

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

3-6-97 ACM

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.

20451

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

1650' FWL, 2260' FSL, Sec 5, T18S, R27E, Unit K

At proposed prod. zone

Same

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

15 miles SE of Artesia NM

15. DISTANCE FROM PROPOSED\*

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

330'

330'

16. NO. OF ACRES IN LEASE

120

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.

388'

19. PROPOSED DEPTH

3500'

20. ROTARY OR CABLE TOOLS

Rotary

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

3491'

22. APPROX. DATE WORK WILL START\*

4/1/97

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	J-55 8-5/8"	24#	1000'	600 sx
7-7/8"	J-55 5-1/2"	14-15.5#	3500'	450 sx

WITNESS  
WITNESS

Must be 1150' - see geo-report!

Plan to drill a 12-1/4" hole to approximately 1000'. Set 8-5/8" surface csg. Circ Class C cmt. Drill 7-7/8" hole to 3500'. Run open hole logs (LDT-CNL-GR & DLL) Set 5-1/2" csg and circ cmt. Perforate the QN-GB-SA and stimulate as necessary for optimum production.

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

- Surface Use & Operating Plan
- Exhibit #1 - Location & Elevation Plat
- Exhibit #2 - BOP Equipment
- Exhibit #3 - Planned Access Roads
- Exhibit #4 - One Mile Radius Map
- Exhibit #5 - Planned Production Facilities & Access
- Exhibit #6 - Drilling Rig Layout

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

Engineer

DATE

3-5-97

(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.) LES BABYAK

TITLE

Acting ADM. MINERALS

DATE

4-28-97

\*See Instructions On Reverse Side

Janice Courtney  
(915) 685-1761  
Terry Gant X  
915-682-6822

Faxed info to Barry Hunt  
today.

w/o approval

Fax 915-682-9139

Chalk Federal

6 5-185-27E

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		3 Pool Name Red Lake		
4 Property Code		5 Property Name CHALK FEDERAL			6 Well Number 1	
7 OGRID No. 020451		8 Operator Name SDX RESOURCES, INC.			9 Elevation 3491.	

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
K	5	18-S	27-E		2260	SOUTH	1650	WEST	EDDY

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 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

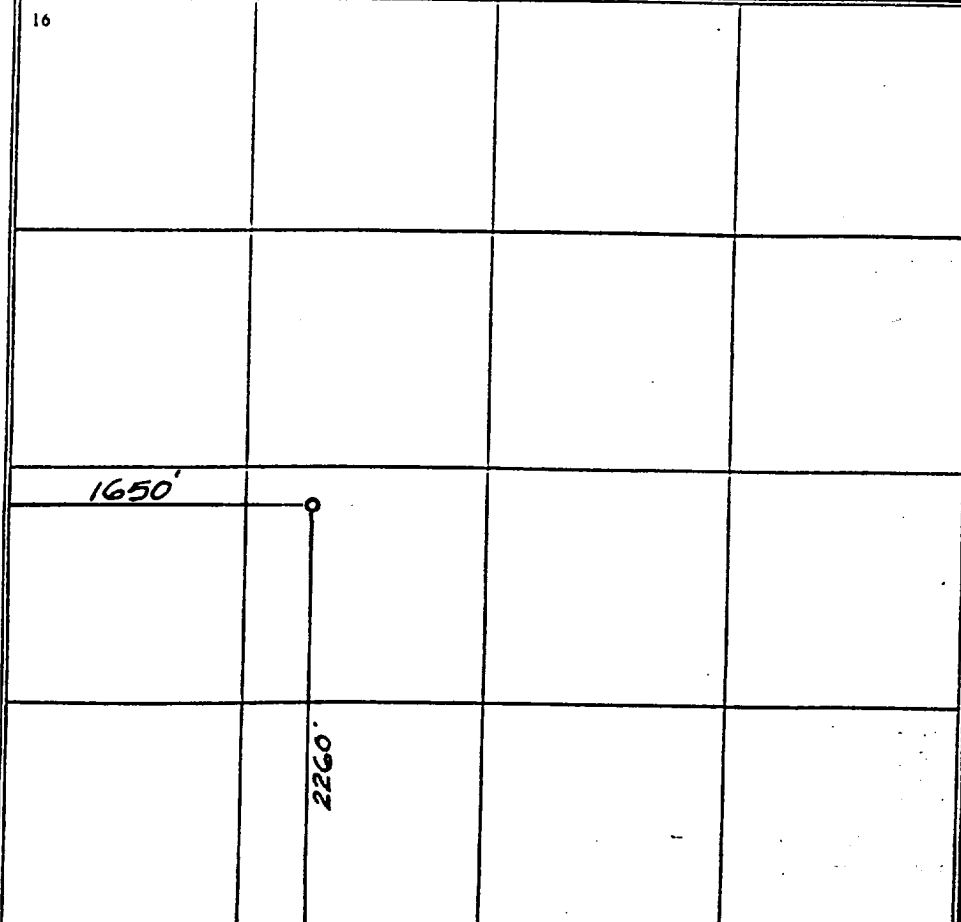
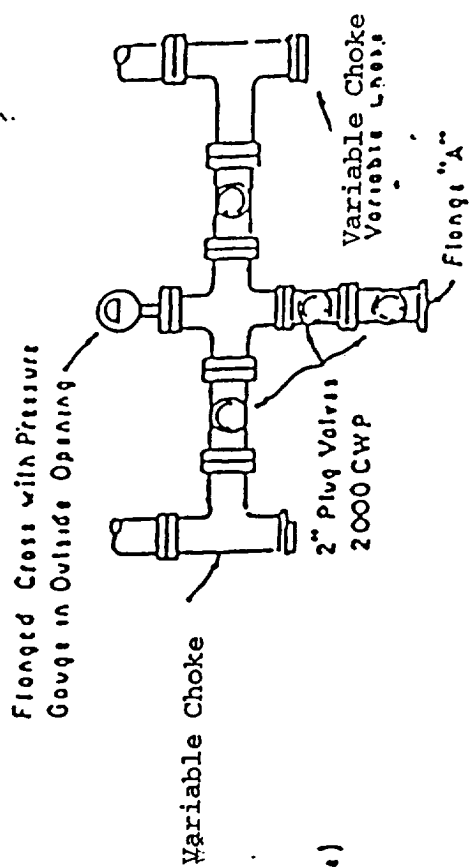
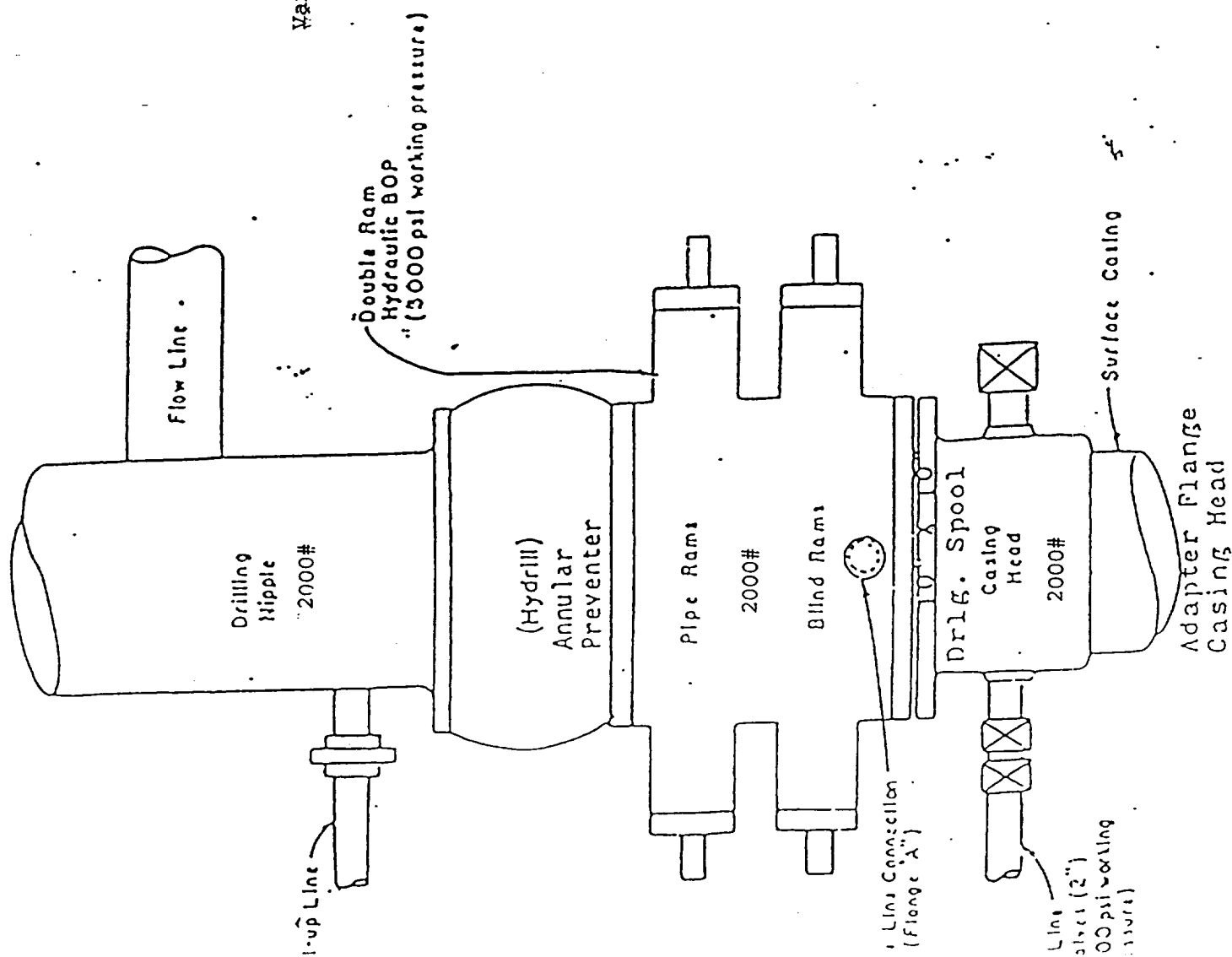
<div>16</div> 					<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Chuck Morgan</i></p> <p>Signature</p> <p>Chuck Morgan</p> <p>Printed Name</p> <p>Engineer</p> <p>Title</p> <p>2-28-97</p> <p>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>FEBRUARY 20, 1997</p> <p>Date of Survey</p> <p>DAN R. REDDY</p> <p>Signature and Seal of Professional Surveyor:</p> <p>NEW MEXICO</p> <p>REGISTERED LAND SURVEYOR</p> <p>5412</p> <p>Certificate Number</p> <p>NM 1001-5412</p>	

EXHIBIT 2  
BLOWOUT PREVENTER  
DIAGRAM



PLAN VIEW - CHOKE MANIFOLD