

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

ARTESIA, NM

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

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. NM-97122	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR SDX Resources, Inc.		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. Chalk Federal#4 20819	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1650' FNL 1650' FWL Unit F At proposed prod. zone Same		9. AP WELL NO. 30-013-29707	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 15 miles SE of Artesia NM		10. FIELD AND POOL, OR WILDCAT 513 cc Red Lake, QN-GB-SA	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 330'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 5, T18S, R27E	
16. NO. OF ACRES IN LEASE 120		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. 738'		19. PROPOSED DEPTH 3500'	
20. ROTARY OR CABLE TOOLS Rotary		21. APPROX. DATE WORK WILL START* June 1, 1997	
22. ELEVATIONS (Show whether DF, RT, GR, etc.) 3476' GR		23. APPROX. DATE WORK WILL START* June 1, 1997	

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
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 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 Roads & Access
Exhibit #4 - One Mile Radius Map
Exhibit #5 - 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 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 has 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 DATE 7-2-97

*See Instructions On Reverse Side

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

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

State of New Mexico

Energy, Minerals and Natural Resources Dept.

Form C-102

Revised January 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

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	Well Number
	CHALK FEDERAL	4
OGRID No.	Operator Name	Elevation
020451	SDX RESOURCES, INC.	3476

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	5	18 S	27 E		1650	NORTH	1650	WEST	EDDY

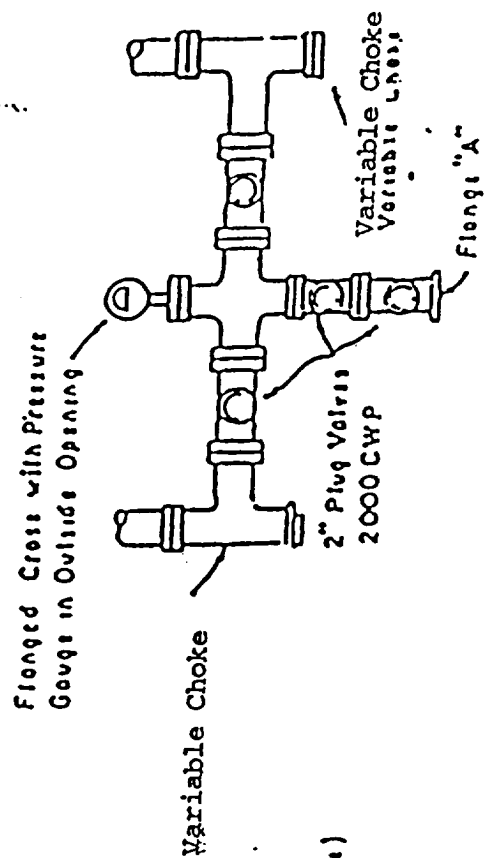
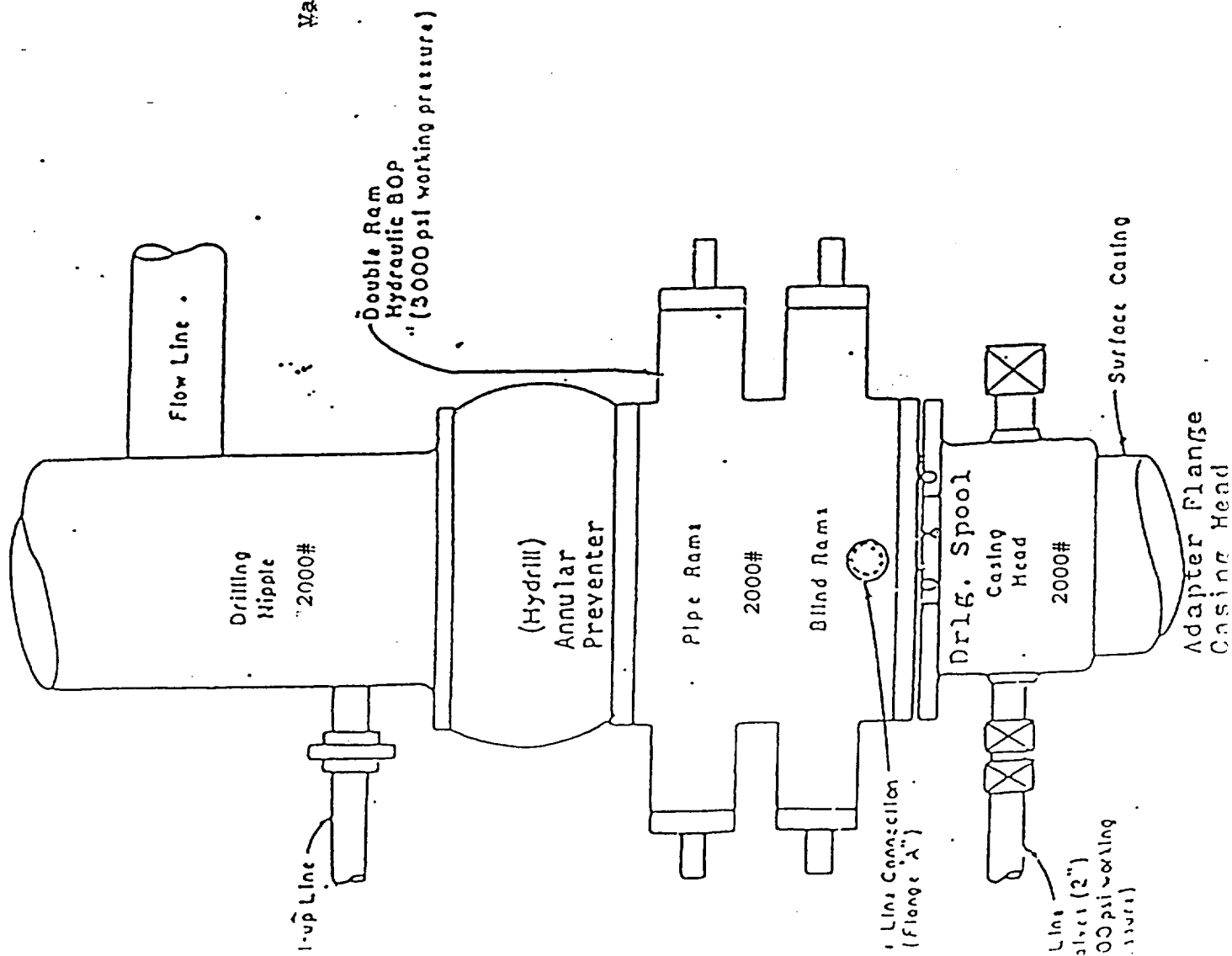
Bottom Hole Location If Different From Surface

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

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 <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Chuck Morgan</i> Signature Chuck Morgan Printed Name Engineer Title April 28, 1997 Date</p>			
SURVEYOR CERTIFICATION <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>APRIL 14, 1997 Date Surveyed Signature of State Professional Surveyor Professional Surveyor RONALD J. LEIDSON NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 17-97 Certificate No. JOHN W. WEST 676 RONALD J. LEIDSON 3239 CAROL LEIDSON 12641</p>			

EXHIBIT 2
BLOWOUT PREVENTER
DIAGRAM



PLAN VIEW - CHOKE MANIFOLD