

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER ☐

2. NAME OF OPERATOR

SDX Resources, Inc.

3. ADDRESS AND TELEPHONE NO.

PO Box 5061, Midland TX 79704

915/685-1761

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

990' FNL 2310' FWL, Lot 3

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'

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

933'

16. NO. OF ACRES IN LEASE

120

19. PROPOSED DEPTH

3500'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3481' GR

22. APPROX. DATE WORK WILL START*

June 1, 1997

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' 1150'	600 sx CIRCULATE
7-7/8"	J-55 5-1/2"	14-15.5#	3500'	450 sx

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 ~~ON-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 Roads & Access

Exhibit #4 - One Mile Radius Map

Exhibit #5 - Drilling Rig Layout

Post ID-1
6-13-97

New Loc & API

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 4-28-97

(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.) JAMES G. PETTENGILL

TITLE

ADM. MINERALS

DATE

6/3/97

*See Instructions On Reverse Side

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
~~Two~~ Copies
~~Fee~~ ~~Lease~~ ~~4~~ Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Red Lake QN-GB-SA
Property Code	Property Name CHALK FEDERAL	Well Number 5
OGRID No. 020451	Operator Name SDX RESOURCES, INC.	Elevation 3481

Surface Location

UL or lot No. LOT 3	Section 5	Township 18 S	Range 27 E	Lot Idn	Feet from the 990	North/South line NORTH	Feet from the 2310	East/West line WEST	County EDDY
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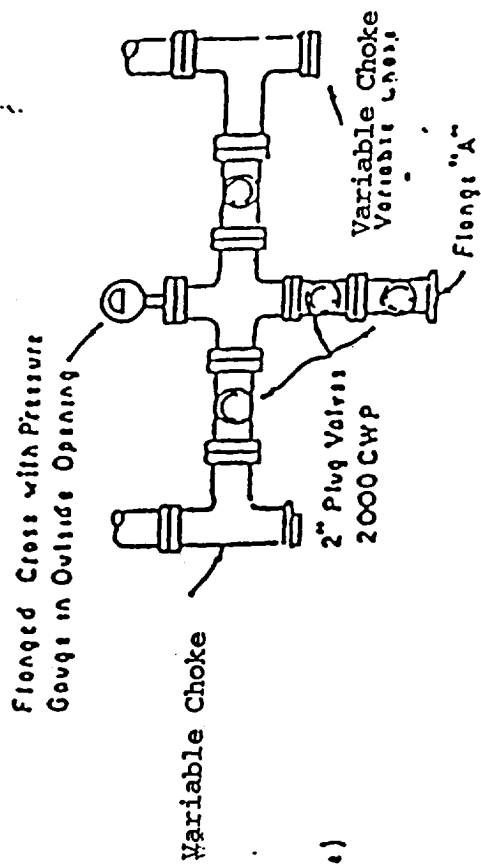
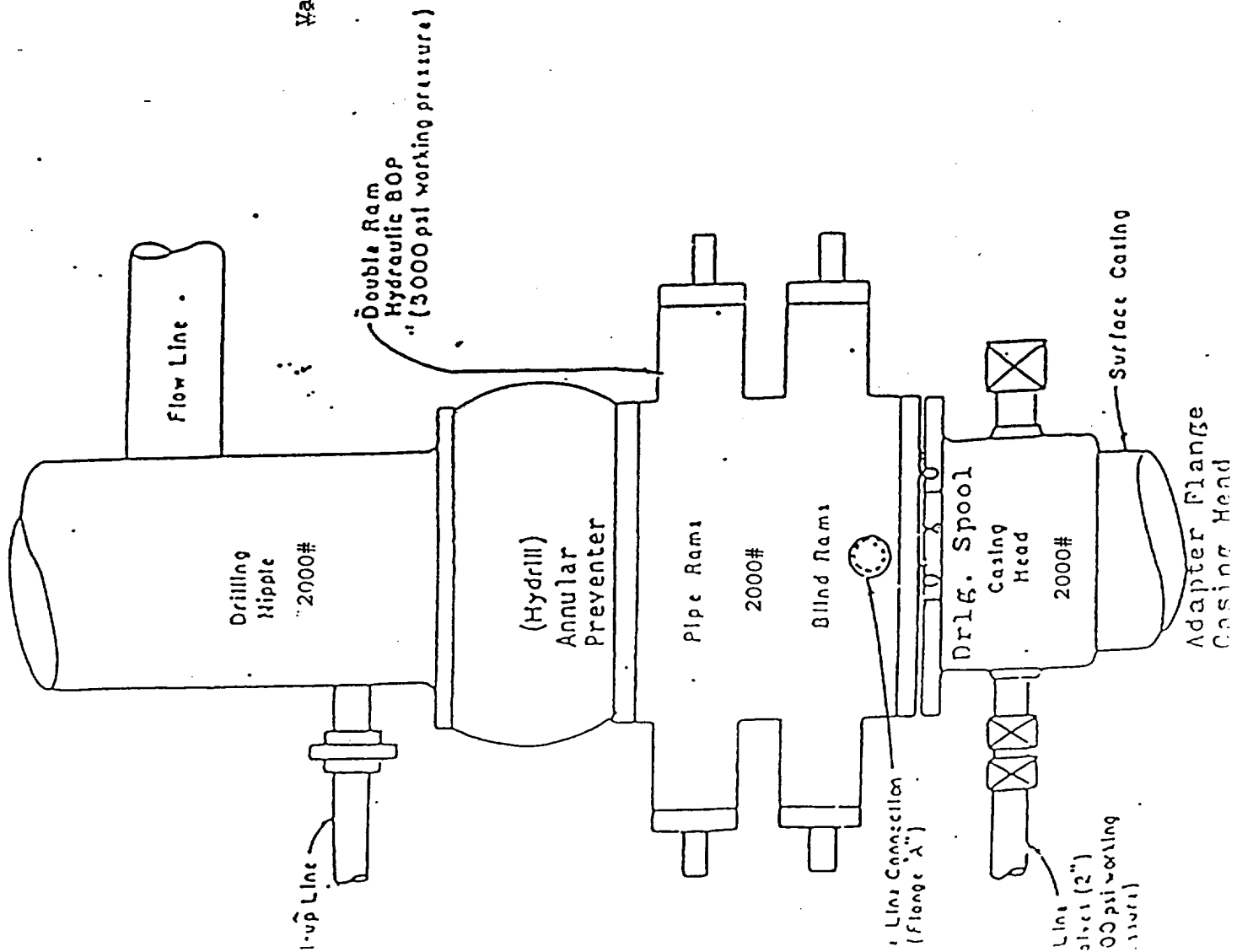
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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

LOT 4	LOT 3	LOT 2	LOT 1
OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Chuck Morgan</u> Printed Name: <u>Chuck Morgan</u> Title: <u>Engineer</u> Date: <u>April 28, 1997</u>			
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. APRIL 14, 1997 Date Surveyed: <u>APRIL 14, 1997</u> Signature & Seal: <u>Ronald J. Eidson</u> Professional Surveyor: <u>NEW MEXICO</u> Certificate No.: <u>3239</u> JOHN W. WEST RONALD J. EIDSON 676 3239 12641			

EXHIBIT 2
BLOWOUT PREVENTER
DIAGRAM



PLAN VIEW - CHOKE MANIFOLD