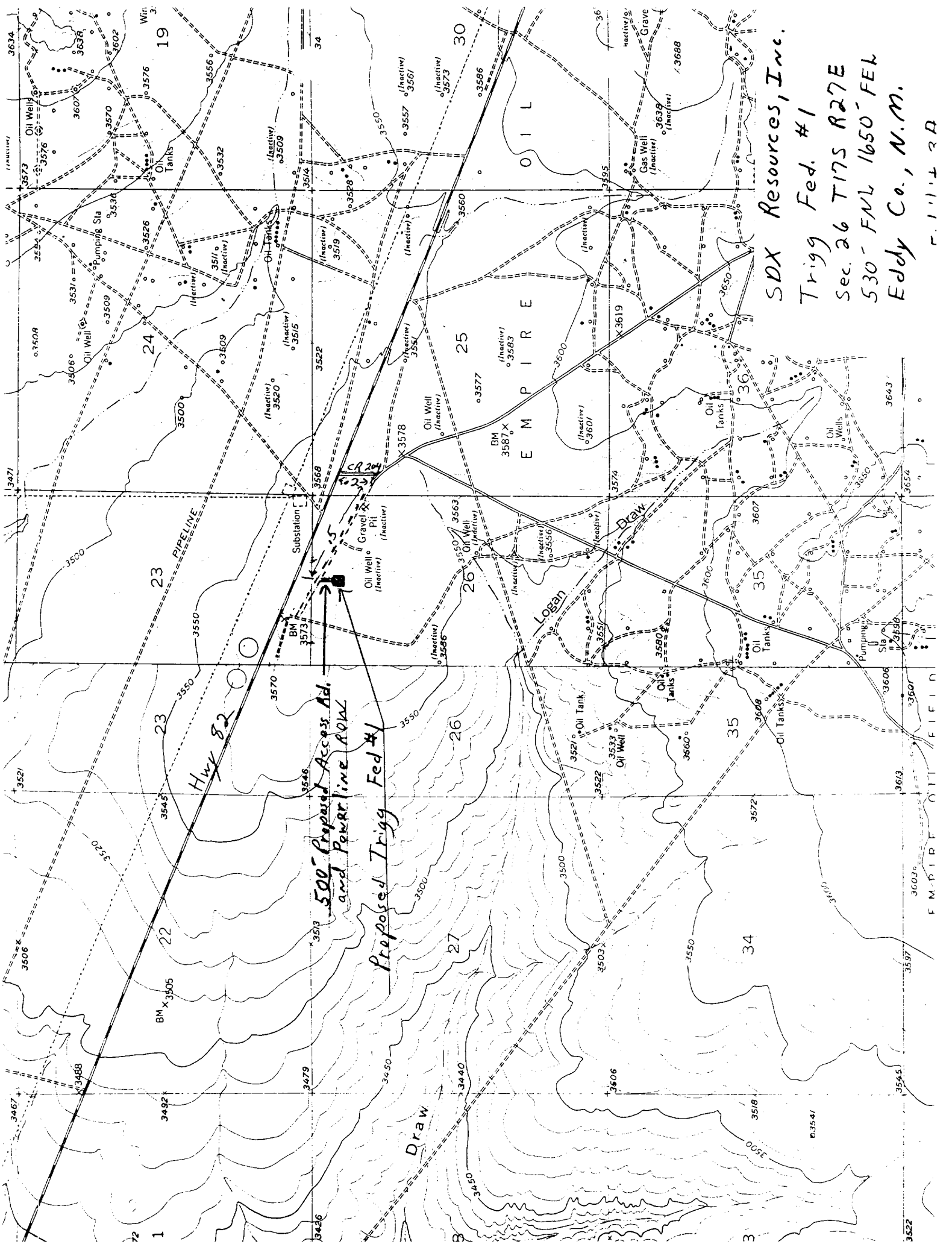
Cement Program:

8-5/8" Surface Casing: Cemented to surface with 325 sx of Class C with 2% CaCl and 1/4#/sx Flocele.

5-1/2" Production Casing: Cemented with 300 sx of Class C and 400 sx of Lite C with 6# salt/sx and 1/4#/sx Flocele. This should circulate cement to the surface.

5. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of an annular bag type preventer (2000 psi WP). Unit will be hydraulically operated. BOP will be nipped up on the 8-5/8" surface 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 spool. Other accessories to the BOP equipment will include a kelly cock.



*500' Proposed Access Rd.
and Powerline ROW*

Proposed Trigg Fed #1

*SDX Resources, Inc.
Trigg Fed. #1
Sec. 26 T17S R27E
530' FNL 1650' FEL
Eddy Co., N.M.
F.I.L.L. 2D*