

N. M. Oil Cons. Division

811 S. 1ST ST.

ARTESIA, NM 88210

SUBMIT IN TRIPLICATE
(Other instructions on
reverse side)FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995Form 3160-3
(July 1992)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐*Re-entry*

1b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☐

OTHER Disposal

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

SDX Resources, Inc.

20451

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 2055' FSL & 1980' FWL, Unit Ltr K

At proposed prod. zone

Same

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

10 miles SE of Artesia, NM

15. DISTANCE FROM PROPOSED*

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

1980

16. NO. OF ACRES IN LEASE

120

17. NO. OF ACRES ASSIGNED
TO THIS WELL

N/A

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

375'

19. PROPOSED DEPTH

9500

20. RCTARY OR CABLE TOOLS

Workover Unit

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

DF 3572'

22. APPROX. DATE WORK WILL START*

08/15/97

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|----------------|--------------------|
| 17-1/2" | 13-3/8" | 38# | 550' in place | 250 sxs (circ) |
| 12-1/4" | 9-5/8" | 36# | 3013' in place | 800 sxs (circ) |
| 7-7/8" | 5-1/2" | 14#, 15.5#, 17# | 9500' in place | 2235 sxs (circ) |

This well was originally drilled by Humble Oil & Refining Co. as their Chalk Bluff Draw Unit #1 in 12/55 & was P&A'd in 2/85. SDX Resources plans to drill out the plugs at the surface, 450', 1147', 2780', 4670', 6006', 9140', and 9400'. Continue cleaning out hole to TD 9500'. Propose interval to perf 9200-9400' (Penn) to use as a water disposal well. Top of Penn is estimated @ 9224'. Injection packer will be set @ 9100'. Plastic lined 2-7/8" N-80 tubing will be used. Surface Use Plan and Statement of Responsibility attached.

EXHIBITS:

- 1) Plats
 - A) Well Plat
 - B) Original Survey Plat
- 2) Borehole Diagrams
 - A) Existing Condition Borehole
 - B) Proposed Condition Borehole
- 3) Existing Roads & Access Diagram
- 4) One Mile Radius Map
- 5) BOP Diagram
- 6) Well Site Layout

*Posted 10-1
9-19-97*RECEIVED
1997 AUG 11 A 10:40
BUREAU OF LAND MGMT.
ROSSELL OFFICE

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

Janice Courtney

TITLE Regulatory Tech

DATE 08/06/97

(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
~~(ORIG. SGD.)~~

DATE

8/19/97

*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.